



Presentation of the KRUK Group's Q3 2021 results

KRUK Group



Agenda



1. Key achievements
2. Geographical and operating segments
3. Financial results
4. Additional information



Record-high net profit of PLN 565m

<p>NET PROFIT</p> <p>PLN 565m (+1,541% y/y)</p>	<p>CASH EBITDA</p> <p>PLN 1,151m (+26% y/y)</p>	<p>RECOVERIES FROM PURCHASED DEBT PORTFOLIOS</p> <p>PLN 1,615m (+20% y/y)</p>	<p>PORTFOLIO INVESTMENTS</p> <p>PLN 933m (+728% y/y)</p>
<p>EPS</p> <p>PLN 29.74 (+1,538% y/y)</p>	<p>ROE rolling (LTM)</p> <p>26% (H1 2020: 3%)</p>	<p>PORTFOLIO CARRYING AMOUNT</p> <p>PLN 4.5bn (+20% y/y)</p>	<p>NET DEBT/CASH EBITDA</p> <p>1.5x (Q3 2020: 1.6x)</p>



Strong recoveries from purchased debt portfolios and significant investment

Recoveries from
purchased debt portfolios
PLN 1,615m
(+20% y/y)

In the nine months to September 30th 2021, recoveries from purchased debt portfolios came to PLN 1,615m (up +20% y/y), including PLN 550m in Q3 2021 alone (up +22% y/y). KRUK has thus posted three consecutive quarters with recoveries in excess of PLN 0.5bn.

Amounts recovered in Poland and Romania accounted for the largest part of the KRUK Group's total recoveries (75%), having increased by 18% on Q1-Q3 2020.

New portfolio purchases
PLN 933m
(+728% y/y)

In the period January–September 2021, the KRUK Group purchased portfolios with a nominal value of PLN 5.1bn.

Purchases made in Poland accounted for 49% of the total investments, but the Group also invested in Italy, Spain, Romania, the Czech Republic, and Slovakia.

Estimated remaining collections (ERC) increased by PLN 2.1bn y/y and PLN 0.4bn q/q.

Directive of the European
Parliament and of the
Council

On October 19th 2021, the European Parliament resolved to adopt the proposed Directive on credit servicers, credit purchasers and the recovery of collateral.

The Directive is aimed at reducing the volumes of non-performing loans and preventing excessive accumulation of NPLs in the future. It will apply to non-performing loan agreements executed by EU-based credit institutions.

The Directive does not affect any civil-law principles governing assignment or transfer of creditor's rights or claims or loan agreements as such.



Strong recoveries support upward revaluation of recovery projections

Net profit:
PLN 565m
(+1,541% y/y)

The record-high net profit reported for the first nine months of 2021 was driven primarily by robust performance of the KRUK Group's purchased debt segment in almost every market where it operates. In Q3 2021 alone, the KRUK Group's net profit was PLN 170m.

Revenue:
PLN 1,339m
(+69% y/y)

Revenue from purchased portfolios came in at PLN 1,208m (up +79% y/y), on the back higher than expected recoveries (deviation of PLN +271m) and upward revaluation of recovery projections amounting to PLN 224m (vs a negative figure of PLN -203m in Q1-Q3 2020). In Q3 2021 alone, revaluation of recovery projections totalled PLN 89m.

The deviations between actual and projected recoveries* in Q3 2021 alone were PLN 58m.

Operating and
administrative
expenses:
PLN 592m
(+6% y/y)

The year-on-year growth in costs of operations was driven mainly by a PLN +32m (+25%) year-on-year increase in court and bailiff costs.

* including revenue decreases on early collections in collateralised cases and payments from original creditor

Strong balance sheet and good access to financing sources



Equity
PLN 2.4bn
(+18% y/y)

Equity represents 46% of the KRUK Group's financing sources. With a net interest-bearing debt to equity ratio of 0.9x (vs 1.0x as at September 30th 2020) and a net interest-bearing debt to cash EBITDA of 1.5x, KRUK's financial position is strong and stable.

Cash and cash
equivalents
PLN 177m
(-33% y/y)

As at September 30th 2021, cash and cash equivalents amounted to PLN 177m (down PLN -351m q/q), As at September 30th 2021, the Company had undrawn lines of credit of PLN 1,085m.

The carrying amount of the Group's investments in debt portfolios accounted for 86% of its assets.

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KRUK Group's key Q1-Q3 2021 performance figures, by segment



(PLNm)

	Poland		Romania		Italy		Spain		Other markets		Head Office		Total	
	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Expenditure on debt portfolios	461	73	118	34	204	0	131	0	19	5	N/A		933	113
Recoveries	783	638	422	382	226	182	118	79	66	65	N/A		1,615	1,346
Carrying amount of purchased debt portfolios (PLNbn)	2,1	1,7	0,9	0,9	0,9	0,7	0,5	0,3	0,1	0,1	N/A		4.5	3.8
Revenue	682	450	329	196	203	77	81	35	45	33	N/A		1,339	792
Purchased debt portfolios	581	359	316	185	196	70	70	28	45	33	N/A		1,208	674
Credit management services	18	17	10	9	7	8	11	8			N/A		45	41
Wonga	63	58									N/A		63	58
Other activities	20	17	3	2							N/A		23	19
EBITDA	442	209	244	128	77	-32	17	-43	22	11	-58	-31	744	242
Cash EBITDA	644	489	350	325	107	81	66	9	43	43	-58	-31	1,151	915

KRUK Group's operations in Poland



(PLNm)	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
EXPENDITURE ON DEBT PORTFOLIOS	461	73	528%	46	18	9	272	130	259	72
RECOVERIES	783	638	23%	219	205	213	225	250	271	262
PORTFOLIO CARRYING AMOUNT	2,143	1,688	27%	1,852	1,754	1,688	1,876	1,929	2,151	2,143
REVENUE	682	450	51%	128	158	165	172	199	261	222
PURCHASED DEBT PORTFOLIOS	581	359	62%	93	131	134	139	166	231	183
REVALUATION OF RECOVERY PROJECTIONS	96	-44	319%	-31	-14	1	5	5	49	41
CREDIT MANAGEMENT SERVICES	18	17	7%	6	5	5	5	6	6	6
WONGA	63	58	8%	23	15	20	21	20	17	26
OTHER ACTIVITIES	20	17	18%	6	6	6	6	6	7	7
EBITDA	442	209	111%	41	79	89	84	122	183	136
WONGA	25	11	130%	4	0	7	5	9	5	11
CASH EBITDA	644	489	32%	167	153	168	170	206	223	215
PORTFOLIO PROFITABILITY (LTM)*	38%	27%	39%	26%	25%	27%	26%	30%	34%	38%

- On the Polish market, KRUK invested PLN 461m (49% of total expenditure), purchasing debt worth nominally PLN 2.7bn. In Poland, KRUK invested primarily in unsecured retail portfolios. As in previous years, Q3 2021 saw fewer transactions closed on the market than the prior two quarters. KRUK expects the supply of portfolios to rebound in the fourth quarter.
- In Q1-Q3 2021, amounts recovered on the Polish market reached PLN 783m, representing 49% the Group's total recoveries, including PLN 262m in Q3 2021 alone (48% of total recoveries).
- The carrying amount of purchased debt portfolios as at September 30th 2021 was PLN 2,143m, relative to PLN 1,688m the year before. Polish portfolios accounted in total for 47% of the carrying amount of all debt portfolios held by the KRUK Group.
- Revenue of PLN 682m was mainly attributable to the excess of actual recoveries against projections and revaluation of recovery projections, which totalled PLN 96m. In Q3 2021 alone, revaluation amounted to PLN 41m. Wonga generated PLN 63m in revenue, including PLN 11m in Q3 2021 alone.
- The LTM portfolio profitability improved 9pp y/y, mainly as a result of the upward revaluation of recovery projections and strong recoveries.

* LTM portfolio profitability calculated as the sum of revenue from purchased portfolios for the last 12 months divided by the arithmetic mean of the portfolio value at the beginning and at the end of the last 12 months.

KRUK Group's operations in Romania



(PLNm)	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
EXPENDITURE ON DEBT PORTFOLIOS	118	34	245%	11	3	20	14	20	23	75
RECOVERIES	422	382	10%	137	114	131	143	140	146	136
PORTFOLIO CARRYING AMOUNT	907	884	3%	973	909	884	889	861	843	907
REVENUE	329	196	67%	47	68	81	119	90	131	107
PURCHASED DEBT PORTFOLIOS	316	185	71%	43	65	76	114	86	127	103
REVALUATION OF RECOVERY PROJECTIONS	103	-41	351%	-28	-5	-9	32	11	50	41
CREDIT MANAGEMENT SERVICES	10	9	1%	3	3	4	4	3	3	3
OTHER ACTIVITIES	3	2	50%	1	0	1	1	1	1	1
EBITDA	244	128	91%	23	48	57	93	63	104	77
CASH EBITDA	350	325	8%	117	96	112	122	116	123	110
PORTFOLIO PROFITABILITY (LTM)*	48%	31%	56%	37%	33%	31%	32%	37%	46%	48%

- On the Romanian market, KRUK invested PLN 118m (13% of total expenditure), purchasing debt portfolios with a nominal value of PLN 534m. In Q3 2021, KRUK's investments in Romania rose more than three-fold on the prior quarter.
- In Q1-Q3 2021, amounts recovered on the Romanian market reached PLN 422m, representing 26% the Group's total recoveries, including PLN 136m in Q3 2021 alone (25% of total recoveries).
- The carrying amount of purchased debt portfolios as at September 30th 2021 was PLN 907m, up 3% year on year. Romanian portfolios accounted in total for 20% of the carrying amount of all debt portfolios held by the KRUK Group.
- Revenue of PLN 329m (up PLN +131m) was mainly attributable to PLN 103m upward revaluation of recovery projections (vs PLN -41m a year earlier). In Q3 2021 alone, revaluation of recovery projections totalled PLN 41m.
- The LTM portfolio profitability improved 17pp y/y, mainly as a result of the upward revaluation of recovery projections and strong recoveries.

* LTM portfolio profitability calculated as the sum of revenue from purchased portfolios for the last 12 months divided by the arithmetic mean of the portfolio value at the beginning and at the end of the last 12 months.

KRUK Group's operations in Italy



(PLNm)	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
EXPENDITURE ON DEBT PORTFOLIOS	204	0	-	0	0	0	0	0	117	87
RECOVERIES	226	182	24%	68	53	61	68	66	70	91
PORTFOLIO CARRYING AMOUNT	915	749	22%	812	744	749	735	727	813	915
REVENUE	203	77	162%	16	3	58	40	54	62	87
PURCHASED DEBT PORTFOLIOS	196	70	181%	13	1	56	37	52	60	85
REVALUATION OF RECOVERY PROJECTIONS	25	-74	133%	-34	-42	1	-22	0	9	16
CREDIT MANAGEMENT SERVICES	7	8	-9%	3	2	3	2	2	2	2
EBITDA	77	-32	345%	-31	-27	26	2	12	19	46
CASH EBITDA	107	81	33%	24	25	32	33	26	29	52
PORTFOLIO PROFITABILITY (LTM)*	28%	17%	61%	17%	16%	17%	14%	19%	26%	28%

- KRUK's investments on the Italian market amounted to PLN 204m, comprising debt worth nominally PLN 1.2bn. The three months to September 30th 2021 were the second consecutive quarter that saw KRUK purchase debt on the Italian market. In Q3 2021, investments reached PLN 87m.
- Amounts recovered on the Italian market came to PLN 226m, accounting for 14% of the Group's total recoveries. In Q3 2021, recoveries amounted to PLN 91m (16% of the Group's total recoveries).
- As at September 30th 2021, the carrying amount of debt portfolios purchased in Italy was PLN 915m, representing 20% of the KRUK Group's total carrying amount of debt portfolios.
- Revenue of PLN 203m was mainly driven by good recoveries and PLN +25m upward revaluation of recovery projections. In Q3 2021 alone, revaluation of recovery projections amounted to PLN 16m.
- The LTM portfolio profitability improved 11pp y/y, mainly as a result of the upward revaluation of recovery projections.

* LTM portfolio profitability calculated as the sum of revenue from purchased portfolios for the last 12 months divided by the arithmetic mean of the portfolio value at the beginning and at the end of the last 12 months.

KRUK Group's operations in Spain



(PLNm)	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
EXPENDITURE ON DEBT PORTFOLIOS	131	0	-	0	0	0	55	0	82	49
RECOVERIES	118	79	48%	29	24	26	31	36	44	38
PORTFOLIO CARRYING AMOUNT	450	336	34%	370	343	336	366	358	421	450
REVENUE	81	35	130%	-1	18	18	3	27	41	13
PURCHASED DEBT PORTFOLIOS	70	28	153%	-4	16	15	-1	24	37	9
REVALUATION OF RECOVERY PROJECTIONS	-7	-41	82%	-25	-12	-4	-19	1	4	-12
CREDIT MANAGEMENT SERVICES	11	8	47%	3	2	3	4	3	4	4
EBITDA	17	-43	140%	-19	-22	-2	-37	6	21	-10
CASH EBITDA	66	9	670%	14	-14	9	-5	18	29	19
PORTFOLIO PROFITABILITY (LTM)*	17%	10%	71%	7%	11%	10%	7%	15%	20%	17%

- KRUK's investments on the Spanish market amounted to PLN 131m, comprising debt worth nominally PLN 626m. In Q3 2021 alone, investments stood at PLN 49m.
- Amounts recovered on the Spanish market reached PLN 118m, accounting for 7% of the Group's total recoveries. In Q3 2021, recoveries amounted to PLN 38m (7% of the Group's total recoveries).
- As at September 30th 2021, the carrying amount of debt portfolios purchased in Spain was PLN 450m, representing 10% of the KRUK Group's total carrying amount of debt portfolios.
- Revenue of PLN 81m was mainly driven by good recoveries. PLN -12m downward revaluation of recovery projections recognised in Q3 2021 represents both an upward revaluation of unsecured retail portfolios and a downward revaluation of corporate debt portfolios.
- The LTM portfolio profitability improved 7pp y/y, mainly as a result of a revaluation of recovery projections y/y.

KRUK Group's operations in Germany, the Czech Republic and Slovakia



(PLNm)	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
EXPENDITURE ON DEBT PORTFOLIOS	19	5	256%	0	2	4	3	10	3	6
RECOVERIES	66	65	1%	23	21	21	21	20	22	23
PORTFOLIO CARRYING AMOUNT	120	120	0%	68	118	120	119	122	124	120
REVENUE	45	33	37%	10	9	13	13	12	17	16
PURCHASED DEBT PORTFOLIOS	45	33	37%	10	9	13	13	12	17	16
REVALUATION OF RECOVERY PROJECTIONS	8	-3	380%	-4	1	0	2	0	4	3
EBITDA	22	11	98%	3	1	7	8	5	9	8
CASH EBITDA	43	43	-2%	16	13	14	15	13	14	15
PORTFOLIO PROFITABILITY (LTM)*	49%	35%	41%	27%	33%	35%	35%	38%	46%	49%

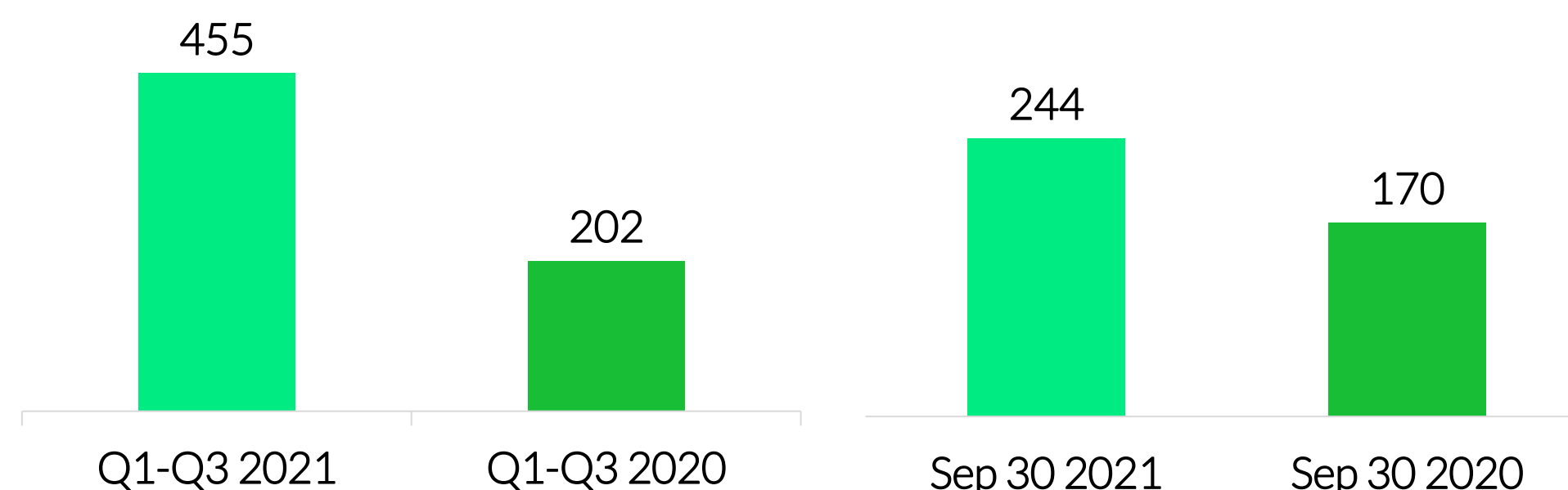
- Investments on the Czech and Slovak market amounted to PLN 19m, comprising debt with a nominal value of PLN 91m.
- Portfolio recoveries amounted to PLN 66m, accounting for 4% of the Group's total recoveries. In Q3 2021, recoveries reached PLN 23m.
- As at September 30th 2021, the carrying amount of debt portfolios purchased on that market was PLN 120m, representing 3% of the KRUK Group's total carrying amount of debt portfolios.
- Revenue of PLN 45m included PLN +8m upward revaluation of recovery projections (vs PLN -3m a year earlier).
- The LTM portfolio profitability improved 14pp y/y, mainly as a result of the upward revaluation of recovery projections.

* LTM portfolio profitability calculated as the sum of revenue from purchased portfolios for the last 12 months divided by the arithmetic mean of the portfolio value at the beginning and at the end of the last 12 months.

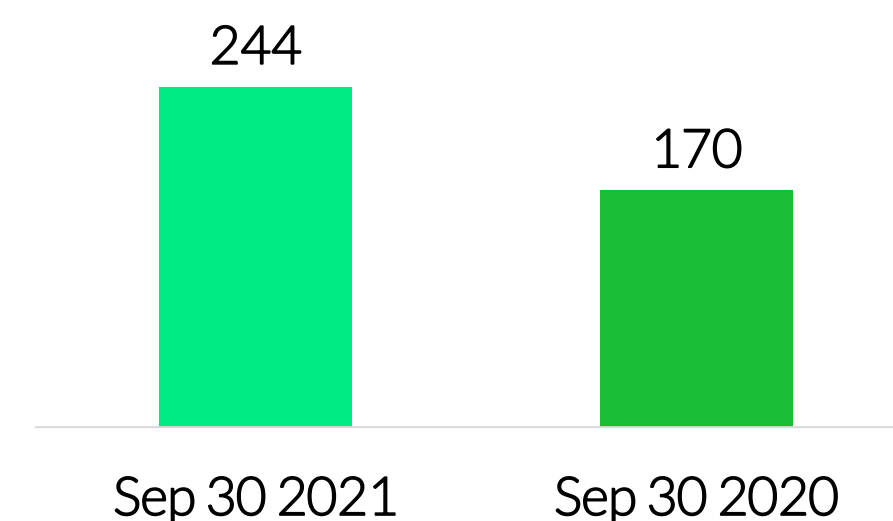
KRUK Group's businesses - Wonga



Net value of loans advanced (PLNm)



Carrying amount of loans advanced (PLNm)



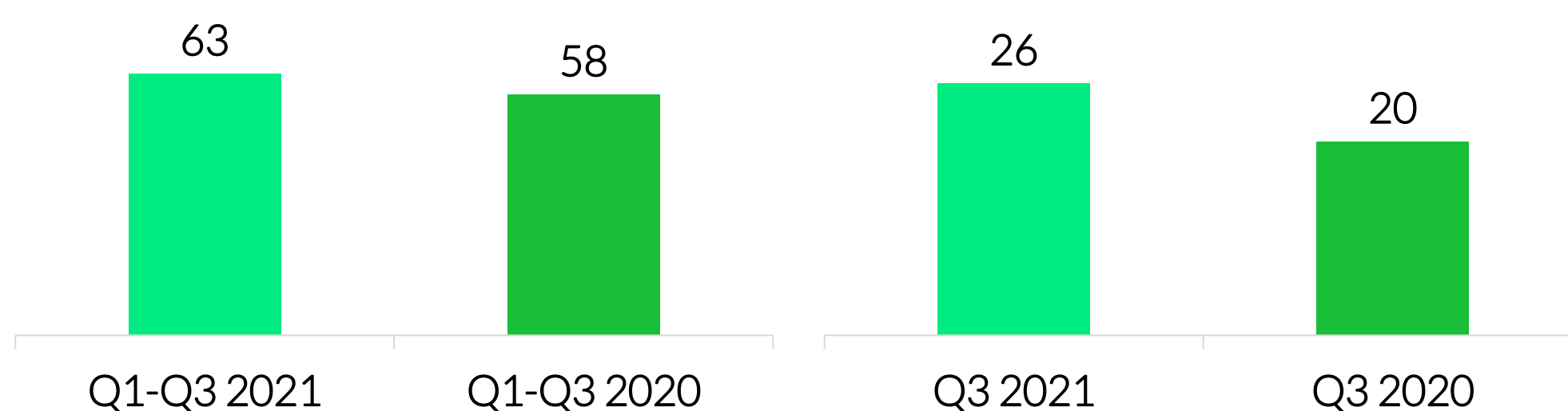
Wonga.pl disbursed 170 thousand cash loans in Poland, with a net amount of PLN 455m.

As at September 30th 2021, the carrying amount of loans advanced by Wonga was PLN 244m, up 44% y/y.

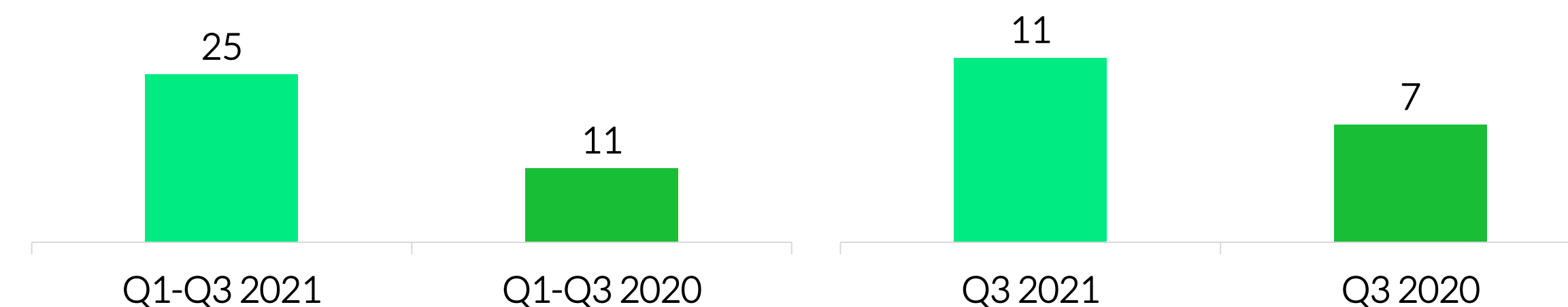
The nominal value of loans advanced was PLN 455m, up 125% y/y.

Wonga's revenue came in at PLN 63m (up 8% y/y), with EBITDA at PLN 25m (up 130% y/y). In Q3 2021 alone, revenue was PLN 26m (up 49% q/q), with EBITDA at PLN 11m (up 115% q/q).

Revenue (PLNm)



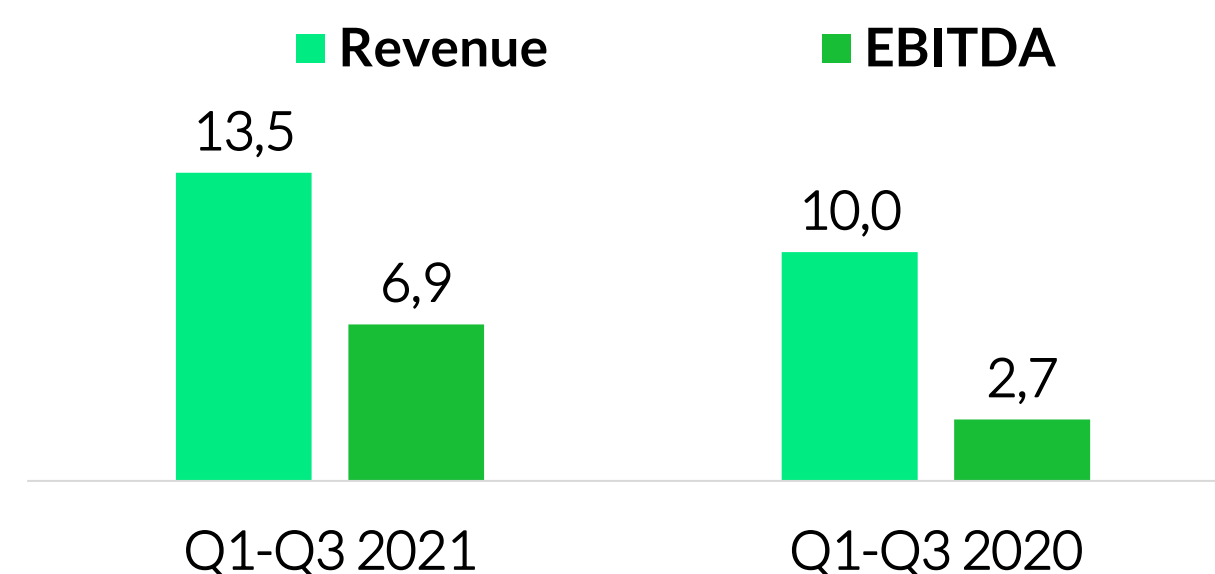
EBITDA (PLNm)



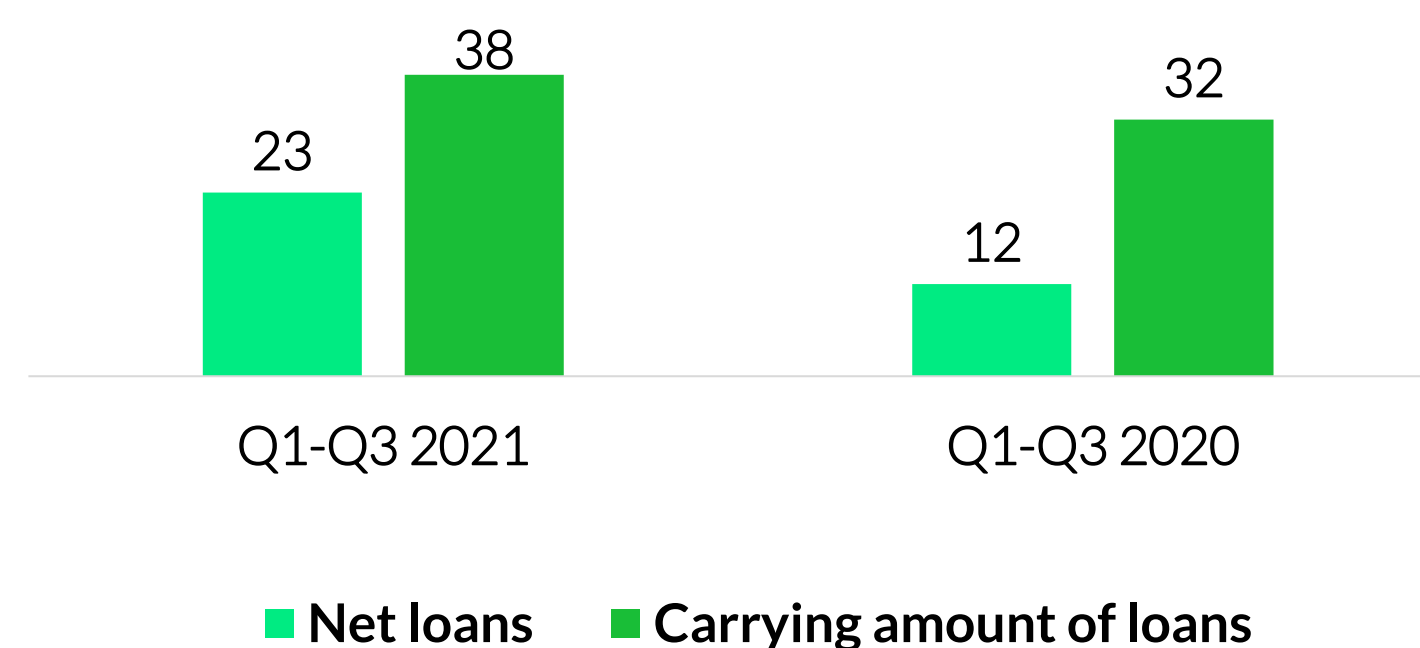
KRUK Group's businesses - Novum and ERIF



Revenue and EBITDA
(PLNm)



Value of loans advanced
(PLNm)

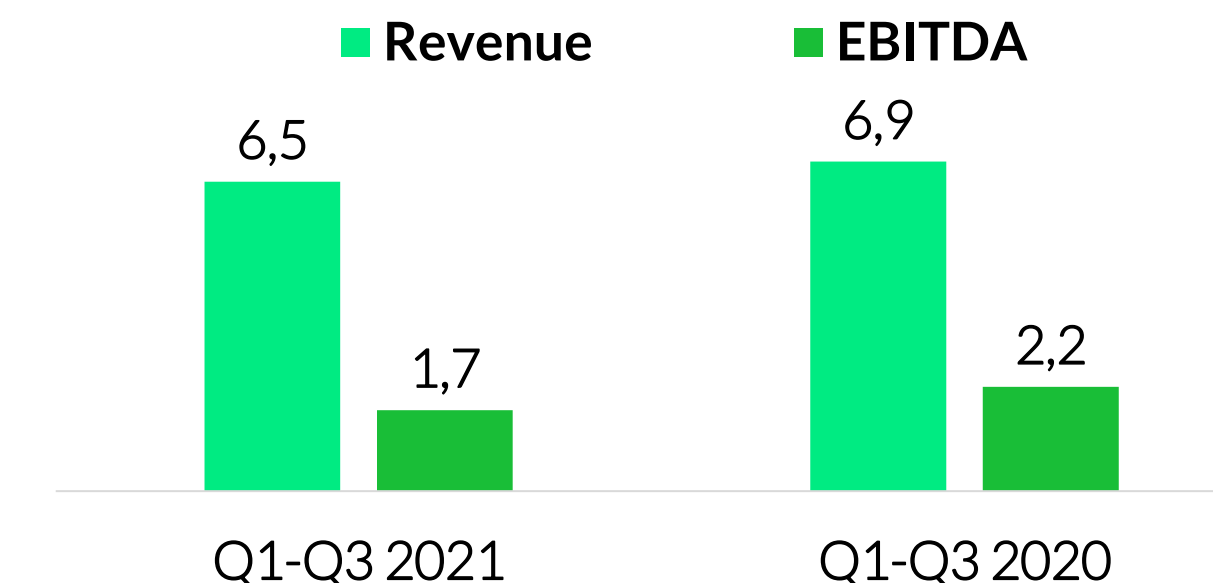


Novum's revenue in Poland totalled PLN 13.5m (up 35% y/y), with EBITDA at PLN 6.9m (up 156% y/y).

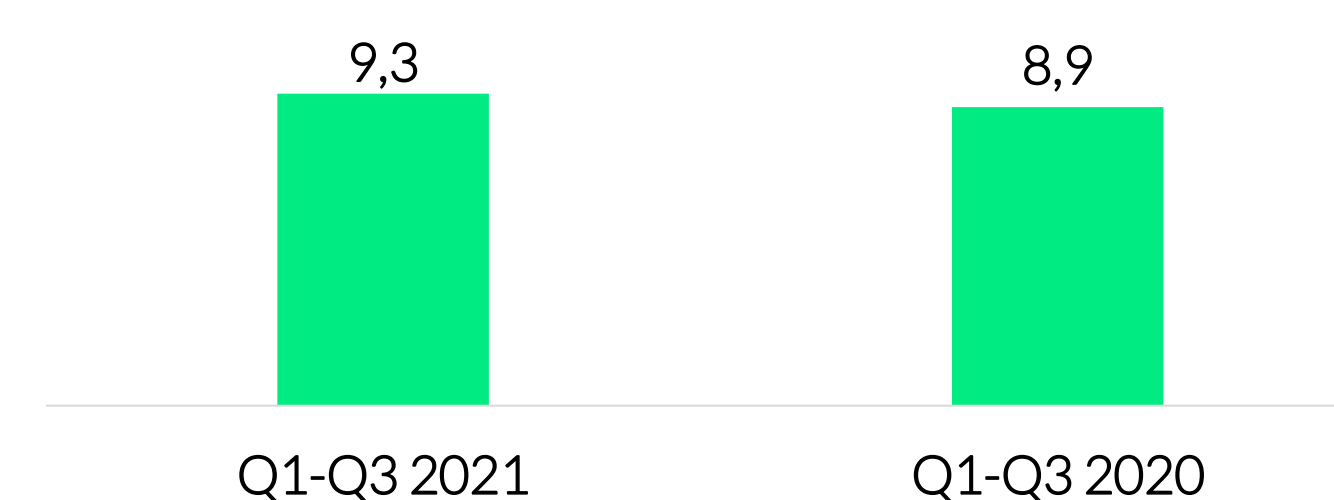
The main contributor to the y/y improvement was concentration on the less risky client segment and an increase in product margins (extended loan terms).



Revenue and EBITDA
(PLNm)



Number of reports downloaded
(millions)



ERIF's revenue was PLN 6.5m (down 6% y/y), with EBITDA at PLN 1.7m (down 23% y/y).

As at September 30th 2021, the total number of records in the ERIF database was 127m, of which 97% were positive records.

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KRUK Group – P&L by business segments (presentation format)



PLNm	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
PURCHASED DEBT PORTFOLIOS										
Expenditure on debt portfolios	933	113	728%	57	23	33	344	159	484	289
Recoveries	1,615	1,346	20%	477	417	452	488	512	553	550
STATEMENT OF PROFIT OR LOSS										
Operating income	1,339	792	69%	199	257	335	347	382	512	445
Purchased debt portfolios	1,208	674	79%	156	223	295	303	341	472	396
of which: revaluation of recovery projections	224	-203	210%	-121	-72	-10	-2	18	117	89
of which: income from difference between expected and actual recoveries and other items*	271	160	70%	25	62	73	75	89	124	58
Credit management services	45	41	10%	14	13	14	16	15	15	15
Other products and services	86	77	11%	29	21	27	28	27	25	33
EBITDA	744	242	208%	5	71	166	137	193	317	235
EBITDA margin	56%	31%		2%	28%	50%	40%	50%	62%	53%
Finance income / costs	-57	-98	42%	-47	-23	-28	-30	-30	3	-30
of which: net foreign exchange gains/(losses)	7	-7	202%	-5	14	-17	-2	-5	14	-2
Profit before tax	651	109	-496%	-54	36	127	96	151	306	193
Tax expense	-85	-75	-14%	-8	6	-73	-49	-24	-38	-23
Tax %	-13%	-68%		15%	18%	-57%	-51%	-16%	-12%	-12%
Net profit	565	35	-1,541%	-62	43	54	47	127	268	170
Net profit margin	42%	4%		-31%	17%	16%	13%	33%	52%	38%
ROE LTM	23%	5%		6%	5%	3%	4%	12%	22%	25%
Cash EBITDA	1,151	915	26%	326	265	324	322	364	399	389

* Deviations between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor

The KRUK Group – P&L by geographical segments (presentation format)



PLNm	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Operating income	1,339	792	69%	199	257	335	347	382	512	445
Poland	682	450	51%	128	158	165	172	199	262	222
Romania	329	196	67%	47	68	81	119	90	131	107
Italy	203	77	162%	16	3	58	40	54	62	87
Spain	81	35	130%	-1	18	18	3	27	41	13
Other countries	45	33	37%	10	9	13	13	12	17	16
EBITDA	744	242	208%	5	71	166	137	193	317	235
EBITDA margin	56%	31%		2%	28%	50%	40%	50%	62%	53%
Finance income/costs	-57	-98	42%	-47	-23	-28	-30	-30	3	-30
Income tax	-85	-75	14%	-8	6	-73	-49	-24	-38	-23
Net profit	565	35	-1,541%	-62	43	54	47	127	268	170
Net profit margin	42%	4%		-31%	17%	16%	13%	33%	52%	38%

KRUK Group – cash flows (presentation format)



PLNm	Q1-Q3 2021	Q1-Q3 2020	y/y	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Cash flows from operating activities	953	738	29%	225	247	266	261	303	357	294
Recoveries – purchased debt portfolios	1,615	1,346	20%	477	417	452	488	512	553	550
Operating costs – purchased debt portfolios	-373	-332	-12%	-123	-102	-107	-137	-123	-121	-129
Operating margin – credit management	11	10	12%	2	3	4	4	4	4	3
Administrative expenses	-144	-115	-25%	-37	-39	-39	-45	-42	-50	-52
Other operating cash flow	-156	-172	9%	-95	-32	-44	-49	-48	-30	-79
Cash flows from investing activities	-944	-124	-664%	-60	-26	-37	-345	-162	-490	-292
Expenditure on debt portfolio purchases	-933	-113	-728%	-57	-23	-33	-344	-159	-484	-289
Other investing cash flow	-12	-11	-6%	-3	-3	-5	-1	-3	-6	-3
Cash flows from financing activities	22	-499	-104%	-79	-206	-214	-37	-117	492	-353
Issue of shares	0	0	-	0	0	0	3	0	0	0
Dividend /Share repurchase	-206	0	-	0	0	0	-95	0	0	-206
Increase in borrowings and lease liabilities	1,933	638	203%	271	301	66	651	348	1,133	451
Issue of bonds	485	25	1,840%	0	0	25	0	20	400	65
Decrease in borrowings and lease liabilities	-1,800	-1,233	-46%	-369	-530	-334	-516	-445	-803	-552
Redemption of bonds	-400	-13	-2,894%	0	-13	0	-75	-65	-300	-35
Other financing cash flow	10	85	-88%	20	36	29	-5	26	61	-76
Net cash flows	31	115	-73%	86	15	15	-120	24	358	-351

The KRUK Group – selected items of the statement of financial position (presentation format)

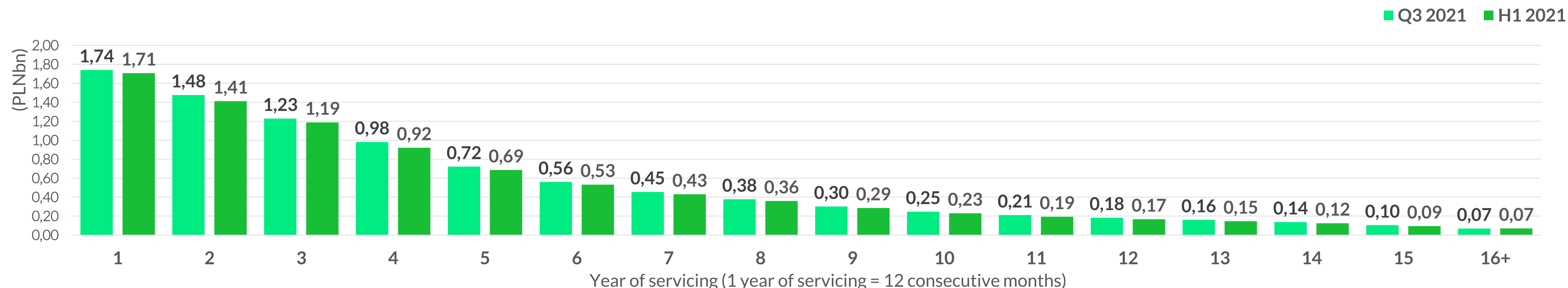


PLNm	Sep 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020	Sep 30 2020	Jun 30 2020	Mar 31 2020
ASSETS							
Cash and cash equivalents	177	528	170	146	266	251	236
Investments in debt portfolios and loans	4,836	4,601	4,234	4,209	3,984	4,076	4,307
Other assets	270	244	267	289	262	309	307
Total assets	5,283	5,373	4,672	4,643	4,511	4,635	4,850
EQUITY AND LIABILITIES							
Equity	2,425	2,207	2,187	2,043	2,064	1,987	1,953
of which: Retained earnings	1,903	1,734	1,671	1,544	1,497	1,536	1,496
Liabilities	2,857	3,167	2,485	2,600	2,448	2,648	2,897
of which: Bank borrowings and leases	1,032	1,137	804	908	765	1,031	1,259
Bonds	1,395	1,360	1,273	1,314	1,383	1,354	1,376
Total equity and liabilities	5,283	5,373	4,672	4,643	4,511	4,635	4,850
METRICS							
Interest-bearing debt	2,427	2,497	2,077	2,222	2,148	2,385	2,635
Net interest-bearing debt	2,250	1,969	1,907	2,076	1,882	2,134	2,399
Net interest-bearing debt to equity	0,9	0,9	0,9	1,0	0,9	1,1	1,2

KRUK Group – ERC



Estimated remaining collections (ERC) by years of servicing as at the end of period

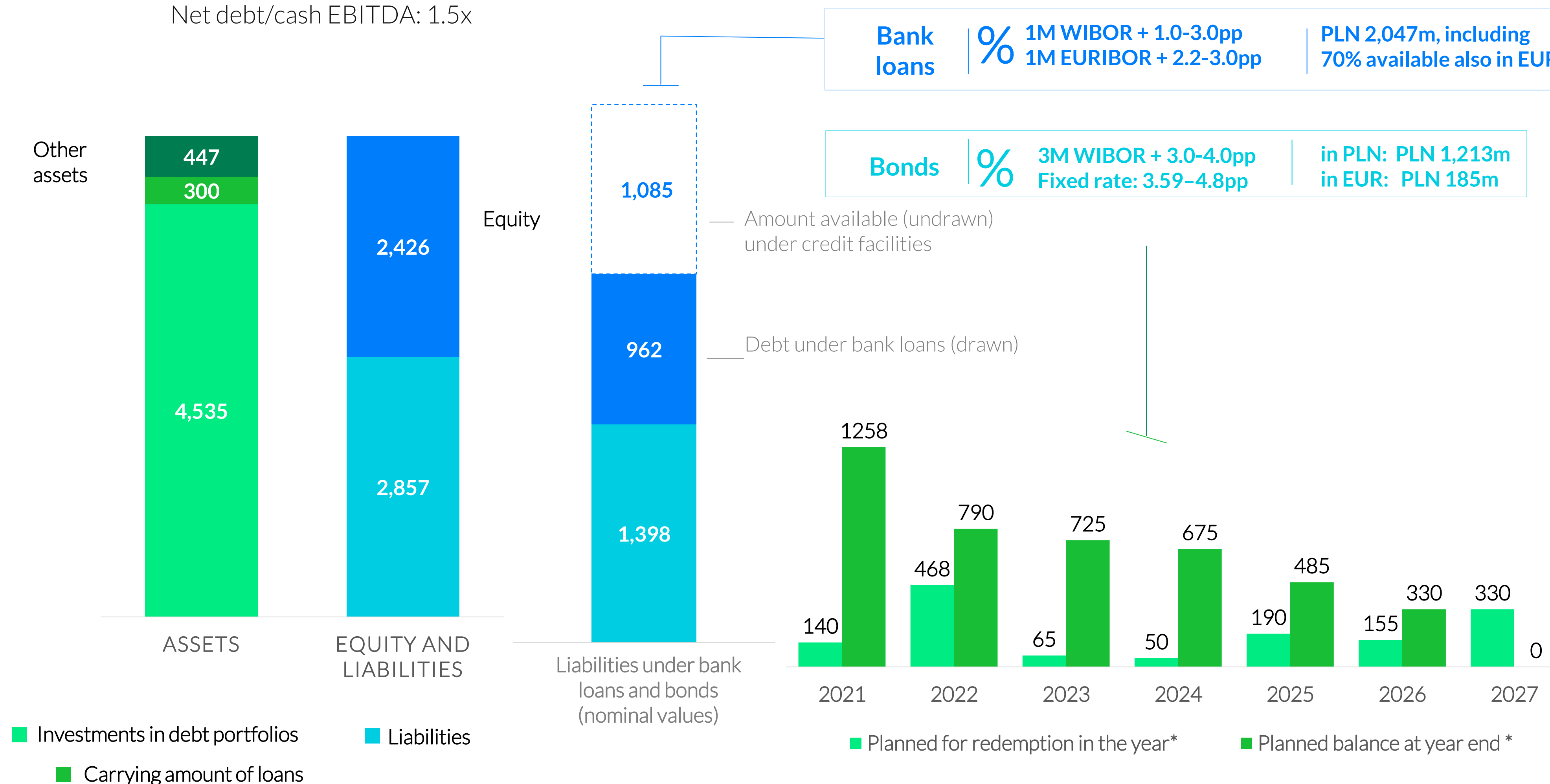


Estimated remaining collections from debt portfolios as at September 30th 2021 were PLN 8.9bn, up PLN 1bn, or 13%, on December 31st 2020, and up PLN 400m on June 30th 2021. The increase was driven, among other factors, by investments of PLN 933m in debt portfolios with a nominal value of PLN 5.1bn, made in the first nine months of 2021, and revaluation of recovery projections as at September 30th 2021, with a total discounted value of PLN 224m, including PLN 89m in the third quarter of 2021 alone.

KRUK has good access to financing



Net debt/equity 0.9x
Net debt/cash EBITDA: 1.5x



* Nominal values as at September 30th 2021.

Agenda

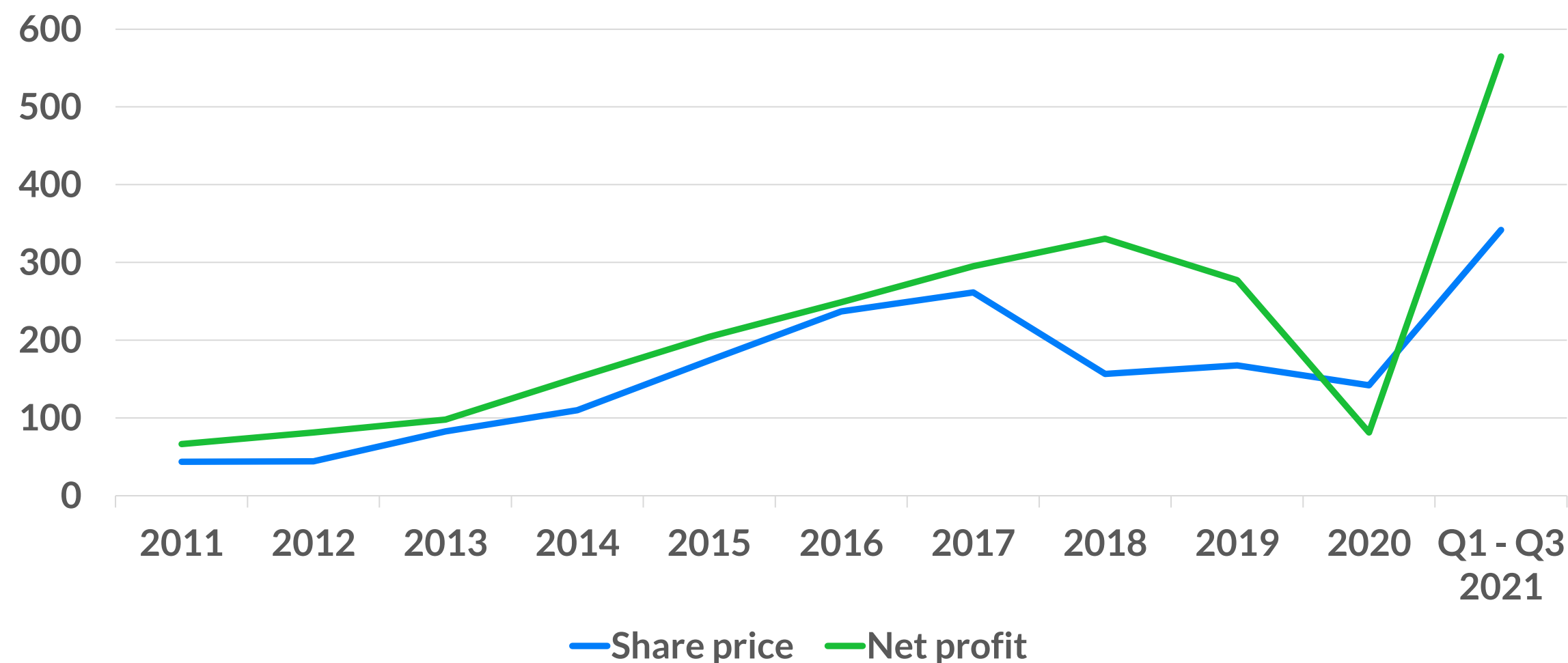


1. Key achievements
2. Geographical and operating segments
3. Financial results
4. Additional information

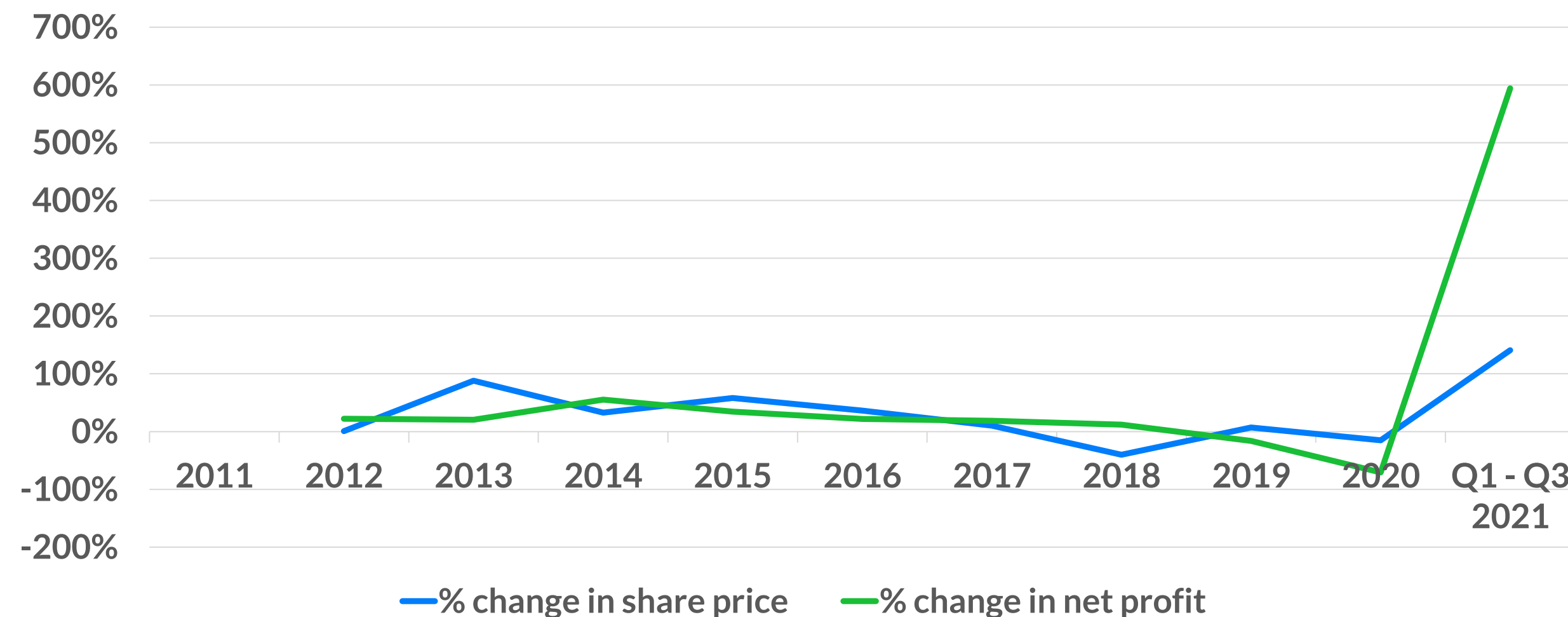
Net profit growth and KRUK stock performance



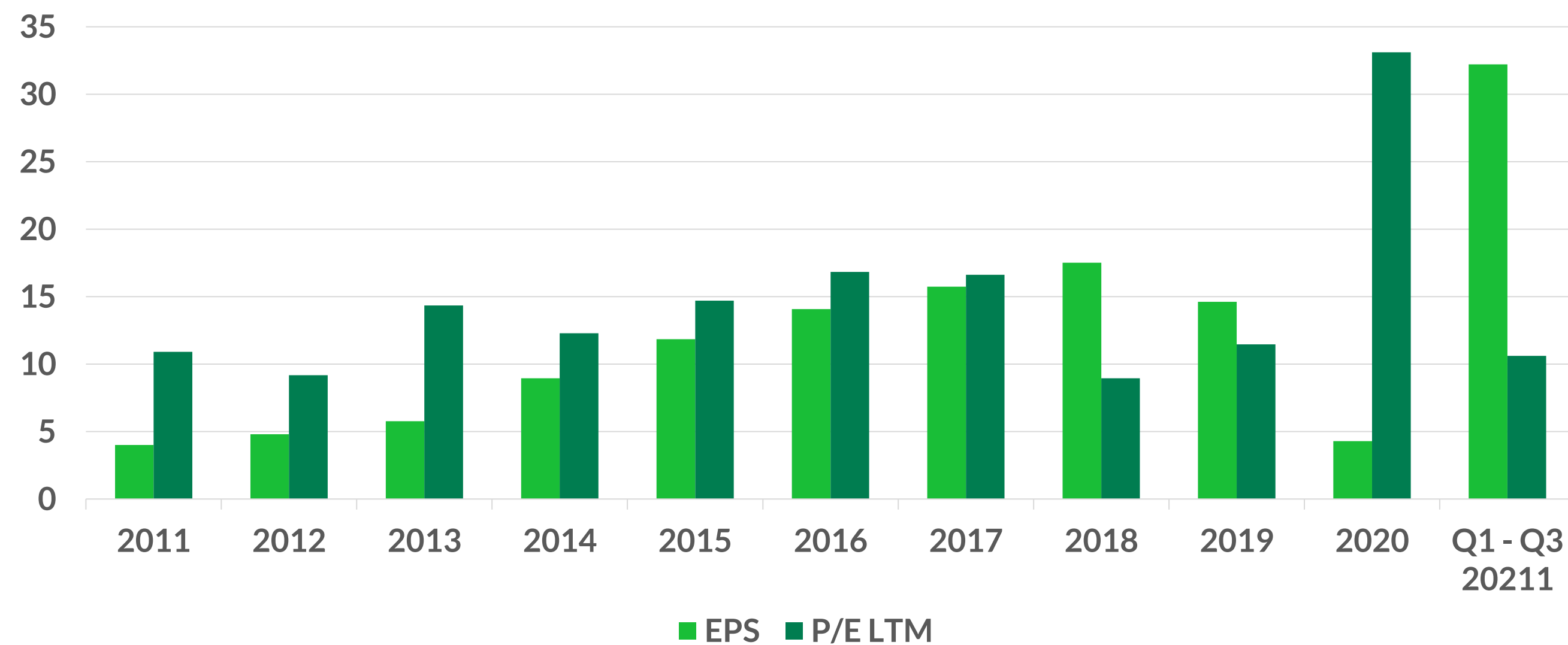
KRUK share price* and net profit



Increase / decrease in KRUK share price and net profit



KRUK's EPS and LTM P/E ratio



* Share price at end of period. Source: stooq.pl
 ** Net profit at end of period. Net profit for 2021 is net profit for Q1-Q3.



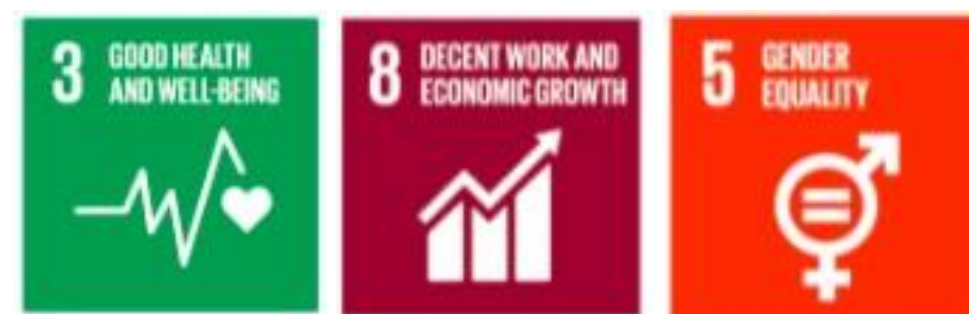
Non-financial information of the KRUK Group

Social responsibility



- Continuation of educational campaigns targeted at indebted persons and general public alike
- Continuation of the ‘*Debt Collection? Everything Clear!*’ campaign coordinated by the Association of Financial Companies in Poland and dedicated to improving the image of the debt management industry in Poland
- Continued partnership with the Psychological Support Centre
- KRUK S.A – launch of an omnichannel campaign to encourage Poles to talk about their debts (the campaign will run until the end of 2021 and is designed to support KRUK S.A.'s rebranding efforts)
- KRUK Italia and AgeCredit – partnership with a charitable trust dedicated to supporting persons with the Down syndrome as part of the DADI Hearts programme (the partnership will continue for a period of three years).
- KRUK Romania – joining the MERITO project, which was initiated at the Romanian Business Leaders Summit to support teachers by promoting various best practices and quality education, including financial knowledge.

Safe and healthy workplace



- Continuation of the home office model – with *ca.* 90% of staff continuing to work from home.
- As part of its corporate culture and in response to homeworking challenges and employee expectations, the KRUK Group has been applying and testing various models to build and enhance employee engagement and integration, including through gamification and deploying a brand new on-boarding system.
- In pursuit of the Fifth Sustainable Development Goal, the KRUK Group’s Spanish subsidiary ran a dedicated campaign to promote diversity and gender equality at the workplace.

Environmental responsibility



- KRUK continues work to streamline and optimise its workflows to cut down generation of paper waste – in Q3 2021, Kruk Romania launched deployment of a biometric signature technology.
- KRUK S.A. commissioned a dedicated public opinion poll and undertook initiatives to promote reducing excessive consumption in the face of accelerating depletion of natural resources as marked by the Earth Overshoot Day falling on an earlier date each year.
- KRUK Italia took part in an Italy-wide plastic waste collection event organised by Plastic Free Onlus – volunteers from the company helped collect plastic waste in La Spezia, the Cinque Terre region.
- Following optimisation of its office space, the Czech subsidiary of the KRUK Group donated some of its furniture and electronic equipment to local schools in line with circular economy principles.

Investor Relations



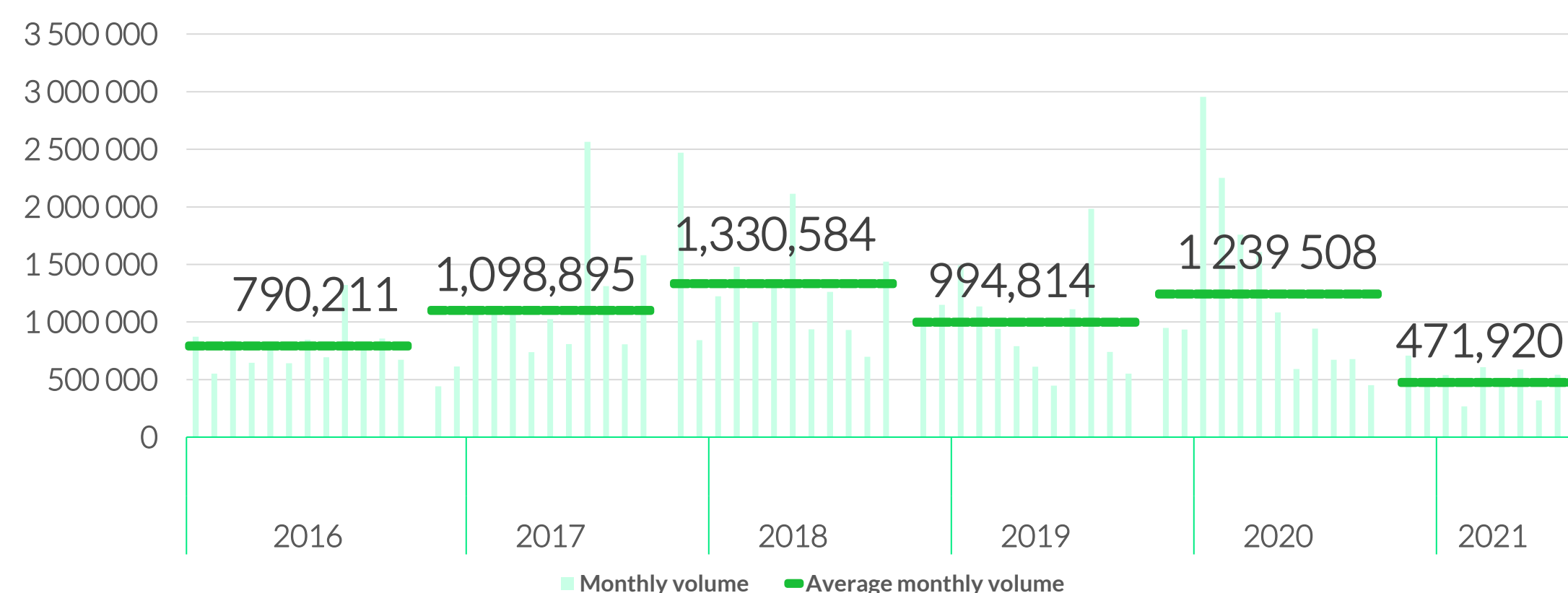
Selected IR events planned for 2021

Date	Event
September 13th	PKO BP Virtual Investor's Day: CEE Financials
October 1st	mBank/Commerzbank 'European Financials Conference'
October 6th	ERSTE The Finest CEElection Investor Conference 2021
November 3rd	Q3 2021 financial statements
November 23rd	Santander 2021 Financial Sector Conference
December 7th	Goldman Sachs European NPL Conference
December 7th-10th	WOOD's Winter Wonderland - EME

Equity analyst recommendations

Date	Author	Recommendation	Price target
October 2021	DM Trigon	buy	PLN 365.00
October 2021	DM mBanku	hold	PLN 288.46
July 2021	DM Trigon	hold	PLN 310.00

KRUK as the 25th most liquid stock on the WSE



Shareholders with ownership interests above 3%*

Shareholder	Ownership interest
OFE Nationale-Nederlanden	14.95%
Piotr Krupa	9.75%
OFE Aviva Santander	9.21%
OFE PZU Złota Jesień	8.80%
OFE Allianz Polska	5.38%
OFE Aegon	5.04%
OFE MetLife	4.96%
OFE Generali	4.60%
OFE UNIQA	3.68%

Research coverage

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* Source: stooq.pl as at September 30th 2021.



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