

Presentation of the KRUK Group's Q1 2023 results

KRUK Group

Agenda



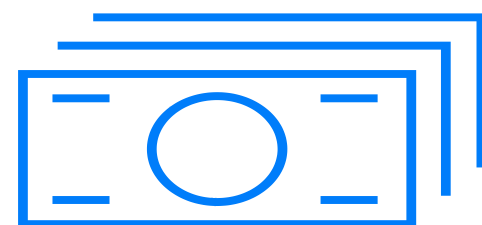
1. Summary
2. KRUK Group's results
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KRUK after Q1 2023 – record-high recoveries and cash EBITDA in 25-year-long history



NET PROFIT

PLN 235m
(-4% y/y)



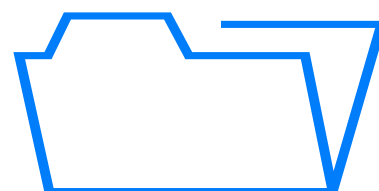
CASH EBITDA

PLN 530m
(+19% y/y)



RECOVERIES FROM
PURCHASED DEBT
PORTFOLIOS

PLN 724m
(+16% y/y)



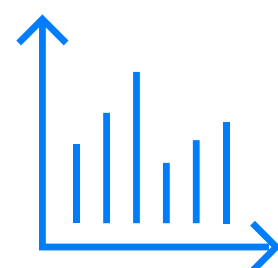
NEW DEBT
PORTFOLIO
PURCHASES

PLN 524m
(+100% y/y)



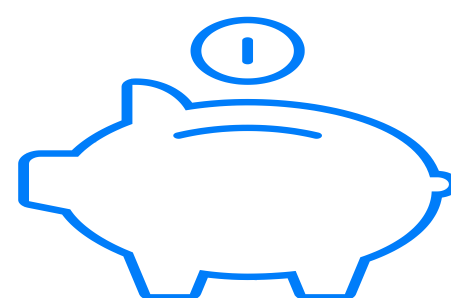
EPS

PLN 12.13
(-5% y/y)



ROE rolling
(LTM)*

23%



PORTFOLIO CARRYING
AMOUNT

PLN 7.1bn
(+33% y/y)



NET DEBT/CASH EBITDA

2.0x
(Q1 2022: 1.6x)

* last twelve months.

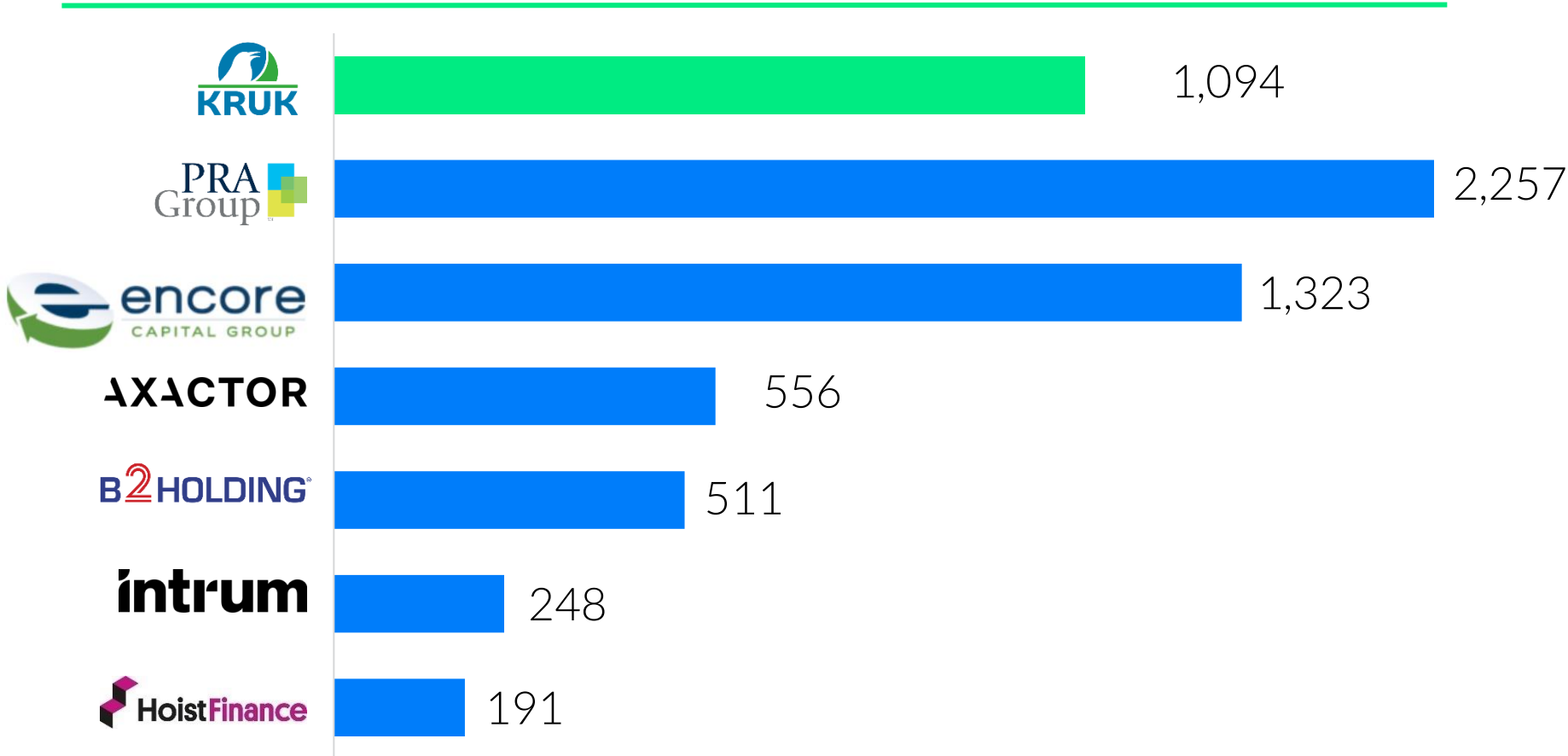
KRUK compared with industry peers – one of the highest results among publicly listed companies in 2022



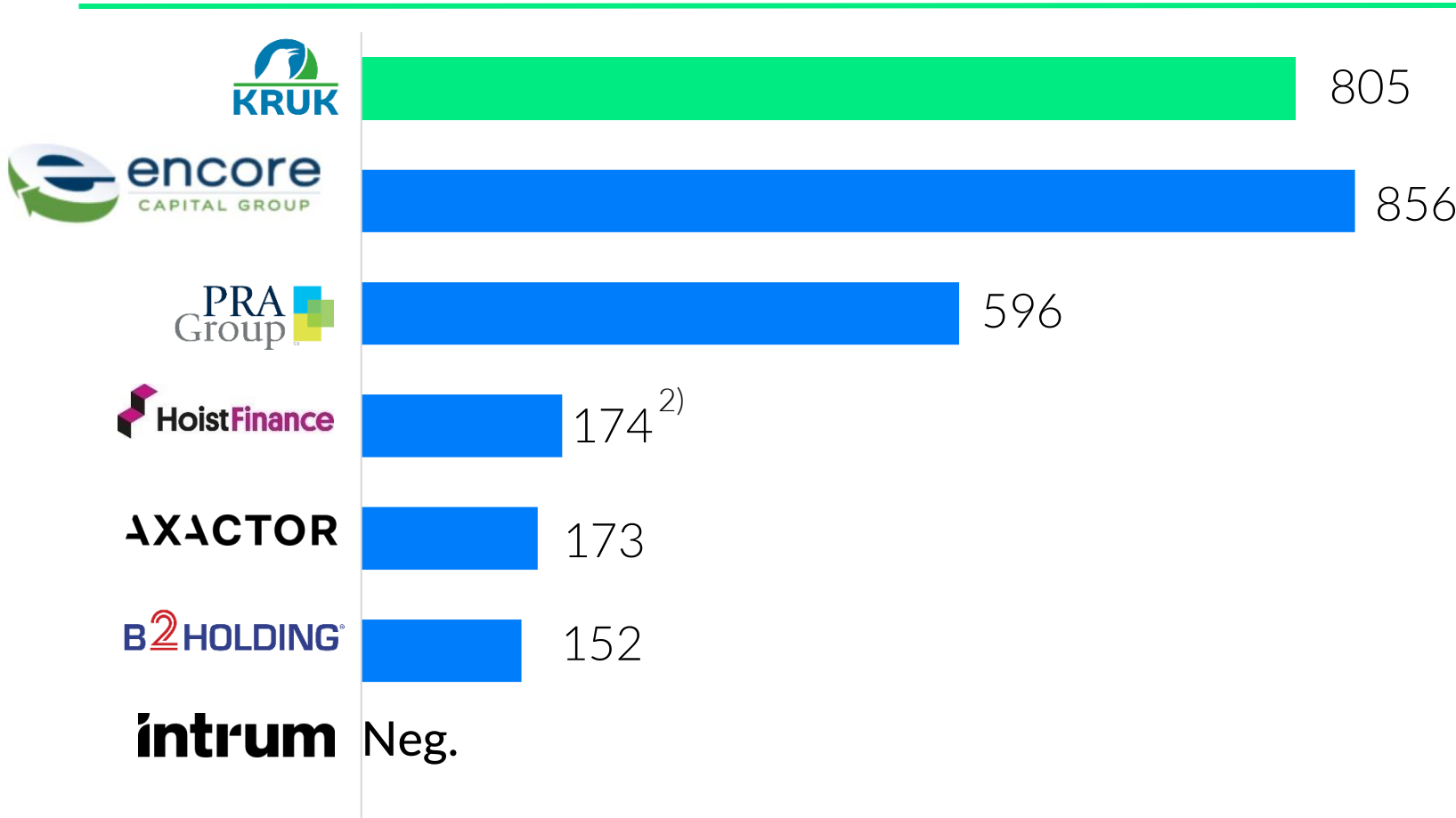
Competition in the markets where KRUK is present¹⁾

		✓	✓	✓	✓	✓	✓	✓
							✓	
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		✓	✓	✓			✓	✓
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2022 EBITDA [PLNm]¹⁾












2022 Net profit [PLNm]¹⁾



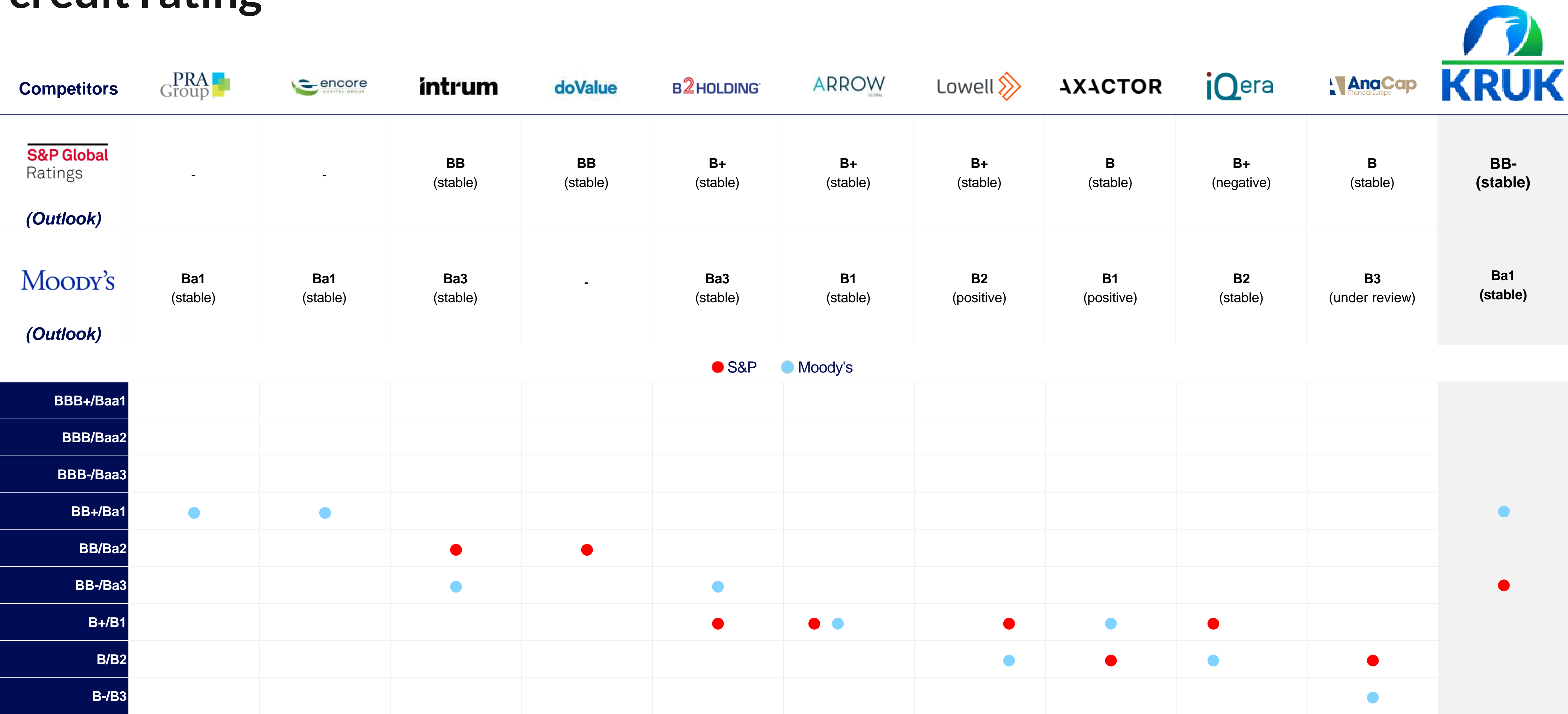
Exchange rate as at March 2nd 2023; 1) EOS, Arrow Global and Banca Ifis not shown in the charts due to unavailability of data. Encore Capital present in Europe as Cabot Financial. 2) Continued operations;

KRUK compared with industry peers – one of the least indebted and most profitable companies among the listed companies



		Return on equity (ROE)	Net Debt / Cash EBITDA LTM	Net Debt / Book Value	Market capitalisation [EURm]
		24,7%	2,1x	1,2x	1,479
AXACTOR		7,9%	4,2x	2,2x	166
B2HOLDING		6,2%	2,,3x	1,7x	262
		13,9%	2,6x	2,7x	197
intrum		Neg	4,0x	2,9x	1,222
		9,1%	2,2x	2,0x	1,380

KRUK compared with industry peers – one of the best credit rating



Agenda

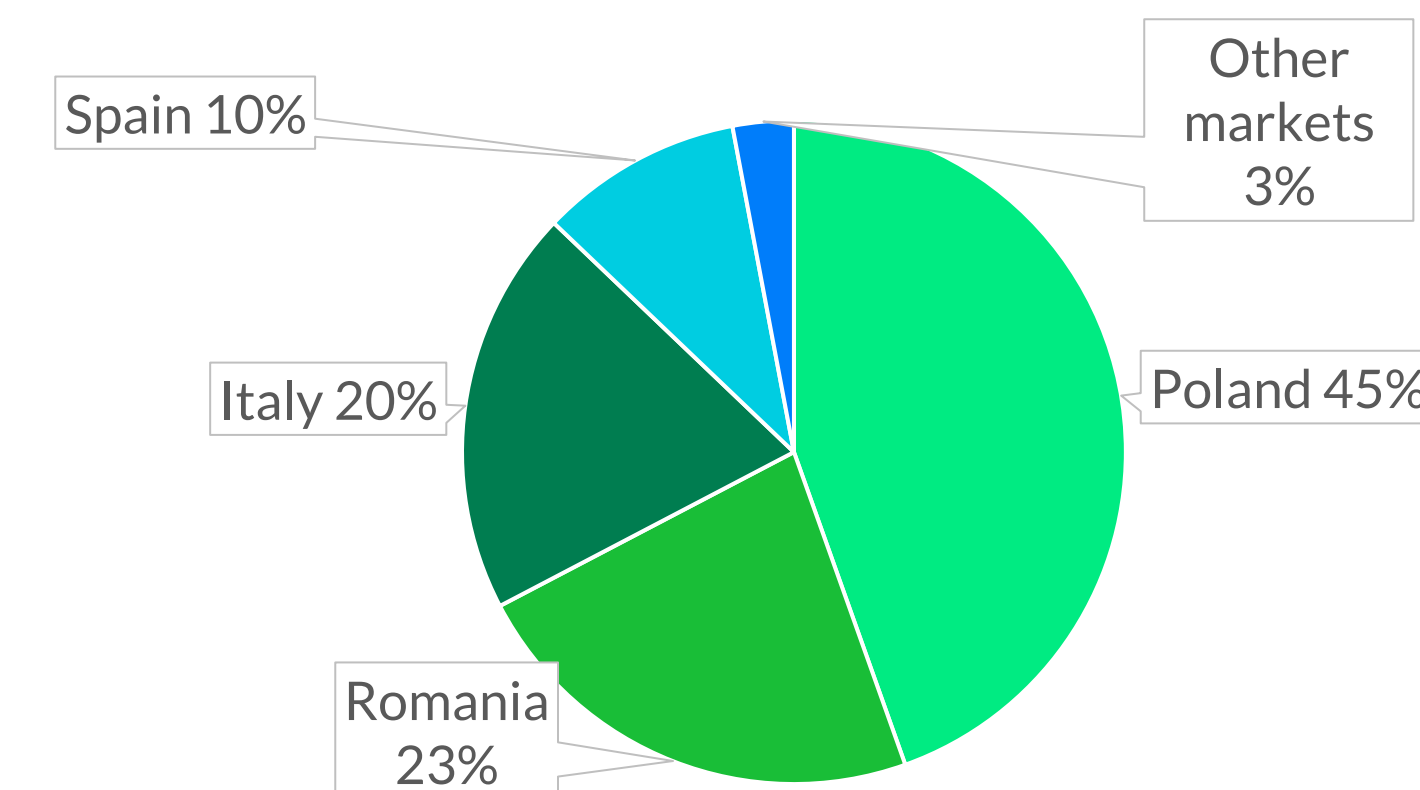


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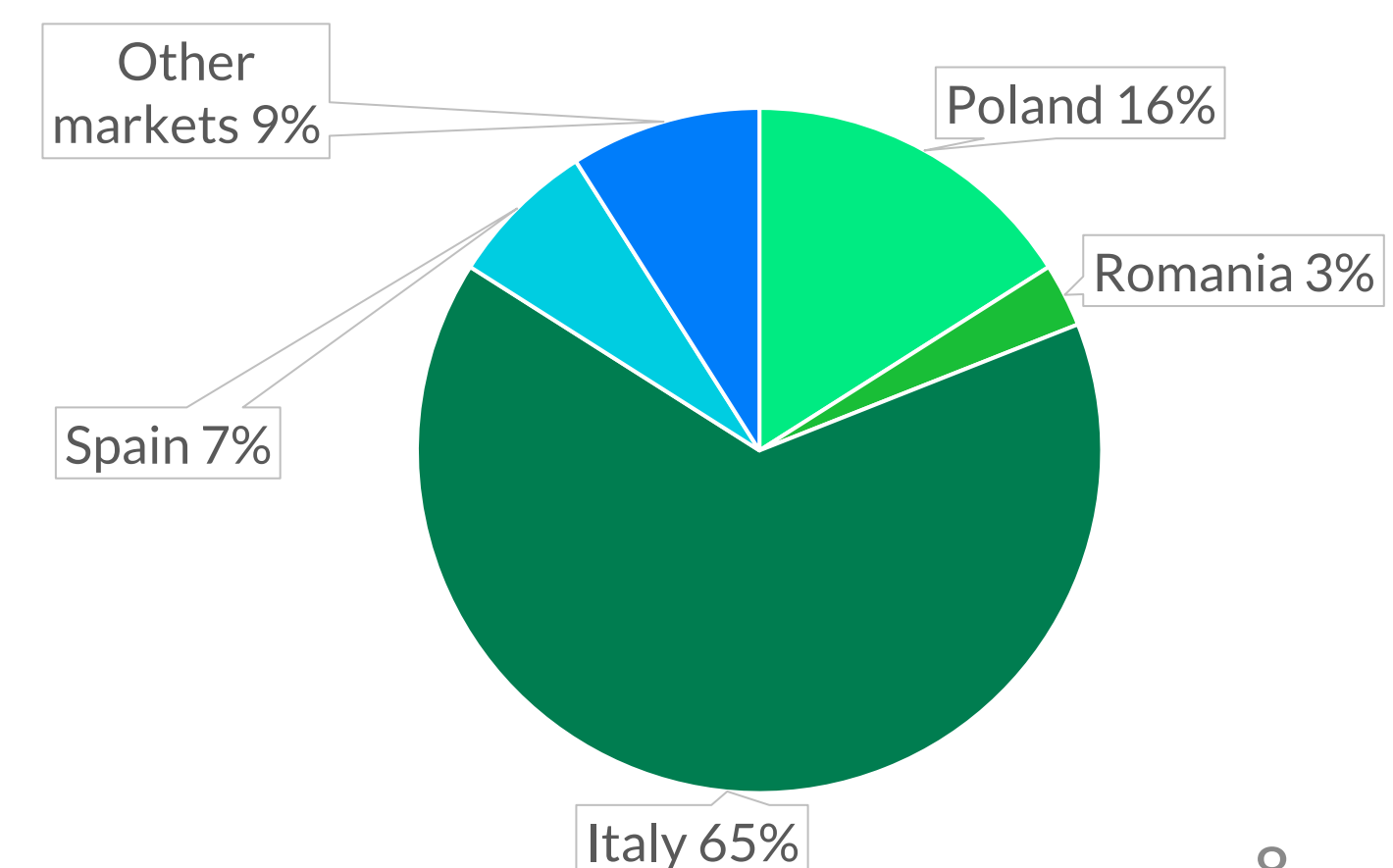
Strong recoveries and high investments in Q1 2023



Share of each market in total recoveries



Share of each market in total expenditure



- ✓ Recoveries from debt portfolios purchased by the KRUK Group reached PLN 724m in Q1 2023 (+16% y/y).
- ✓ The PLN 102m y/y increase in amounts recovered was achieved mainly on higher recoveries in Italy (PLN +46m y/y), Spain (PLN +25m y/y), and Romania (PLN +22m y/y).
- ✓ Foreign markets accounted for 55% of the Group's total recoveries.
- ✓ 88% (PLN 635m) of recoveries came from unsecured debt portfolios.

Recoveries from
purchased debt portfolios
PLN 724m
(+16% y/y)

- ✓ The amount spent on new portfolio purchases in Q1 2023 increased by PLN 262m (+100% y/y), the highest level of investments in the KRUK Group's history.
- ✓ The largest investments were made in Italy (PLN 341m).
- ✓ 93% (PLN 487m) of the expenditure was made to purchase unsecured debt.

New portfolio purchases
PLN 524m
(+100% y/y)

ROE for last 12 months at 23% and record-high cash EBITDA in Q1 2023



Net profit
PLN 235m
(-4% y/y)

- ✓ Net profit came in at PLN 235m, having remained broadly unchanged y/y,
- ✓ Cash EBITDA for the period was PLN 530m (PLN +84m, or +19% y/y). The improvement was attributable to the 16% y/y increase in recoveries.
- ✓ Return on equity (ROE) was 23%.

Revenue
PLN 615m
(+13% y/y)

- ✓ Revenue from purchased debt portfolios amounted to PLN 538m, up by 9% (PLN +44m) y/y.
- ✓ The revaluation of projected recoveries booked by the Group totalled PLN 87m, compared with PLN 135m in the previous year.
- ✓ 70% of the total revaluation of projected recoveries from unsecured retail portfolios in Q1 2023 was attributable to a revision of projected recoveries until December 2025 (within next 33 months).

Operating and
administrative expenses
PLN 271m
(+19% y/y)

- ✓ In Q1 2023, operating expenses excluding depreciation and amortisation (direct and indirect costs, administrative expenses and other expenses) rose by PLN 44m (+26% y/y).
- ✓ The increase was driven mainly by a rise in employee costs and salaries (up PLN 24m y/y), as well as court and bailiff fees (up PLN 19m y/y).

Finance costs
PLN 61m
(+51% y/y)

- ✓ The increase in finance costs (PLN +21m y/y) was attributable to higher debt (PLN +1,153m y/y*) and higher 1M/3M WIBOR rates (a rise from 4.12%/4.77% in March 2022 to 6.84%/6.89% in March 2023) and 1M/3M EURIBOR rates (a rise from -0.53%/-0.46% to 2.92%/3.04% y/y).
- ✓ IRS and CIRS contracts used for hedging purposes and fixed-rate bonds (a total of PLN 2,552m) represented 64% of the Group's total debt as at March 31st 2023.
- ✓ Debt affected by the change in the WIBOR rate accounted for 9% (PLN 367m) and debt affected by the change in the EURIBOR rate debt- for 27% (PLN 1,092m) of the Group's total debt as at March 31st 2023.

Strong balance sheet



Equity
PLN 3.5bn
(+22% y/y)

- ✓ Equity represents 43% of the KRUK Group's financing sources. The ratio of net interest-bearing debt to equity was 1.1x (maximum value: 3.0x) and the ratio of net interest-bearing debt to cash EBITDA was 2.0x (maximum value: 4.0x).
- ✓ The ratio of cash EBITDA to interest on debt was 9.1x (maximum value: 4.0x).
- ✓ As at March 31st 2023, the Company had undrawn lines of credit of PLN 448m.
- ✓ As at the end of March 2023, the amount available under credit facilities was PLN 2.9bn. In Q1 2023, KRUK issued PLN 170m of new bonds.
- ✓ On April 25th 2023, the Management Board of KRUK has made a decision on the first issue of five-year unsecured, unsubordinated bonds under Swedish law. The aggregated nominal value of the issued series of bonds is EUR 150 million, with a floating interest rate of 6.5% plus EURIBOR 3M.

Group's assets
PLN 8.1bn
(+29% y/y)

- ✓ The carrying amount of investments in debt portfolios amounted to PLN 7.1bn, accounting for 88% of the Group's assets. 89% of the portfolios comprised unsecured debt.
- ✓ The carrying amount of loans granted was PLN 381m, representing 5% of the Group's assets.
- ✓ As at March 31st 2023, cash and cash equivalents amounted to PLN 229m.

Credit rating

- ✓ On March 13th 2023, the KRUK Group was assigned a corporate rating of Ba1, outlook stable, by Moody's Investors (Moody's). Standard & Poor's (S&P) assigned it a rating of BB-, outlook stable.
- ✓ On April 17th 2023, the planned issue of the Company's bonds in EUR was assigned ratings of Ba2 and BB-, respectively, by Moody's and S&P.

Technology development



Rollout of online solutions

- ✓ We were preparing for the roll-out of a new e-kruk system for Italian clients
 - ✓ We developed a new attractive product available only via the online channel
 - ✓ We implemented in Poland a new online process for handling cases in which a court judgment or order has been issued
 - ✓ We launched the subscription payment functionality in another country (Slovakia)
-

Discovery Programme

- ✓ As part of our ongoing Discovery Programme, we have defined a number of projects and initiatives to be implemented in 2023 and beyond.
 - ✓ The projects cover areas such as:
 - ✓ digitalisation of the amicable collection process (e.g. digital client touchpoints), automation of the legal enforcement processes,
 - ✓ data management (e.g. availability, quality, and security of data), enhanced accuracy of portfolio valuations and financial projections, improvement of analytical processes with a higher number and better quality of analytical models,
 - ✓ more effective deployment of IT changes and system architecture, development of 'no-code' tools and capabilities, accelerated innovation,
 - ✓ programmes to strengthen staff's digital competencies, as well as a constructive organisational culture and work environment reflecting the principle of 'Diversity, Equity, Inclusion'.
-

Development of cloud-based solutions

- ✓ We continued its work on cloud-based solutions, launched in Q1 2022 by setting up a dedicated area. The selected solutions are expected to drive the Group's fast-paced technological development, while ensuring digital and technological security.

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KRUK Group in Q1 2023, by segment



(PLNm)	Poland		Romania		Italy		Spain		Other markets		Unallocated		Head Office		KRUK Group	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Expenditure on debt portfolios	86	10	18	103	341	147	35	0	45	2	N/A		N/A		524	262
Recoveries	322	312	167	145	142	96	69	45	24	25	N/A		N/A		724	623
Carrying amount of purchased debt portfolios (PLNbn)	2,8	2,6	1,2	1,0	1,8	1,1	1,1	0,4	0,2	0,1	N/A		N/A		7.1	5.3
Revenue	268	258	141	166	111	82	64	24	13	14	18	1	N/A		615	545
Purchased debt portfolios	217	217	140	162	108	80	60	20	13	14	N/A		N/A		538	493
Credit management services	9	7	0,1	3	3	2	4	4			N/A		N/A		16	16
Wonga	36	27									N/A		N/A		36	27
Other activities	6	7	1	1							N/A		N/A		7	8
Gross profit	187	179	112	142	65	44	28	3	8	8	15	-1	N/A		416	375
EBITDA	167	164	105	136	57	37	23	-1	5	6	15	-1	-27	-23	344	317
Cash EBITDA	272	258	132	118	90	53	32	24	16	17	15	-1	-27	-23	530	447

Operations of the KRUK Group – Poland



(PLNm)	Q1 2023	Q1 2022	y/y	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
EXPENDITURE ON DEBT PORTFOLIOS	86	10	746%	130	259	72	638	10	127	110	218
RECOVERIES	322	312	3%	250	271	262	291	312	325	296	299
PORTFOLIO CARRYING AMOUNT	2,754	2,584	7%	1,929	2,151	2,143	2,668	2,584	2,653	2,666	2,770
REVENUE	268	258	4%	199	261	222	191	258	302	243	233
PURCHASED DEBT PORTFOLIOS	217	217	0%	166	231	183	170	217	257	192	183
REVALUATION OF PROJECTED RECOVERIES	31	37	-15%	5	49	41	14	37	69	28	23
CREDIT MANAGEMENT SERVICES	9	7	25%	6	6	6	6	7	7	7	8
WONGA	36	27	36%	20	17	26	9	27	31	36	34
OTHER ACTIVITIES	6	7	-17%	6	7	7	5	7	7	7	8
GROSS PROFIT	187	179	5%	-	-	-	-	-	-	-	-
EBITDA	167	164	2%	122	183	136	101	164	205	143	113
WONGA	21	11	95%	9	5	11	11	11	19	22	20
CASH EBITDA	272	258	6%	206	223	215	222	258	273	248	230
PORTFOLIO PROFITABILITY (LTM)*	32%	35%	-10%	30%	34%	38%	33%	35%	35%	35%	31%

- The KRUK Group's investments in portfolio purchases in Poland reached PLN 86m, representing 16% of all funds invested by the Group in Q1 2023. The nominal value of purchased portfolios was over PLN 1bn. In Poland, KRUK invested primarily in unsecured retail debt and secured debt portfolios.
- In Q1 2023, recoveries from the Polish market reached PLN 322m, +3% y/y, accounting for close to 45% of the Group's total recoveries.
- The carrying amount of purchased debt portfolios as at the end of Q1 2023 totalled PLN 2.8bn. Polish portfolios accounted in total for 39% of the carrying amount of all debt portfolios held by the KRUK Group.
- The PLN 10m y/y revenue growth was mainly attributable to an increase in Wonga's revenue to PLN 36m (up 36% y/y).
- Gross profit (up 5% y/y) and EBITDA (up 2% y/y) remained broadly unchanged on Q1 2022.

Operations of the KRUK Group – Romania



(PLNm)	Q1 2023	Q1 2022	y/y	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
EXPENDITURE ON DEBT PORTFOLIOS	18	103	-83%	20	23	75	49	103	57	91	162
RECOVERIES	167	145	15%	140	146	136	143	145	142	152	154
PORTFOLIO CARRYING AMOUNT	1,244	1,016	22%	861	843	907	887	1,016	59	85	96
REVENUE	141	166	-15%	90	131	107	84	166	142	108	133
PURCHASED DEBT PORTFOLIOS	140	162	-14%	86	127	103	79	162	137	104	130
REVALUATION OF PROJECTED RECOVERIES	39	88	-56%	11	50	41	15	88	57	16	46
CREDIT MANAGEMENT SERVICES	0	3	-97%	3	3	3	4	3	4	3	1
OTHER ACTIVITIES	1	1	77%	1	1	1	1	1	1	1	1
GROSS PROFIT	112	142	-21%	-	-	-	-	-	-	-	-
EBITDA	105	136	-23%	63	104	77	51	136	108	73	90
CASH EBITDA	132	118	11%	116	123	110	114	118	113	122	114
PORTFOLIO PROFITABILITY (LTM)*	45%	50%	-9%	37%	46%	48%	45%	50%	47%	47%	50%

- In Q1 2023, expenditure on portfolio purchases in Romania reached PLN 18m, -83% y/y. KRUK invested primarily in unsecured retail debt portfolios. Purchases made in Romania accounted for 3% of the Group's total investments in the three months to March 31st 2023.
- Recoveries from Romanian portfolios amounted to PLN 167m (+15% y/y). They accounted for 23% of the Group's total recoveries.
- At the end of the period, the carrying amount of purchased debt portfolios was PLN 1.2bn (+22% y/y). The Romanian portfolios accounted in total for 18% of the carrying amount of all debt portfolios held by the KRUK Group.
- Revenue of PLN 141m (-15% y/y) declined on a lower revaluation of projected recoveries, at PLN 39m (-56% y/y). In January 2023, KRUK discontinued the provision of credit management services, shifting all focus to the debt purchase and collection business.
- The y/y decrease in gross profit (-21% y/y) and EBITDA (-23% y/y) was largely attributable to lower revenue.

Operations of the KRUK Group – Italy



(PLNm)	Q1 2023	Q1 2022	y/y
EXPENDITURE ON DEBT PORTFOLIOS	341	147	131%
RECOVERIES	142	96	48%
PORTFOLIO CARRYING AMOUNT	1,774	1,117	59%
REVENUE	111	82	35%
PURCHASED DEBT PORTFOLIOS	108	80	35%
REVALUATION OF PROJECTED RECOVERIES	16	12	29%
CREDIT MANAGEMENT SERVICES	3	2	54%
GROSS PROFIT	65	44	50%
EBITDA	57	37	52%
CASH EBITDA	90	53	71%
PORTFOLIO PROFITABILITY (LTM)*	26%	32%	-19%

Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
0	117	87	78	147	69	228	140
66	70	91	87	96	112	108	140
727	813	915	972	1,117	1,176	1,435	1,472
54	62	87	76	82	97	88	93
52	60	85	74	80	95	86	91
0	9	16	11	12	19	11	7
2	2	2	2	2	2	2	2
-	-	-	-	-	-	-	-
12	19	46	28	37	43	36	34
26	29	52	41	53	61	58	83
19%	26%	28%	32%	32%	31%	29%	29%

- In the Italian market in Q1 2023, KRUK invested PLN 341m (+131% y/y; 65% of total expenditure), purchasing debt worth nominally PLN 1.2bn.
- Amounts recovered in the Italian market came to PLN 142m (+48% y/y), accounting for 20% of the Group's total recoveries.
- As at March 31st 2023, the carrying amount of debt portfolios purchased on that market was PLN 1.8bn, representing 25% of the total carrying amount of debt portfolios held by the KRUK Group.
- Revenue of PLN 111m was mainly driven by strong recoveries.
- The increase in gross profit (+50%) and EBITDA (+52%) came mainly as a result of higher revenue.

Operations of the KRUK Group – Spain



(PLNm)	Q1 2023	Q1 2022	y/y	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
EXPENDITURE ON DEBT PORTFOLIOS	35	0	13289%	0	82	49	0	0	235	153	411
RECOVERIES	69	45	54%	36	44	38	55	45	52	68	82
PORTFOLIO CARRYING AMOUNT	1,123	400	181%	358	421	450	420	400	580	743	1,101
REVENUE	64	24	165%	27	41	13	32	24	-3	54	61
PURCHASED DEBT PORTFOLIOS	60	20	196%	24	37	9	28	20	-7	50	56
REVALUATION OF PROJECTED RECOVERIES	-1	-4	81%	1	4	-12	3	-4	-39	4	2
CREDIT MANAGEMENT SERVICES	4	4	9%	3	4	4	4	4	4	3	4
GROSS PROFIT	28	3	720%	-	-	-	-	-	-	-	-
EBITDA	23	-1	2526%	6	21	-10	1	-1	-32	23	4
CASH EBITDA	32	24	36%	18	29	19	28	24	27	40	29
PORTFOLIO PROFITABILITY (LTM)*	21%	25%	-16%	15%	20%	17%	25%	25%	13%	15%	16%

- The amount invested by KRUK on the Spanish market in Q1 2023 was PLN 35m (7% of total expenditure), purchasing debt portfolios with a nominal value of PLN 204m.
- Amounts recovered in Spain reached PLN 69m (+54% y/y), accounting for 10% of the Group's total recoveries.
- As at March 31st 2023, the carrying amount of debt portfolios purchased on that market was PLN 1.1bn, representing 16% of the total carrying amount of debt portfolios held by the KRUK Group.
- Revenue in Spain grew to PLN 64m (+165% y/y) despite a PLN 0.7m downward revaluation of projected recoveries. The negative revaluation of projected recoveries was led primarily by corporate debt portfolios.
- The increase in gross profit to PLN 28m (+720% y/y) was driven primarily by higher revenue.

* 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.

Operations of the KRUK Group – Czech Republic, Slovakia and Germany

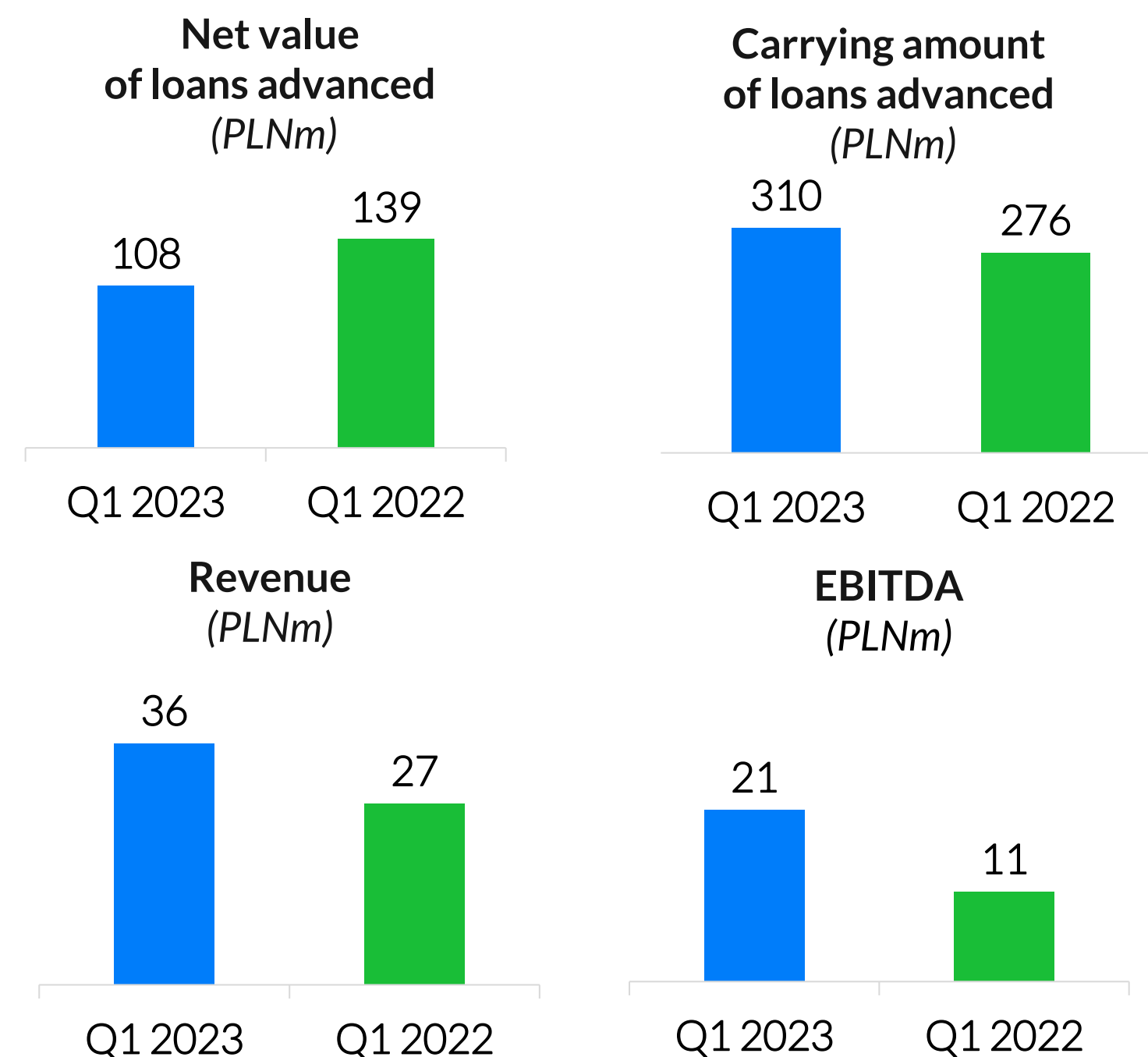


(PLNm)	Q1 2023	Q1 2022	y/y	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
EXPENDITURE ON DEBT PORTFOLIOS	45	2	2575%	10	3	6	40	2	6	12	29
RECOVERIES	24	25	-3%	20	22	23	25	25	26	24	24
PORTFOLIO CARRYING AMOUNT	205	147	40%	122	124	120	153	147	145	154	168
REVENUE	13	14	-3%	12	17	16	16	14	18	14	13
PURCHASED DEBT PORTFOLIOS	13	14	-3%	12	17	16	16	14	18	14	13
REVALUATION OF PROJECTED RECOVERIES	2	1	6%	0	4	3	4	1	3	2	1
GROSS PROFIT	8	8	-7%	-	-	-	-	-	-	-	-
EBITDA	5	6	-20%	5	9	8	8	6	10	6	4
CASH EBITDA	16	17	-9%	13	14	15	16	17	17	16	15
PORTFOLIO PROFITABILITY (LTM)*	33%	46%	-29%	38%	46%	49%	45%	46%	51%	46%	37%

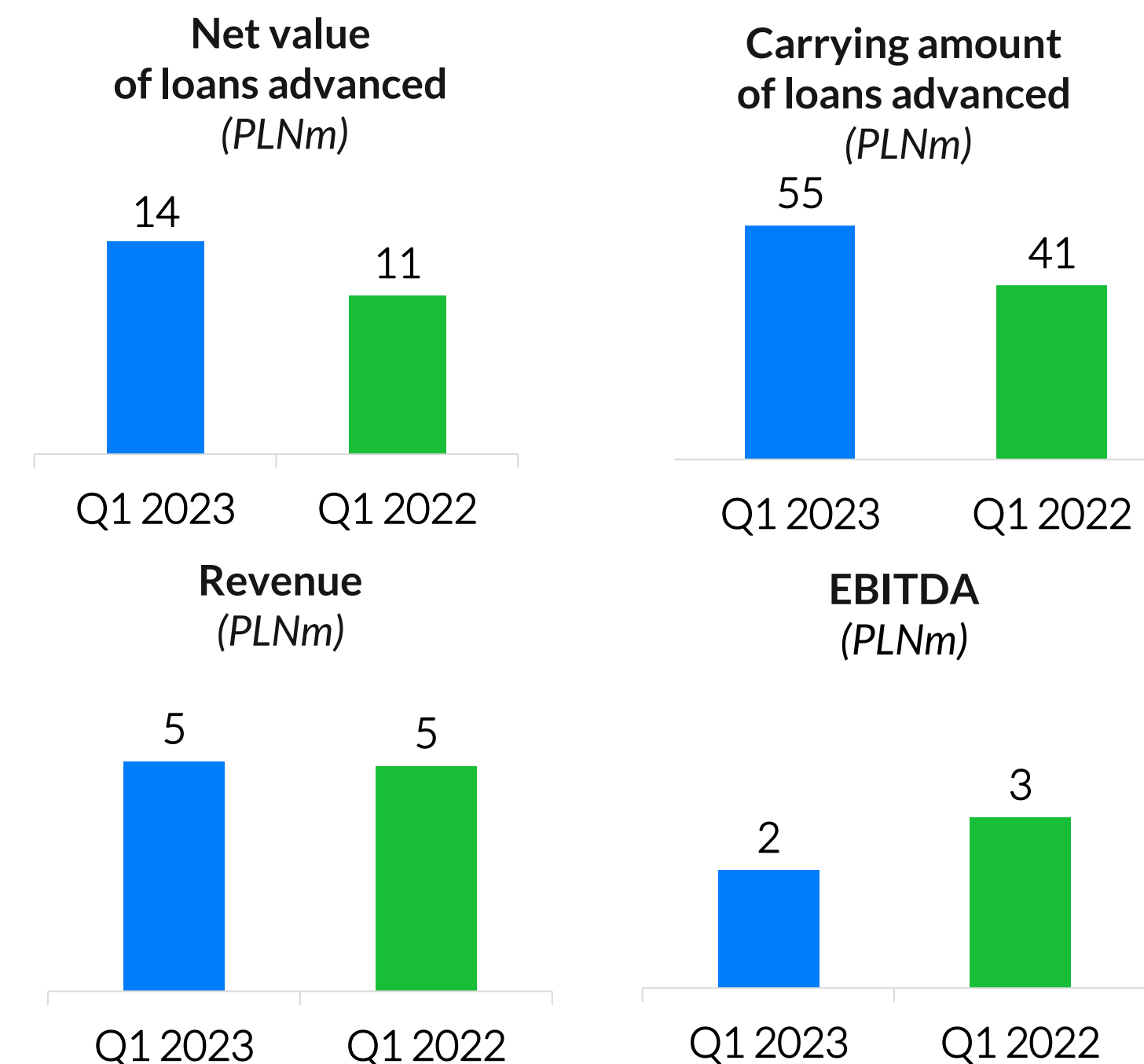
- Investments in the Czech Republic and Slovakia amounted to PLN 45m (9% of the Group's total expenditure).
- Recoveries reached PLN 24m, accounting for 3% of the Group's total recoveries.
- As at March 31st 2023, the carrying amount of debt portfolios purchased on those markets was PLN 205m, representing 3% of the KRUK Group's total carrying amount of debt portfolios.

* 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.

Operations of the KRUK Group – Wonga, Novum, ERIF



- Wonga.pl disbursed 199 thousand cash loans in Poland, with a net amount of PLN 524m.
- As at the end of 2022, the carrying amount of loans advanced by Wonga was PLN 286m, up 11% y/y.
- Wonga's revenue came in at PLN 129m (+78% y/y), with EBITDA at PLN 72m (+97% y/y).



- Novum's revenue in Poland totalled PLN 5m (up +2% y/y), with EBITDA at PLN 2m (up +31% y/y).



- Following the sale of ERIF BIG, as of the 24th of January 2023, the KRUK Group discontinued its activities in area of the Economic Information Bureau. Revenues generated in the area of Economic Information Bureau in the period from 1st to 24th of January 2023 amounted to PLN 0,5m.
- Revenue from the transaction of 100% ERIF BIG S.A. and EBS Sp. z o.o. amounted to PLN 15m.

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



PLNm	Q1 2023	Q1 2022	y/y	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
PURCHASED DEBT PORTFOLIOS											
Expenditure on debt portfolios	524	262	100%	159	484	289	805	262	495	594	961
Recoveries	724	623	16%	512	553	550	601	623	657	648	700
STATEMENT OF PROFIT OR LOSS											
Operating income	615	545	13%	383	513	445	401	545	557	509	535
Purchased debt portfolios	538	493	9%	341	472	396	367	493	500	446	473
Revaluation of projected recoveries	87	135	-36%	18	117	89	46	135	109	61	79
Income from difference between projected and actual recoveries and other items*	111	79	39%	89	124	58	56	79	109	82	84
Credit management services	16	16	-2%	15	15	15	16	16	17	16	16
Other products and services	61	36	73%	28	26	34	18	36	40	47	46
EBITDA	344	317	8%	193	317	235	164	317	305	253	219
EBITDA margin	56%	58%		50%	62%	53%	41%	58%	55%	50%	41%
Finance income / costs	-61	-40	-51%	-30	3	-30	-29	-40	-38	-49	-52
of which: net foreign exchange gains/(losses)	1	-2	153%	-5	14	-2	0	-2	7	0	1
Profit before tax	269	265	1%	151	306	193	123	265	254	191	153
Tax expense	-34	-21	-58%	-24	-38	-23	6	-21	-9	-3	-25
Tax %	13%	8%		16%	12%	12%	-5%	8%	4%	1%	16%
Net profit	235	244	-4%	127	268	170	130	244	245	188	128
Net profit margin	38%	45%		33%	52%	38%	32%	45%	44%	37%	24%
ROE rolling (LTM)	23%	28%		12%	22%	25%	27%	28%	27%	26%	25%
Cash EBITDA	530	447	19%	364	399	389	397	447	462	455	446

* 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 2023	Q1 2022	y/y	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Operating income	615	545	13%	383	513	445	401	545	557	509	535
Poland	268	258	4%	199	262	222	191	258	302	243	233
Romania	141	166	-15%	90	131	107	84	166	142	108	133
Italy	111	82	35%	54	62	87	76	82	97	88	93
Spain	64	24	165%	27	41	13	32	24	-3	54	61
Other countries	13	14	-3%	12	17	16	16	14	18	14	13
EBITDA	344	317	8%	193	317	235	164	317	305	253	219
EBITDA margin	56%	58%		50%	62%	53%	41%	58%	55%	50%	41%
Finance income/costs	-61	-40	-51%	-30	3	-30	-29	-40	-38	-49	-52
Income tax	-34	-21	-58%	-24	-38	-23	6	-21	-9	-3	-25
Net profit	235	244	-4%	127	268	170	130	244	245	188	128
Net profit margin	38%	45%		33%	52%	38%	32%	45%	44%	37%	24%

KRUK Group – cash flows (presentation format)



PLNm	Q1 2023	Q1 2022	y/y	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Cash flows from operating activities	393	348	13%	303	357	294	336	348	350	299	408
Recoveries – purchased debt portfolios	724	623	16%	512	553	550	601	623	657	648	700
Operating costs – purchased debt portfolios	-168	-139	-21%	-123	-121	-129	-161	-139	-157	-156	-200
Operating margin – credit management	4	4	8%	4	4	3	4	4	3	3	-5
Administrative expenses	-72	-58	-24%	-42	-50	-52	-60	-58	-67	-68	-76
Other operating cash flow	-96	-82	-17%	-48	-30	-79	-47	-82	-87	-129	-9
Cash flows from investing activities	-527	-265	-98%	-162	-490	-292	-811	-265	-503	-596	-970
Expenditure on debt portfolio purchases	-524	-262	-100%	-159	-484	-289	-805	-262	-495	-594	-961
Other investing cash flow	-2	-3	35%	-3	-6	-3	-6	-3	-8	-3	-10
Cash flows from financing activities	167	39	327%	-117	492	-353	497	39	9	318	567
Issue of shares	0	0	-	0	0	0	23	0	10	0	16
Dividend /Share repurchase	0	0	-	0	0	-206	0	0	-249	0	0
Increase in borrowings and lease liabilities	806	602	34%	348	1,133	451	981	602	941	619	1,169
Issue of bonds	175	400	-56%	20	400	65	50	400	50	60	35
Decrease in borrowings and lease liabilities	-849	-800	-6%	-445	-803	-552	-447	-800	-542	-371	-616
Redemption of bonds	0	-150	-	-65	-300	-35	-140	-150	-241	0	-75
Other financing cash flow	35	-14	358%	26	61	-76	30	-14	40	10	38
Net cash flows	33	122	-73%	24	358	-351	22	122	-144	20	5

* Including proceeds from the issue of Series AN2 bonds deposited in a technical account held with the broker, credited in the Group's bank account after the reporting date, on January 10th 2023.

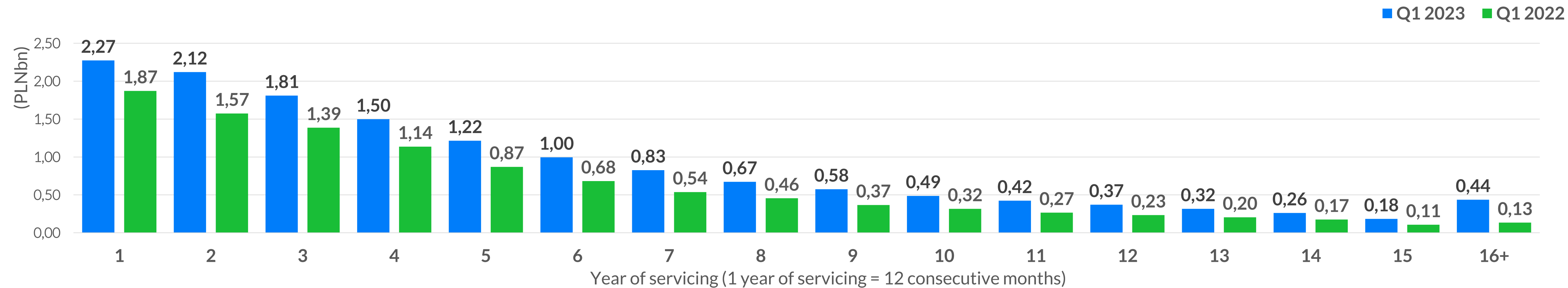
The KRUK Group – selected items of the statement of financial position (presentation format)



PLNm	Mar 31 2023	Dec 31 2022	Sep 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021
ASSETS									
Cash and cash equivalents	229	202	197	177	321	199	177	528	170
Investments in debt portfolios and loans	7,482	7,138	6,518	5,980	5,593	5,417	4,836	4,601	4,234
Other assets	350	341	327	309	319	294	270	244	267
Total assets	8,061	7,681	7,043	6,466	6,232	5,909	5,283	5,373	4,672
EQUITY AND LIABILITIES									
Equity	3,505	3,253	3,132	2,883	2,881	2,600	2,425	2,207	2,187
of which: Retained earnings	2,823	2,589	2,461	2,273	2,277	2,034	1,903	1,734	1,671
Liabilities	4,556	4,428	3,911	3,584	3,351	3,309	2,857	3,167	2,485
of which: Bank borrowings and leases	2,521	2,564	2,015	1,754	1,361	1,564	1,032	1,137	804
Bonds	1,556	1,382	1,423	1,362	1,560	1,305	1,395	1,360	1,273
Total equity and liabilities	8,061	7,681	7,043	6,466	6,232	5,909	5,283	5,373	4,672
METRICS									
Interest-bearing debt	4,077	3,946	3,438	3,116	2,921	2,869	2,427	2,497	2,077
Net interest-bearing debt	3,848	3,744	3,241	2,939	2,600	2,670	2,250	1,969	1,907
Net interest-bearing debt to equity	1,1	1,2	1,0	1,0	0,9	1,0	0,9	0,9	0,9

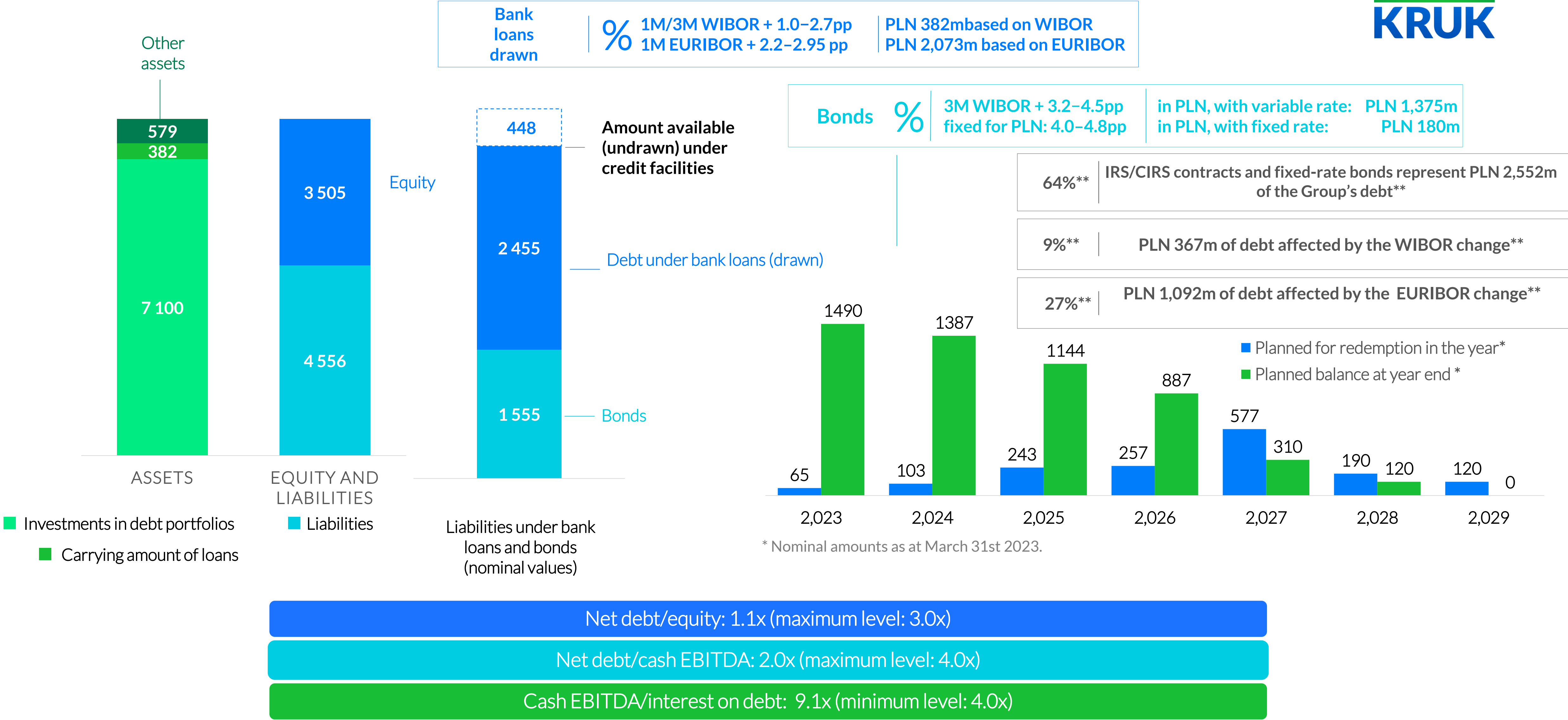


Estimated remaining collections (ERC) by years of servicing as at the end of period



- Estimated remaining collections (ERC) as at March 31st 2023 were PLN 14.5bn, up PLN 700m, or 5%, on December 31st 2022. The increase was driven, among other factors, by investments of PLN 524m in debt portfolios with a nominal value of PLN 2.8bn made in Q1 2023, and a revaluation of projected recoveries as at the end of March 2023, with a discounted value of PLN 87m.
- 70% of the total revaluation of projected recoveries from unsecured retail portfolios in Q1 2023 was attributable to a revision of projected recoveries until December 2025 (within next 33 months).

Financing structure



** Debt reported at nominal amounts.

Agenda



1. Summary
2. KRUK Group's results
3. Geographical and operating segments
4. Financials
5. Additional information

Implementation if the KRUK Group’s ESG Strategy in Q1 2023

KRUK Group’s strategic commitments towards the UN Sustainable Development Goals

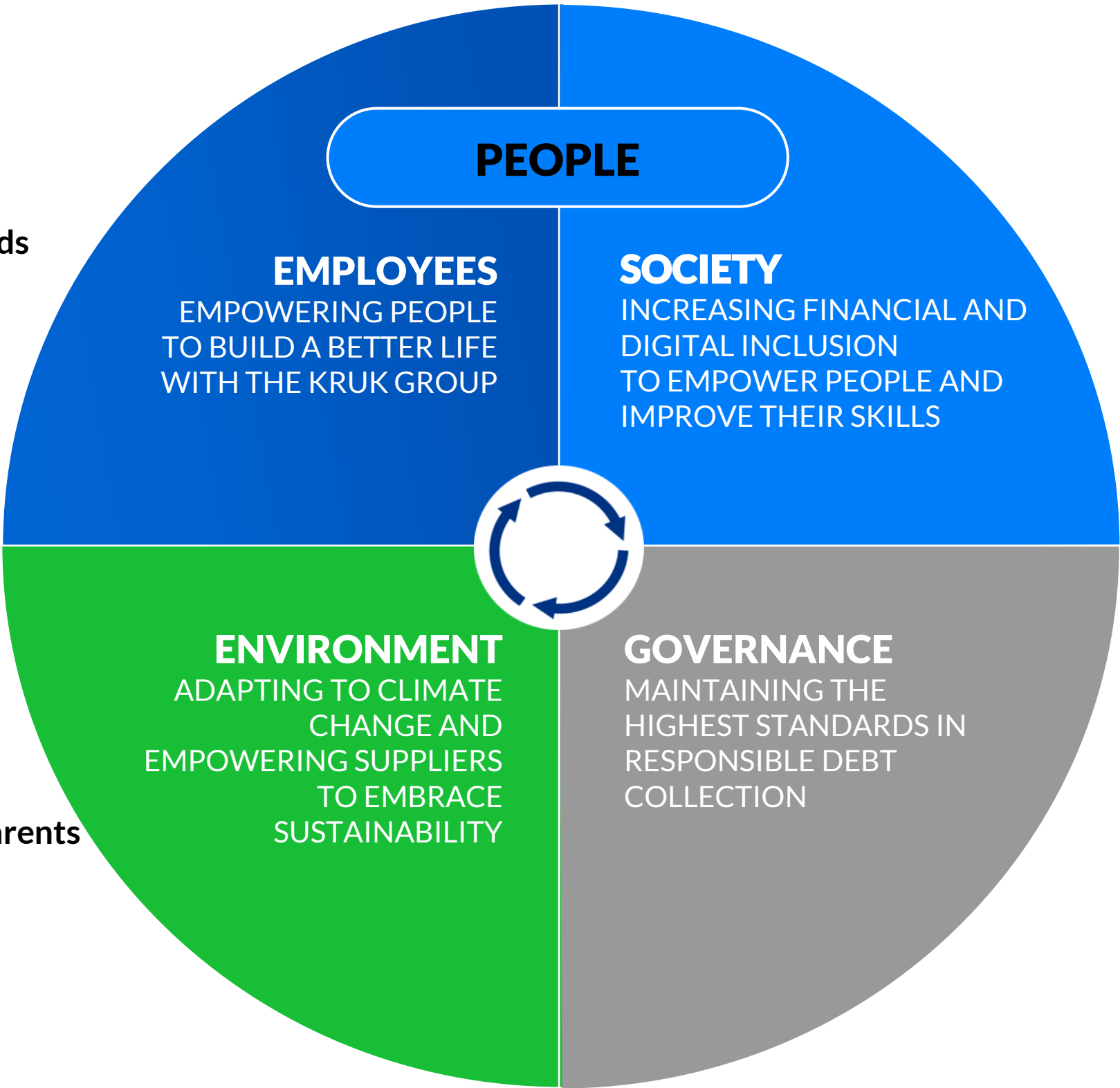


OPERATIONALISATION OF WORKFORCE OBJECTIVES

- Maintain gender equality
 - 64% share of women in total workforce and 62% in top-management positions (objective: at least 50% of women)
- Share of women on corporate boards
 - 42% of women on the Supervisory and Management Boards (objective: at least 40%)
- Adjusted gender pay gap
 - 1.2% in favour of men (objective: 0% by 2025)
- Employees with disabilities
 - 2% employees with disabilities (objective: 4% by 2025)
- Employee turnover
 - 2.5% in Q1; 13.4% in March 2022-2023 (objective: not more than 16% per year)
- ‘Diversity, Equity, Inclusion 1.0’ programme established with three focus groups: women, parents and people with disabilities Presentation of DEI strategic objectives at KRUK S.A.

OPERATIONALISATION OF ENVIRONMENTAL OBJECTIVES

- Decarbonisation for Scope 1 and 2 emissions
 - Partial replacement of KRUK Romania’s car fleet with lower-emissions vehicles (objective: 70% emissions reduction by 2040)
- Scope 3 emissions management and reduction by 2040
 - Work launched to identify sources of Scope 3 greenhouse gas emissions under GHG Protocol
- Providing education on climate change and environmental challenges
 - Educational campaign for the International Water Day

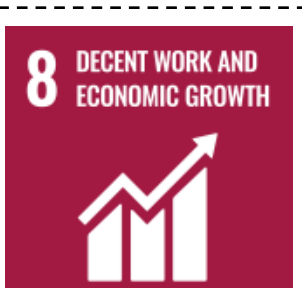


OPERATIONALISATION OF SOCIAL OBJECTIVES

- Development of digital tools available to clients for personalised debt management
- Projects in behavioural economics implemented to help change financial habits

OPERATIONALISATION OF GOVERNANCE OBJECTIVES

- GDPR
 - Putting in place a coherent legal and personal data protection risk management policy at all Group companies
 - Providing a series of Privacy by Design training courses for managers and business process owners
- Compliance
 - Code of Ethics implemented at KRUK Romania and KRUK Italia
 - Compliance Culture training for managers and employees of all KRUK S.A.’s business lines
 - 99.98% of KRUK S.A. employees trained in the Debt Collection Best Practice of the Association of Financial Companies (ZPF)



Investor Relations



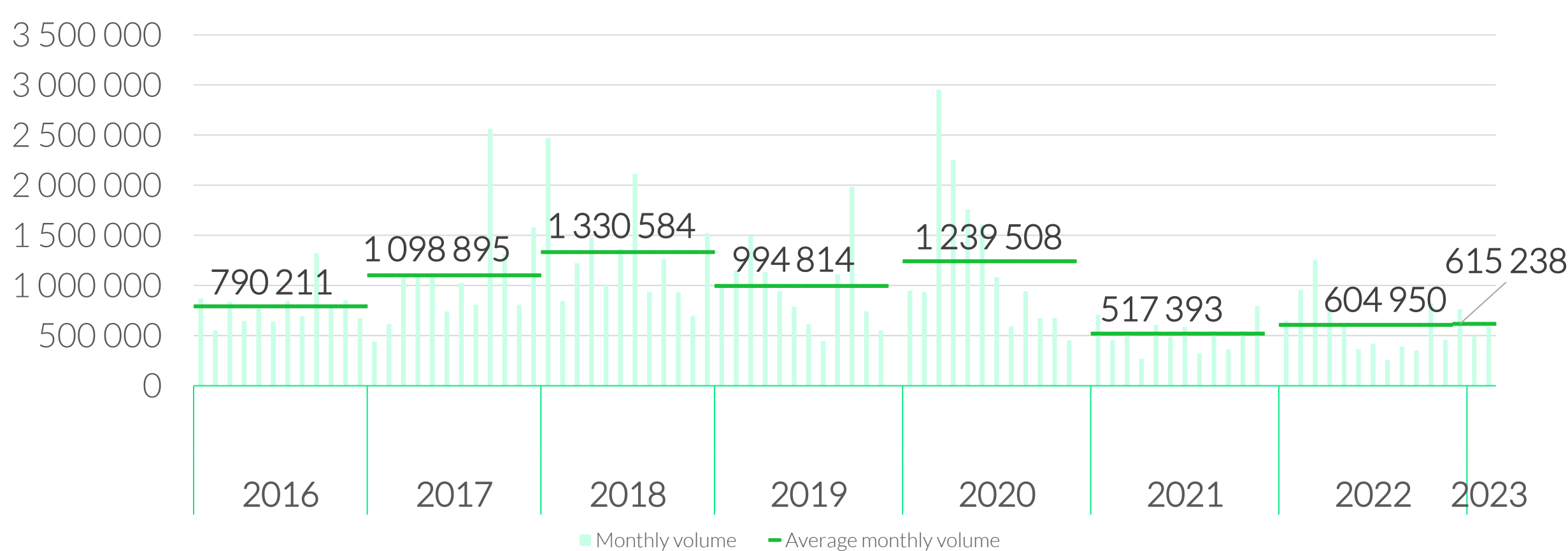
Selected IR events planned for 2023

Date	Event
March 9th	Publication of 2023 results
March 14th-15th	BM PKO CEE Capital Markets Conference, London
April 4th	BM Pekao 2nd Financial Conference
April 26th	Publication of Q1 results 2023
May 26th	SII Wall Street in Karpacz
May 29th-30th	mBank BM and WSE, Polish Capital Market
August 10th	Publication of Q2 2023 results
September 6th	Publication of H1 2023 results

Equity analyst recommendations

Date	Author	Recommendation	Price target
April 2023	DM PKO BP	buy	PLN 385.00
March 2023	DM mBanku	buy	PLN 388.66
January 2023	DM PKO BP	hold	PLN 371.00

KRUK as the 19th most liquid stock on the WSE



Shareholders with ownership interests above 3%*

Shareholder	Ownership interest
OFE Nationale-Nederlanden	14.30%
Piotr Krupa	9.22%
OFE PZU Złota Jesień	7.80%
OFE Drugi Allianz	7.34%
OFE Aegon	6.03%
OFE Allianz Polska	4.86%
OFE Generali	4.43%
OFE NNLife	4.28%
OFE UNIQA	3.57%

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* Source: stooq.pl as at March 31st 2023.

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