



Equity story

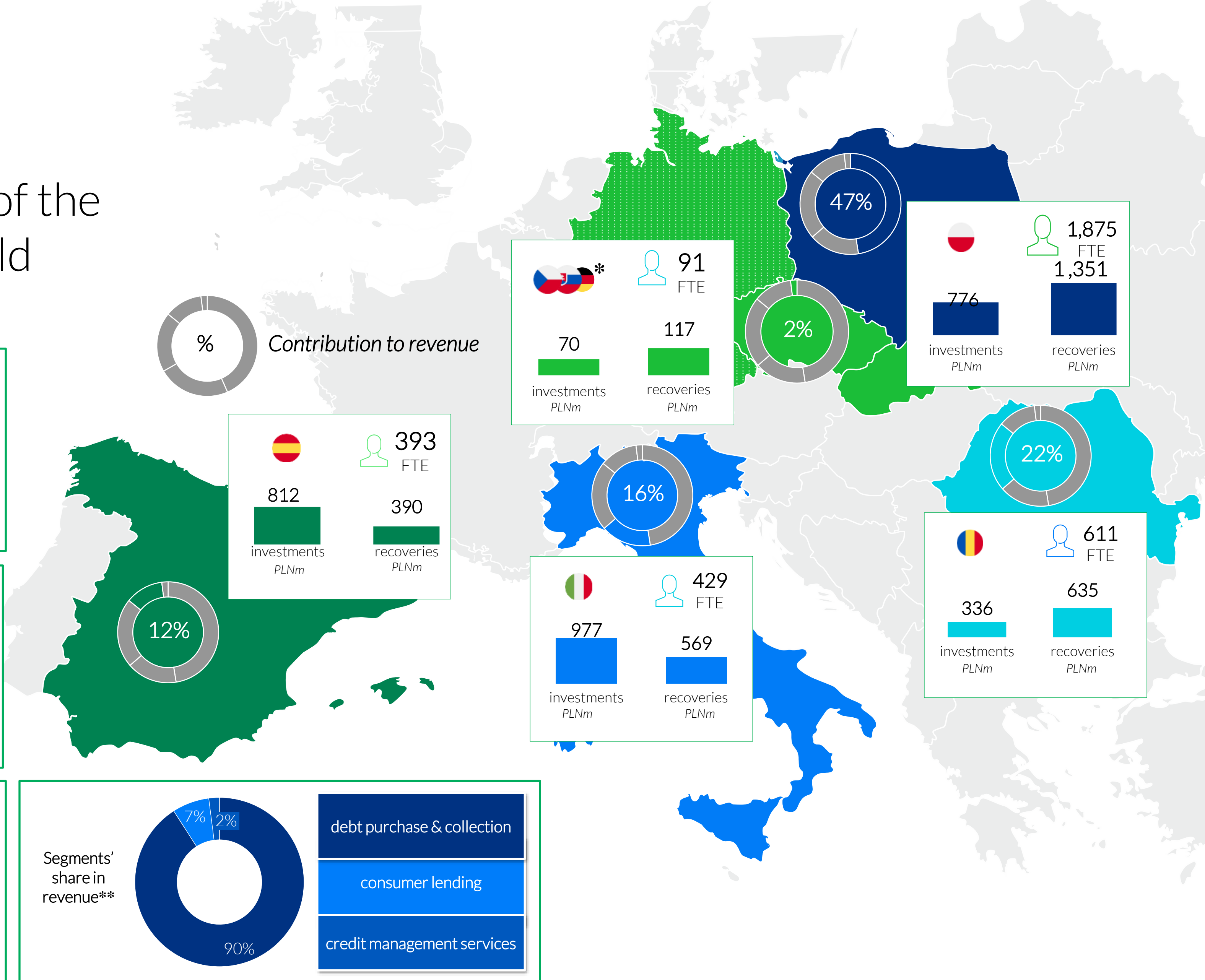
March 2024

25 years
OF EUROPEAN
KNOWLEDGE
& EXPERIENCE

KRUK Group at a glance

25 years – from a start-up to one of the largest industry player in the World

<p>No. 1 in Poland, Romania, Italy and Spain in retail unsecured debts market</p>	<p>since 2011 KRUK shares have been listed at WSE</p>	<p>Credit rating Ba1 by Moody's BB- by S&P</p>
<p>We pay dividend 30% or more of profits</p>	<p>High profitability 26% ROE LTM 12.2023</p>	<p>Low debt 2.4x net debt to cash EBITDA 1.4x net debt to Equity</p>
<p>1,834 purchased debt portfolios with PLN 118bn of total nominal value</p>	<p>Stable Management Board led by the founder, with a shareholding of more than 10%</p>	<p>58% of senior managerial positions are held by women</p>



Data for FY2023 or as at December 31st 2023.

* Servicing of German assets is outsourced.

** As of 24 January 2023, the KRUK Group no longer includes any credit reference agencies. Other revenue was PLN 22m.

KRUK Group – who we are



We are an international business with 25 years of growth in Europe

- ✓ We are one of the most experienced players in Europe in terms of debt purchase and collection
 - ✓ We have purchased 1,834 debt portfolios with a nominal value of PLN 118 billion (EUR 27.1 billion)
 - ✓ We have invested PLN 14.7 billion (EUR 3.4 billion)
 - ✓ To date, we have recovered PLN 18.9 billion (EUR 4.4 billion) from the investments
- ✓ We have moved from a start-up to the one of the largest industry player in the World
- ✓ Our experience and ability to improve efficiency underlie our competitive advantage:
 - ✓ Portfolio valuations based on millions of records
 - ✓ Process control through statistical algorithms
 - ✓ Economies of scale
 - ✓ Ability to improve process efficiency

Our business footprint covers seven European markets, including four large ones

- ✓ We are the market leader in Poland, with 25 years of experience operating in that market
- ✓ We are the market leader in Romania, with 15 years of experience operating in that market
- ✓ We have nine years of experience operating in Italy, with a 21% share in Italy's debt purchase market and 47% in retail unsecured debts in FY2023
- ✓ We have eight years of experience operating in Spain, with a 44% share in Spain's retail unsecured debt purchase market in FY2023
- ✓ We have achieved a high level of diversification (63% of assets in the form of debt portfolios is located outside Poland)

We plan to grow further

- ✓ NPL markets grow in line with GDP growth and economic cycles
- ✓ KRUK has the potential to grow its market share in the countries where it operates
- ✓ Entering new European markets provides growth potential in the longer term

We are a highly profitable and low-debt business which is rapidly growing and has shown resilience to the crisis

- ✓ ROE LTM as at the end of 2023 was 26%,
- ✓ EBITDA margin for FY2023 was 53%, net profit margin for FY2023 was 38%
- ✓ EBITDA CAGR since 2011 till 2023 was 24%, and net profit CAGR since 2011 till 2023 was 25%
- ✓ EPS CAGR since 2011 till 2023 was 24%
- ✓ Net debt/equity ratio on the level of 1.4x
- ✓ Our history is that of a stable and crisis-resilient business which has always been profitable

KRUK Group – who we are



We are committed to improving efficiency through Lean and technology

- ✓ Development of an automated debt collection process
- ✓ Development of automation and robotisation (operationally); artificial intelligence and machine learning (development of analytics)
- ✓ Lean* for KRUK is an effective tool to build a learning organisation

We pay dividends

- ✓ Dividend policy providing for payment of 30% or more of the profit to the shareholders
- ✓ For 2022, KRUK paid dividend of PLN 290 million, which translated into PLN 15 dividend per share. The dividend yield was 3.8%.
- ✓ Over eight years, we paid profits of PLN 1.1 billion to the shareholders in the form of dividends and a share buyback.

Managers are motivated to build long-term company value

- ✓ The CEO is the company's founder
- ✓ The Management Board holds more than 10% of KRUK shares
- ✓ The share-based incentive scheme covers approximately 150 managers
- ✓ KRUK's organisational culture supports the company's value growth and is based on respect, cooperation, development, responsibility and simplicity

We operate ethically

- ✓ In 2022, we implemented the ESG strategy
- ✓ Inclusivity and gender equality are important for us – ca. 58% of senior management positions are occupied by women
- ✓ We have been engaged in financial literacy projects, promoting the *Day Without Debt* project for 15 years
- ✓ We operate ethically and professionally, each year receiving the Ethics Certificate from the Association of Financial Companies (ZPF) in Poland

* LEAN is an enterprise management system based on the principles of minimising waste and continuous process improvement.

Complementary management team



Piotr Krupa
CEO, President of the Management Board

A shareholder and co-founder of KRUK S.A., President of the Management Board since 2005. He graduated in law from the University of Wrocław. He completed court training and is a legal counsel. He was the winner of the 'EY Entrepreneur of the Year 2017' competition in the main category and in the 'Production and Services' category.



Michał Zasepa
CFO

Member of the Supervisory Board of KRUK in 2005-2010. Member of the Management Board since 2010, responsible for financial management and investor relations. A graduate of the Warsaw School of Economics. He studied management at the University of Wisconsin and Stockholm School of Economics.



Urszula Okarma
CIO

With KRUK since 2002. Member of the Management Board since 2006. Responsible for investments and legal support. She graduated in finance and banking from the Wrocław Academy of Economics (currently the Wrocław University of Economics and Business).



Piotr Kowalewski
COO

With KRUK since 2004. Member of the Management Board since 2020. Responsible for the unsecured retail debt recovery strategy. He graduated in managerial econometrics from the Wrocław Academy of Economics (currently the Wrocław University of Economics and Business) and in computer science and management from the Wrocław University of Technology. He also completed a post-graduate programme in business psychology at the WSB University.



Adam Łodygowski
CDTO

Member of of the Management Board since 2020. Responsible for debt portfolio valuations and IT. He graduated from the Poznań University of Technology and University of Hanover in the field of numerical methods in construction. He studied and worked as an academic researcher at Louisiana State University and was awarded the title of Doctor of Science and a Master's degree in financial mathematics.

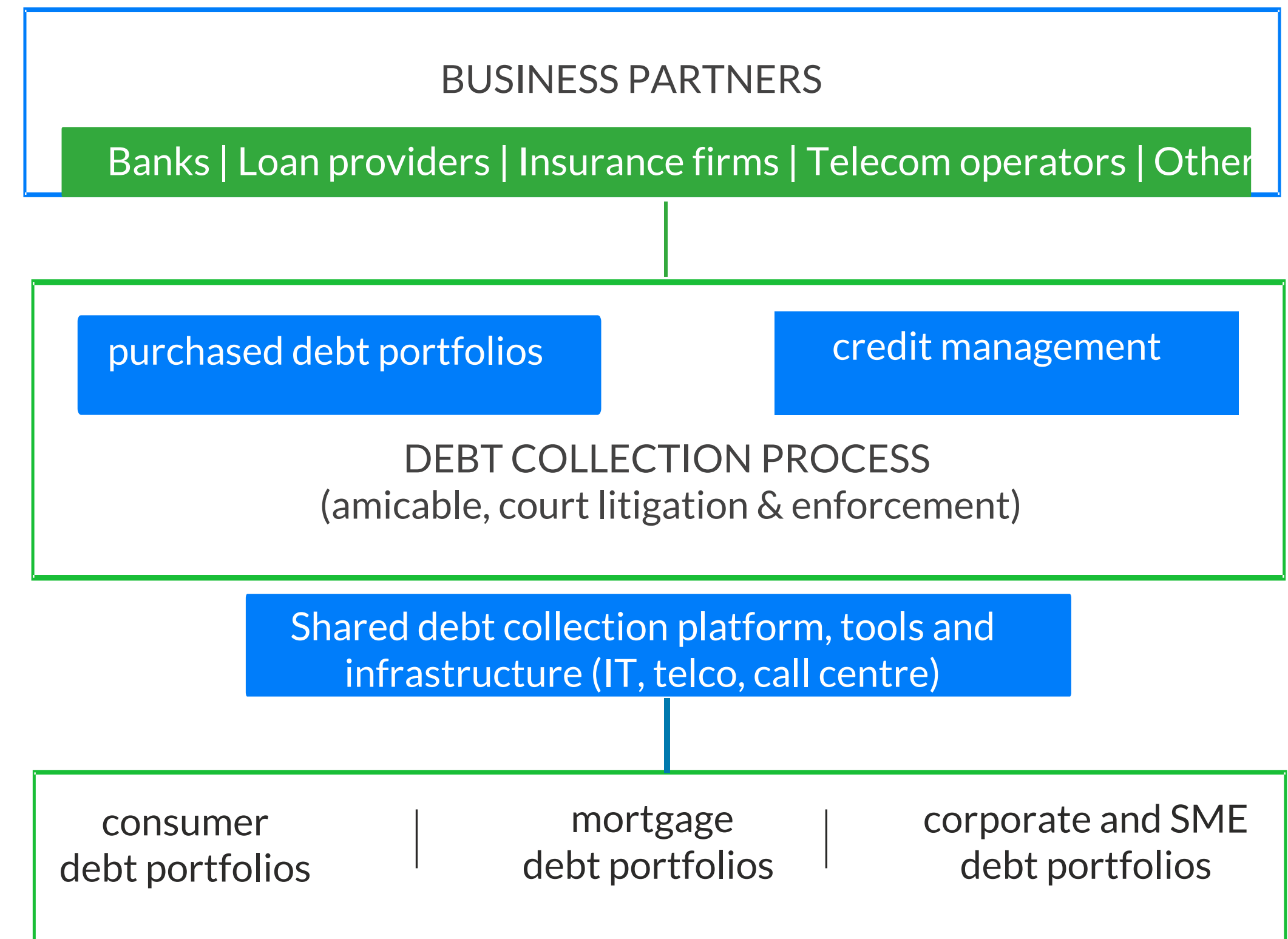
KRUK Group – milestones and business model



Milestones

1998	KRUK is established
2003	KRUK emerges as a leader of the debt collection market in Poland; KRUK purchases its first debt portfolio in the Polish market
2007	KRUK purchases its first debt portfolio in the Romanian market
2011	first listing on the Warsaw Stock Exchange; KRUK purchases its first debt portfolio in the Czech and Slovak markets
2015	KRUK purchases its first debt portfolio in the Italian market
2016	KRUK purchases its first debt portfolio in the Spanish market
2020	rapid development of online tools, remote work process efficiency maintained during pandemic
2021	Cash recoveries from purchased portfolios exceed PLN 2bn implementation of Dividend Policy
2022	KRUK implements ESG strategy
2023	Portfolio investments reach PLN 3bn and recoveries come in at PLN 3bn

Business model



Mission, vision and values



Mission

We safeguard compliance with social and legal norms requiring that everyone must fulfil their obligations, always being respectful to people.

Vision

Values – We live our values in all we do.

People – We want to attract people who share our values and believe that the need for progress never ceases, even if we succeed.

Lean – We believe in striving to continually improve the efficiency of our processes. We are not afraid to pin down a problem and look for the best solutions.

Values

Respect – Mutual respect is the cornerstone of our business. We treat everyone the way we want to be treated.

Cooperation – Together we can do more. We build relationships based on partnership and clear rules. We call a spade a spade.

Accountability – Everyone is responsible for their decisions, actions or inaction and their consequences.

Development – We are committed to continuous improvement. We have an incessant inner drive to progress, even when we succeed.

Simplicity – Simple is beautiful. We simplify our processes and eliminate waste. Getting things done is more important than striving for perfection.

KRUK – 2023 performance and outlook

Resources directed towards organic growth with focus on the markets where we are present

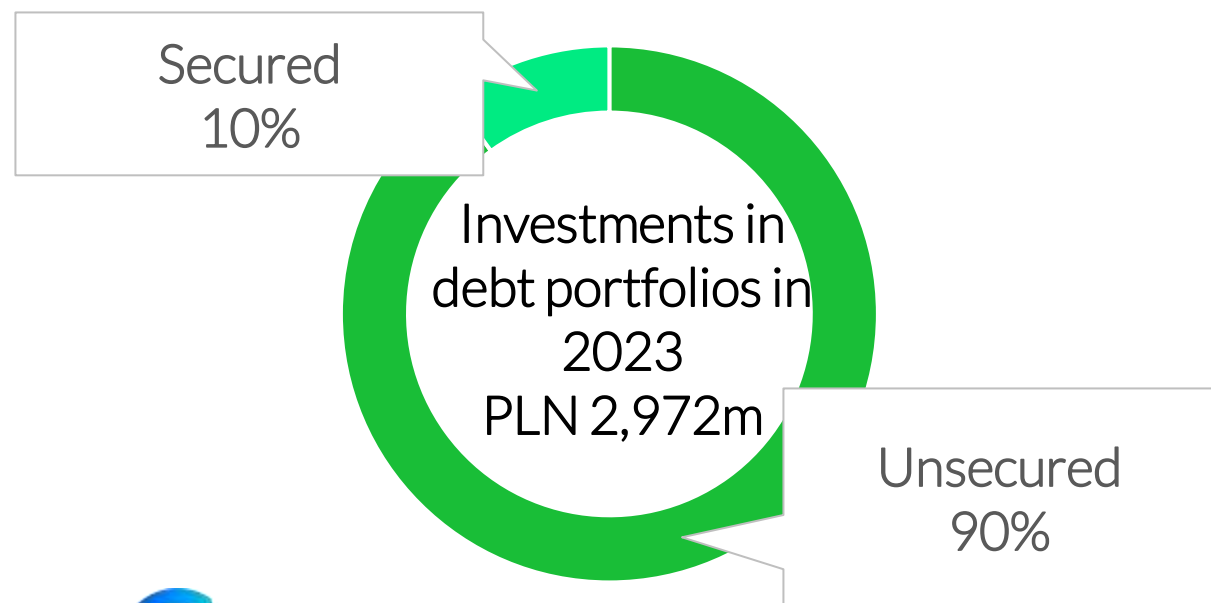
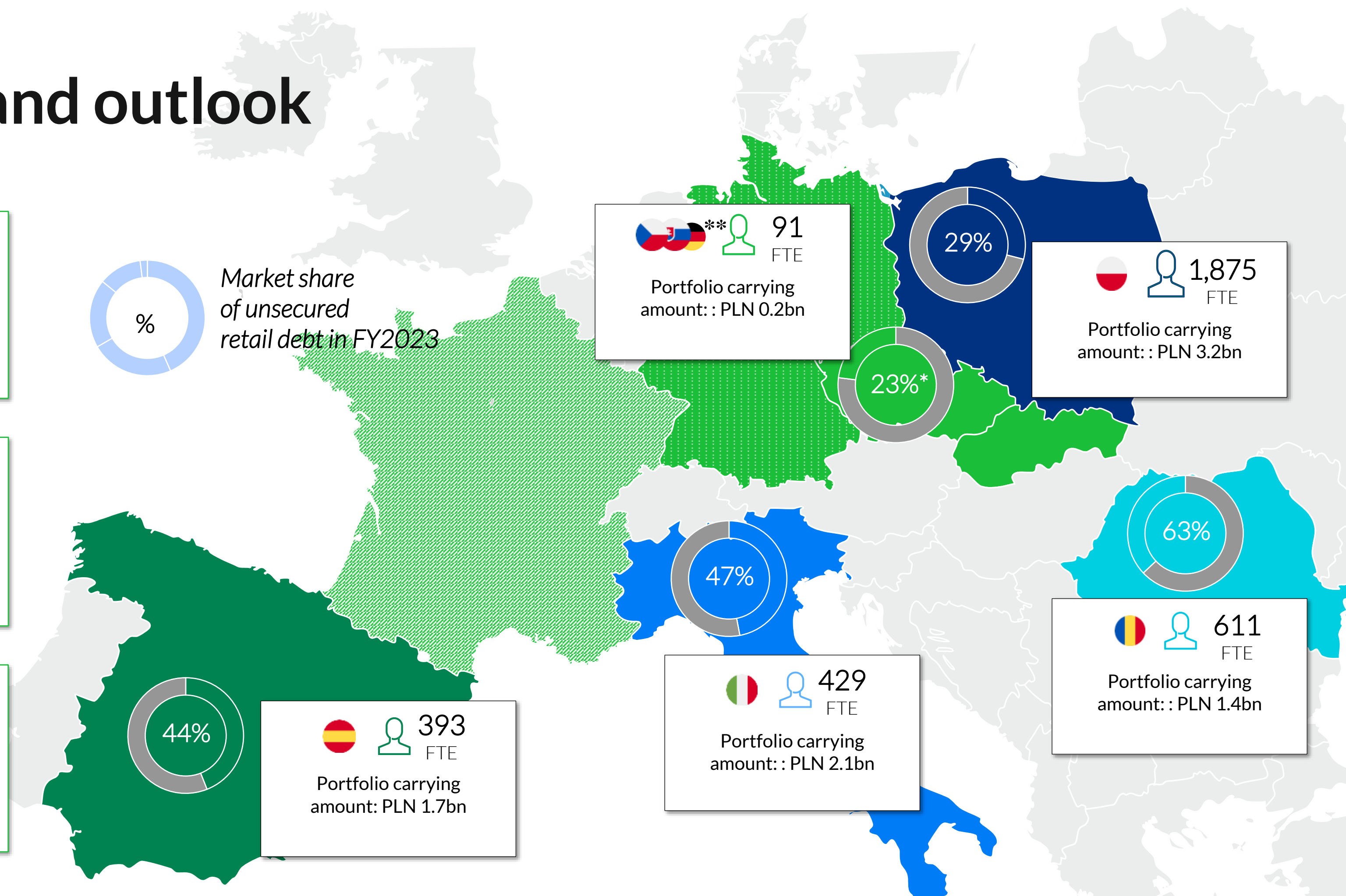
Operational excellence with focus on unsecured debt

Secured debt accounting for not more than 25% of the portfolios' value

Focus on organisational culture and LEAN

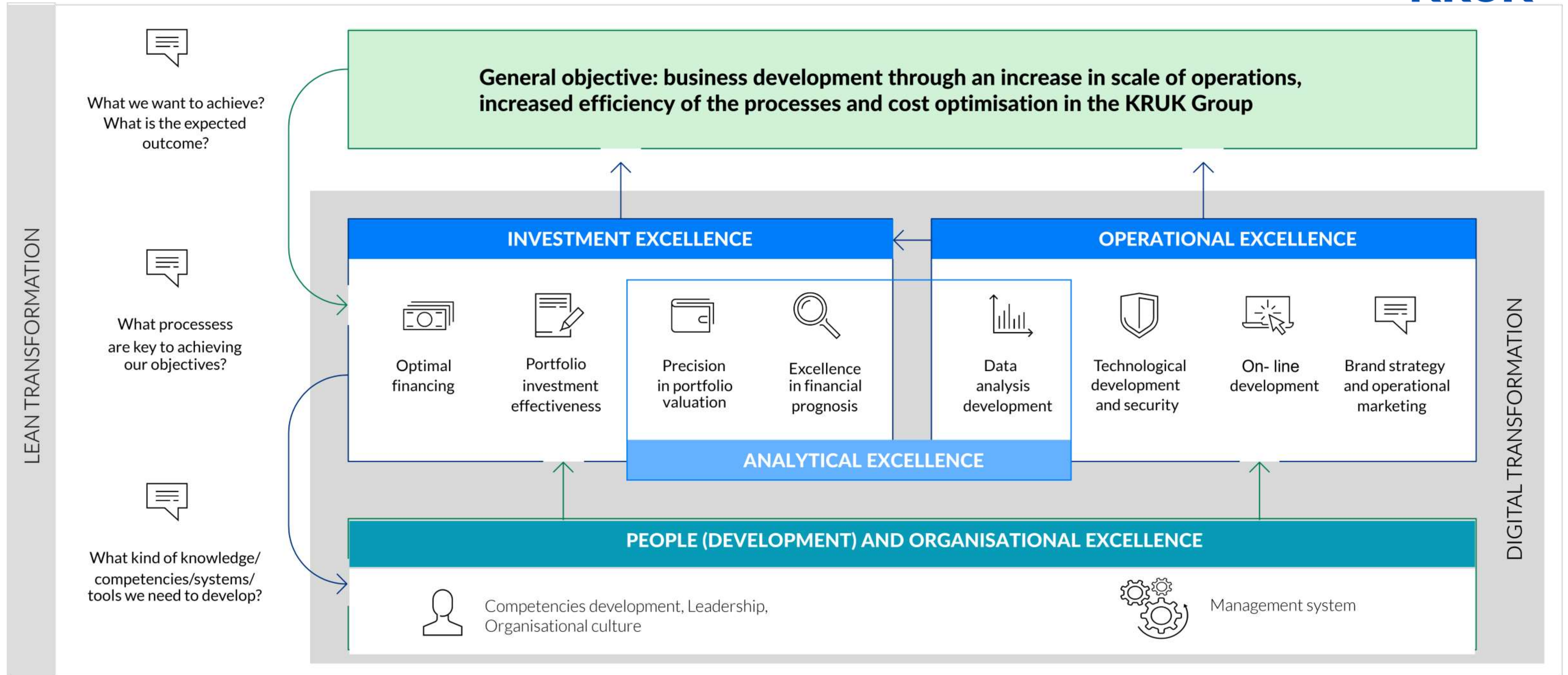
Conservative approach to debt and liquidity management. We do not issue debt with the assumption that it will need to be refinanced.

Further footprint expansion in Europe, but based on a selective and long-term approach. Verification of the French market potential.



	Purchased debt portfolios			Credit management	Loan products
	Unsecured retail	Mortgage	Corporate and SME		
Poland	✓	✓	✓	✓	✓
Romania	✓	✓	✓	✓	✓
Italy	✓		✓	✓	
Spain	✓		✓	✓	
Other markets	✓				

KRUK – strategy of growth



Strategy execution in 2023



Lean and digital transformation

- ✓ KRUK runs the Discovery programme addressing areas such as:
 - digitalisation of the amicable collection process, automation of legal enforcement processes
 - data management (availability, quality, security, etc.) and development of analytical processes
 - more effective deployment of IT changes and system architecture, development of 'no-code' tools and capabilities,
 - accelerated innovation,
 - employee digital upskilling programmes
- ✓ KRUK implemented the Starlight project, which aimed to examine digital and lean maturity, organizational needs and compare them with global trends in new technologies and best lean practices. The product of the project is a map of the digital and lean maturity of the KRUK Group and road-maps of technological and lean development for the next years (for each country and thematic area).
- ✓ KRUK continued cloud solution projects that are supporting the Group's fast-paced technological development.

Investment excellence

- ✓ The Company expanded its available credit facilities by raising limits in existing contracts, signing new contracts, adding more banks to the lending syndicate, and issuing bonds in EUR.
- ✓ KRUK invested PLN 2,972m in debt portfolios, with 74% allocated to foreign markets.

Operational and analytical excellence

- ✓ KRUK continued to focus on increasing the number of self-payers, optimising processes and tools for client advisers, and automating processes at the legal enforcement stage.
- ✓ Efforts were made to enhance the decision-making engine, increasing the number of analytically supported decisions and advancing analytical techniques.
- ✓ The development of the e-kruk platform continued in all KRUK Group's companies, with a 23% increase in users in 2023.
- ✓ KRUK carried out activities related to building brand recognition and the desired brand image (including image campaigns in the media and educational campaigns).

Organisational excellence

- ✓ KRUK focused on building a strong organisational culture, geared towards embracing challenges in digital transformation.
- ✓ Through its *Leaders Development* ("Rozwój Liderów") programme, KRUK concentrated on developing skills essential for a fast-changing business landscape.
- ✓ KRUK continued its efforts in creating a work environment aligned with Diversity, Equity, and Inclusion principles. The employee turnover rate stood at 11.1% (down by 2.3pp y/y). The employment rate of people with disabilities was 2.2% (up by 0.15pp y/y).
- ✓ KRUK improved HR processes and data management, for which it received the Puls Biznesu award in the category of modern tools and technologies in people management

KRUK Group's ESG Strategy implementation in 2023

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

EMPLOYEES

- Maintaining gender equality
 - **64% proportion of women in the total workforce, with 58% proportion of women in top managerial positions** (target: at least 50%) compared to 60% of women in the total workforce and 62% in top managerial positions
- Employee turnover
 - **11.1% annually** (target: no more than 16% annually) compared to 13.4% in 2022
- Employees with disabilities
 - **2.2% employees with disabilities** (target: 4% by 2025) compared to 2% in 2022
- Share of women on corporate boards
 - **42% proportion of women on the Supervisory and Management Boards** (target: at least 40%) unchanged from 2022
- A diversity policy implemented by the KRUK Group across its Polish and foreign subsidiaries as part of the **Diversity, Equity, Inclusion** programme.

ENVIRONMENT

- Implementation of a Scope 3 carbon footprint monitoring and reporting tool
- Completion of a project to test the first electric vehicles in the Group's fleet with a view to decarbonising its operations
- Reduction of Scope 1 and 2 emissions in 2023 by 30% compared to 2022 and by 53% compared to the base year



SOCIETY

- KRUK Group's *Day Without Debt* ('Dzień bez Długu') initiative in three operating markets: Poland, the Czech Republic and Slovakia, and Romania
- Rollout of virtual call centre assistants
- Kapitalni.org financial education portal visited by **524,000 unique users** in 2023

GOVERNANCE

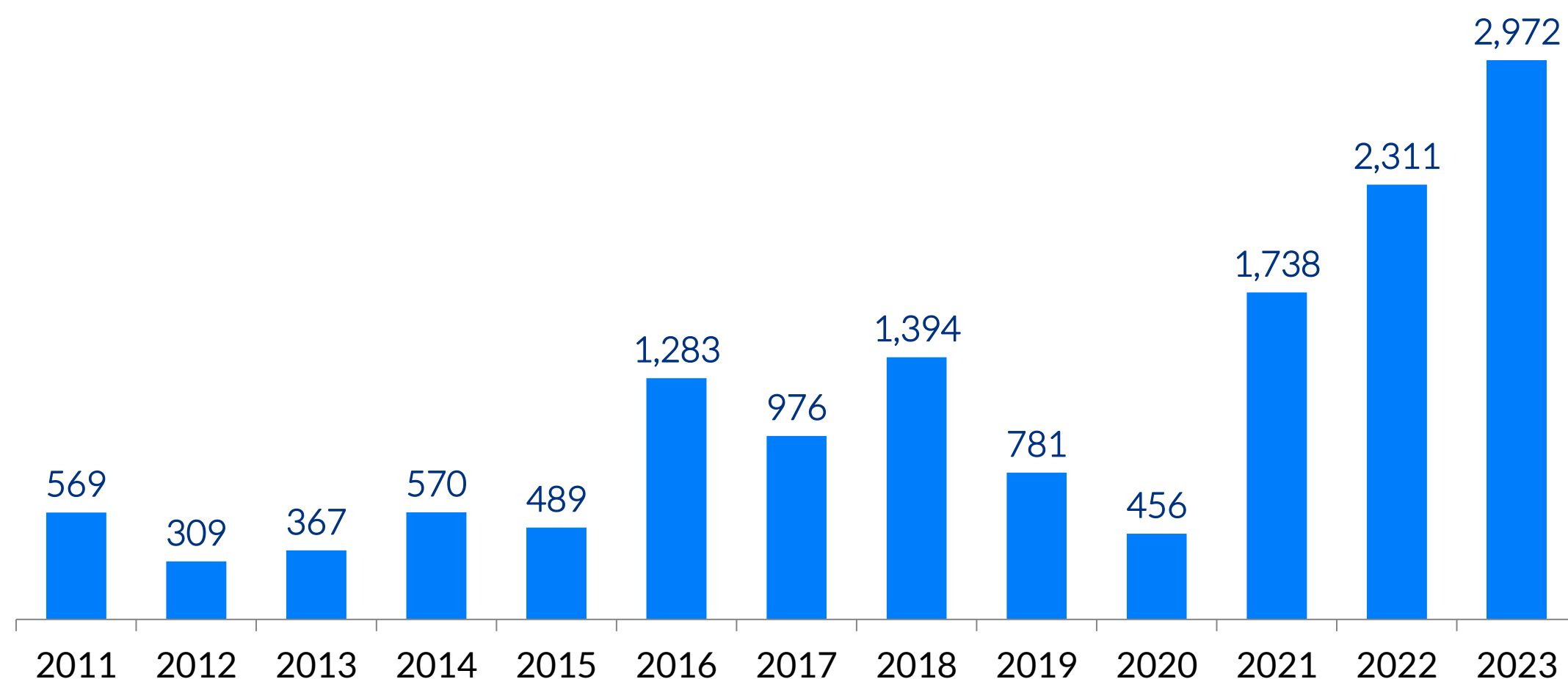
- **GDPR**
 - Development of a process to ensure that the principles of privacy by design and privacy by default are applied in practice at the KRUK Group, including designing of new regulations, and implementation of a policy and related process instructions governing data processing risk management at the KRUK Group
- **Compliance**
 - Implementation of mandatory training on the Code of Ethics for all KRUK S.A. employees
 - Deployment of a system for monitoring sustainable development legislation as part of the efforts to foster a compliance culture at KRUK S.A.



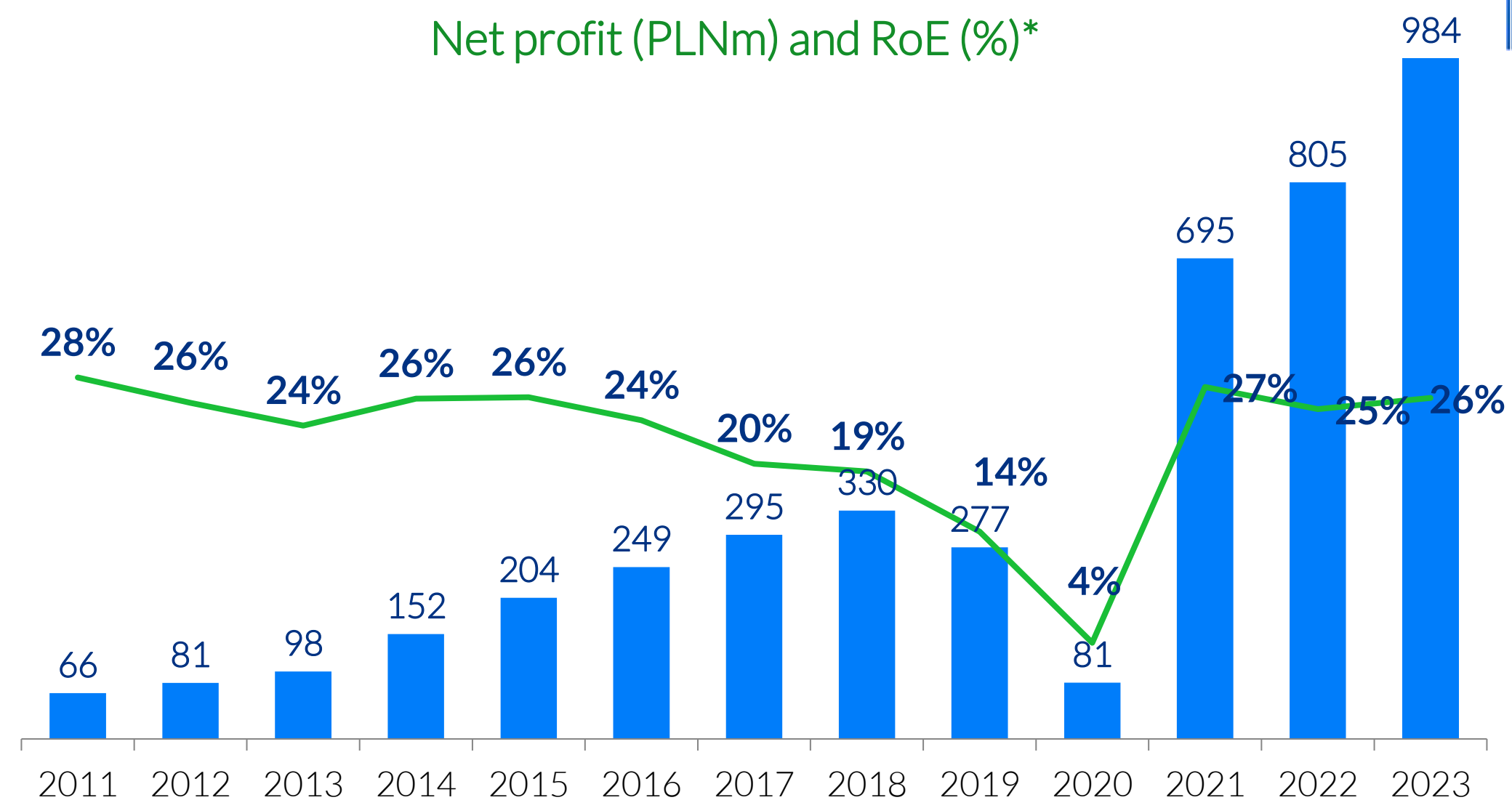
KRUK delivers record investments and recoveries



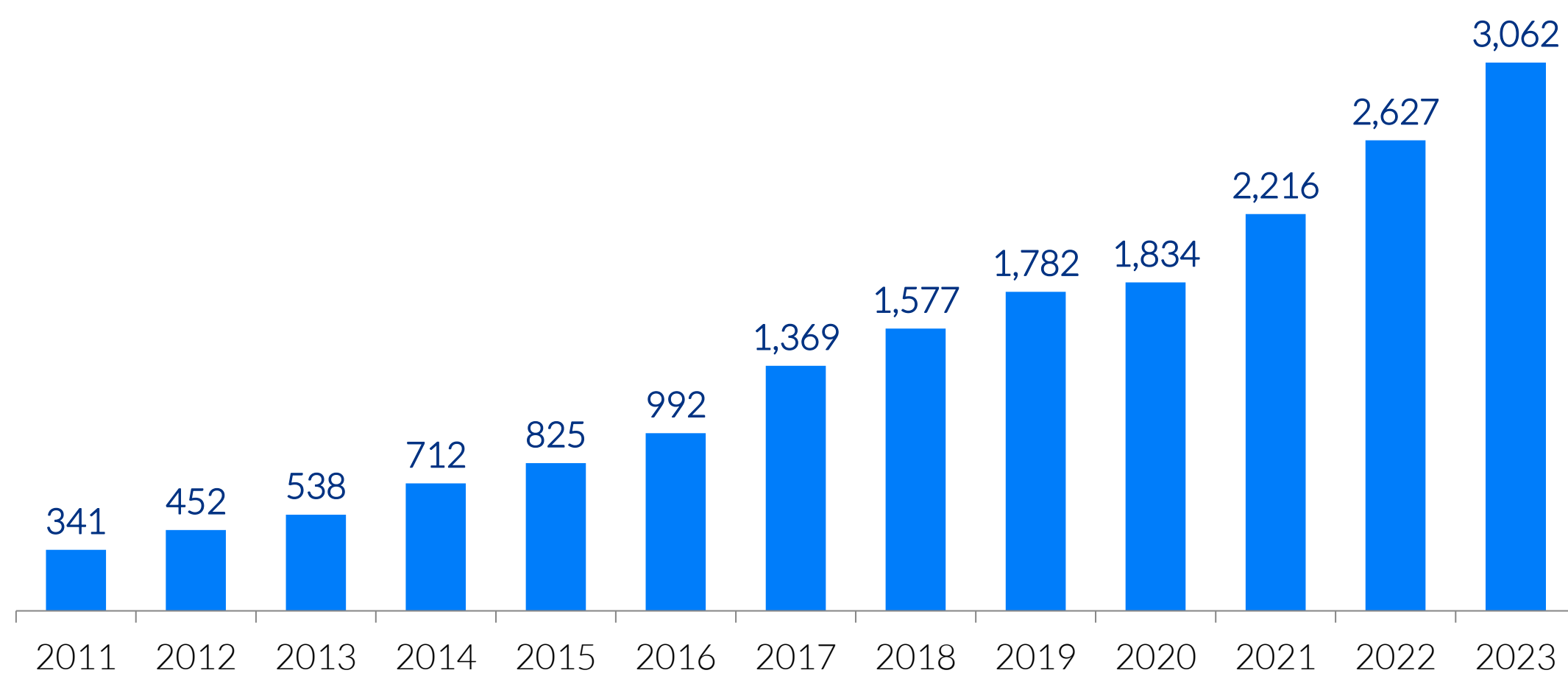
Investments in debt portfolios (PLNm)



Net profit (PLNm) and RoE (%)*



Recoveries (PLNm)

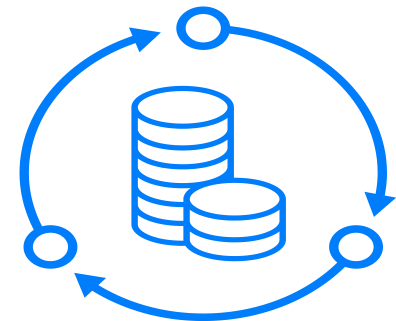


	2021	2022	2023
Cumulative number of purchased cases (in millions)	9.7	11.0	12.1
Cumulative expenditure on purchased debt portfolios (PLNm)	9,449	11,760	14,732
Cumulative nominal value of purchased debt portfolios (PLNm)	89,757	103,449	117,973
Cumulative recoveries from purchased debt portfolios (PLNm)	13,258	15,474	18,940
Workforce (FTEs)**	3,062	3,267	3,414

* Return on equity LTM

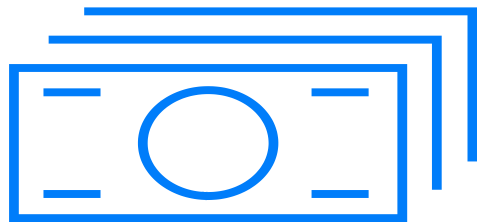
** Workforce (FTEs)– the number reflected in the cost of salaries and wages, calculated based on full time job equivalents rather than the actual number of employees.

Record-high net profit in 2023



NET PROFIT

PLN 984m
(+22% y/y)



CASH
EBITDA

PLN 2,104m
(+16% y/y)



RECOVERIES
FROM PURCHASED
PORTFOLIOS

PLN 3,062m
(+17% y/y)



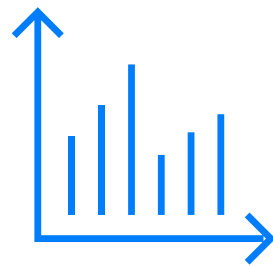
INVESTMENTS IN
DEBT PORTFOLIOS

PLN 2,972m
(+29% y/y)



EPS

PLN 50.93
(+21% y/y)



Rolling ROE
(LTM)*

26%



PORTFOLIO
CARRYING AMOUNT

PLN 8.7bn
(+28% y/y)



NET DEBT /
CASH EBITDA

2.4x
(2022: 2.1x)

* Last twelve months.

2023 highlights



KRUK S.A. CELEBRATED ITS 25TH ANNIVERSARY

FROM A START-UP CREATED IN 1998 TO A COMPANY WORTH PLN 9.2BN IN 2023*



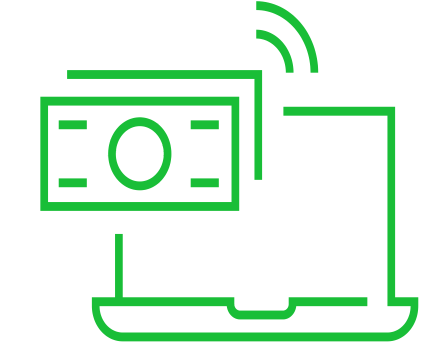
PLN 15 DIVIDEND PER SHARE FOR 2022

OVER THE PAST NINE YEARS, KRUK HAS DISTRIBUTED 1.1BN IN PROFITS TO SHAREHOLDERS THROUGH DIVIDENDS AND SHARE BUYBACKS



INTERNATIONAL EXPANSION

74% OF INVESTMENTS AND 56% OF RECOVERIES IN MARKETS OUTSIDE POLAND



TECHNOLOGY DEVELOPMENT

DIGITAL TRANSFORMATION OF THE KRUK GROUP, INCLUDING THROUGH THE DISCOVERY PROGRAMME



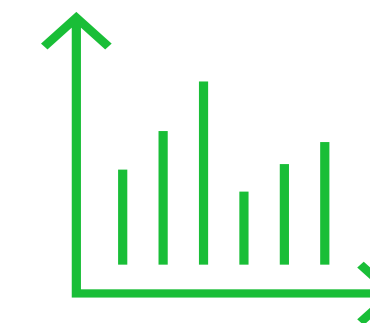
RECORD-HIGH CASH EBITDA

PLN 2.1BN IN 2023



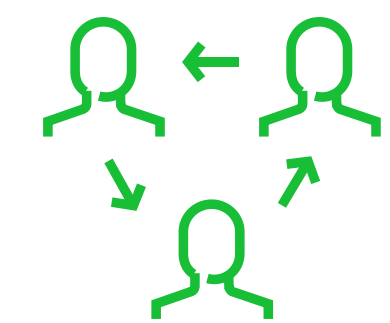
CREDIT RATING MOODY'S: BA1 S&P: BB-

ONE OF THE BEST CREDIT RATINGS AMONG DEBT COLLECTION COMPANIES WORLDWIDE



ROE AT 26%**

HIGHEST ROE AMONG THE WORLD'S LARGEST LISTED DEBT COLLECTION COMPANIES



58% OF SENIOR MANAGERIAL POSITIONS

AT THE KRUK GROUP HELD BY WOMEN

* Market capitalisation as at 31 December 2023

** Last twelve months.

KRUK Group in 2023: segment overview

(PLNm)

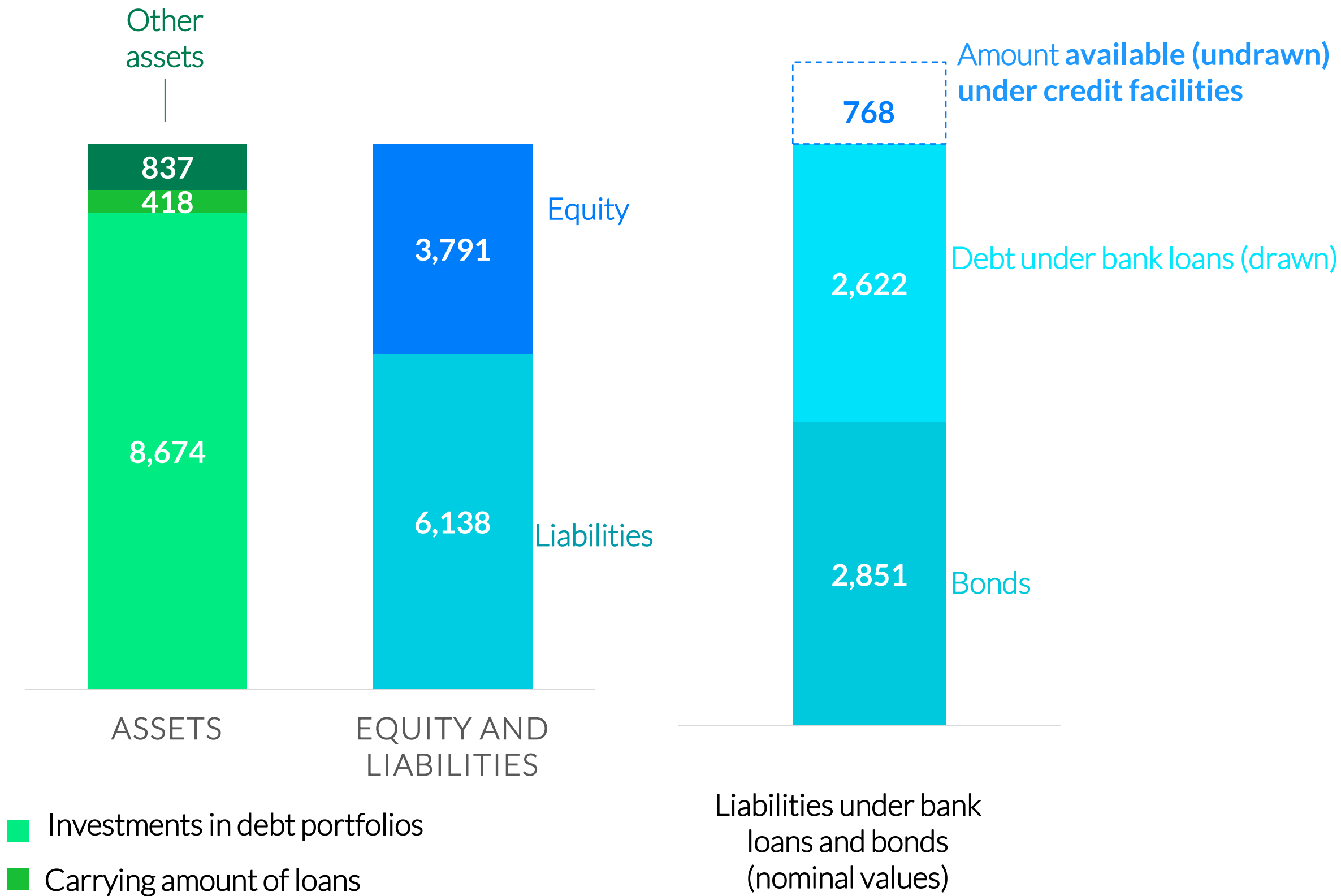
	Poland		Romania		Italy		Spain		Other markets		Unallocated		Head Office		KRUK Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Expenditure on debt portfolios	776	465	336	412	977	585	812	799	70	49	N/A	N/A			2,972	2,311
Recoveries	1,351	1,232	635	593	569	457	390	246	117	99	N/A	N/A			3,062	2,627
Carrying amount of purchased debt portfolios (PLNbn)	3.2	2.8	1.4	1.3	2.1	1.5	1.7	1.1	0.2	0.2	N/A	N/A			8,674	6,768
Percentage of total portfolio carrying amount	37%	41%	17%	19%	25%	22%	20%	16%	2%	2%	N/A	N/A			100%	100%
Revenue	1,215	1,035	587	549	413	361	306	136	51	59	22	7	N/A		2,593	2,146
Purchased debt portfolios	1,021	849	581	533	401	352	290	120	51	59	N/A	N/A			2,344	1,913
Credit management services	30	28	0	12	11	9	16	16			N/A	N/A			58	65
Wonga	139	129									N/A	N/A			139	129
Other activities	24	29	6	4							N/A	N/A			30	33
Gross profit	868	698	462	437	215	181	132	13	24	36	11	-2	N/A		1,712	1,363
EBITDA	778	625	430	407	179	150	106		10	26	11	-2	-129	-106	1,385	1,094
Cash EBITDA	1,108	1,009	484	467	346	255	207	-6	76	66	11	-2	-129	-106	2,104	1,809

Financing structure



Bank loans drawn | % 1M/3M WIBOR + 1.0–2.95pp | PLN 473m based on WIBOR
 1M EURIBOR + 2.2–2.95pp | PLN 2,149m based on EURIBOR

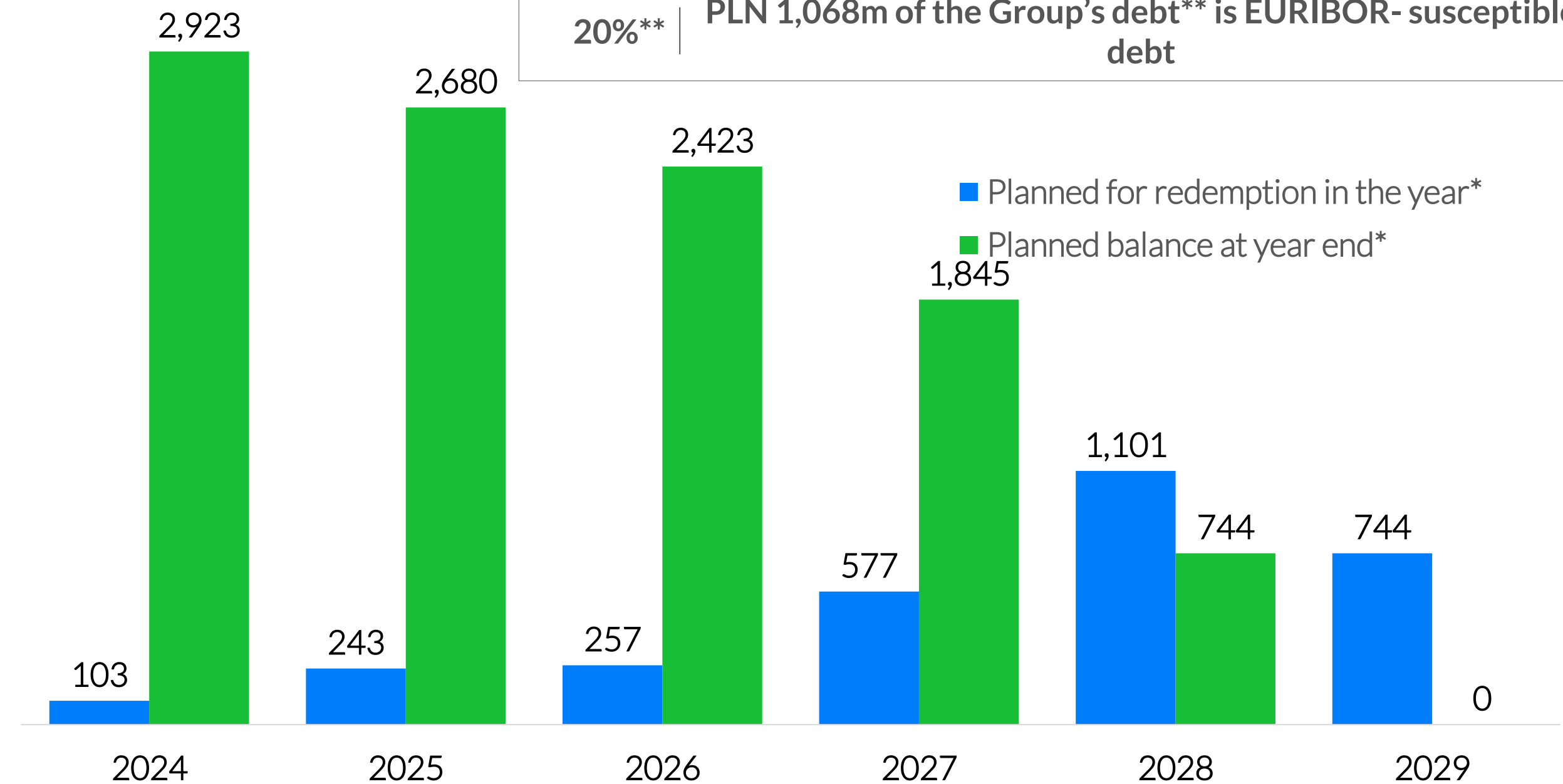
Bonds % | 3M WIBOR + 3.2–4.65pp | in PLN, with variable rate: PLN 2,019m*
 fixed for PLN: 4.0–4.8pp | in PLN, with fixed rate: PLN 180m*
 3M EURIBOR +4.0–6.5pp | in EUR, with variable rate: PLN 652m



71%** | PLN 3,896m of the Group's debt** is IRS/CIRS contracts and fixed-rate bonds

9%** | PLN 508m of the Group's debt** is WIBOR-susceptible debt

20%** | PLN 1,068m of the Group's debt** is EURIBOR-susceptible debt



Net debt/equity: 1.4x (maximum level: 3.0x)

Net debt/cash EBITDA: 2.4x (maximum level: 4.0x)

Cash EBITDA/interest on debt: 7.0x (minimum level: 4.0x)

* Nominal amounts as at 31 December 2023, including bond issues of February 2024: Series AO5EUR bonds (EUR 10m), Series AO6EUR bonds (EUR 14m), and Series AO7 bonds (PLN 70m). Amounts converted from EUR to PLN according to the exchange rate on 29/12/2023

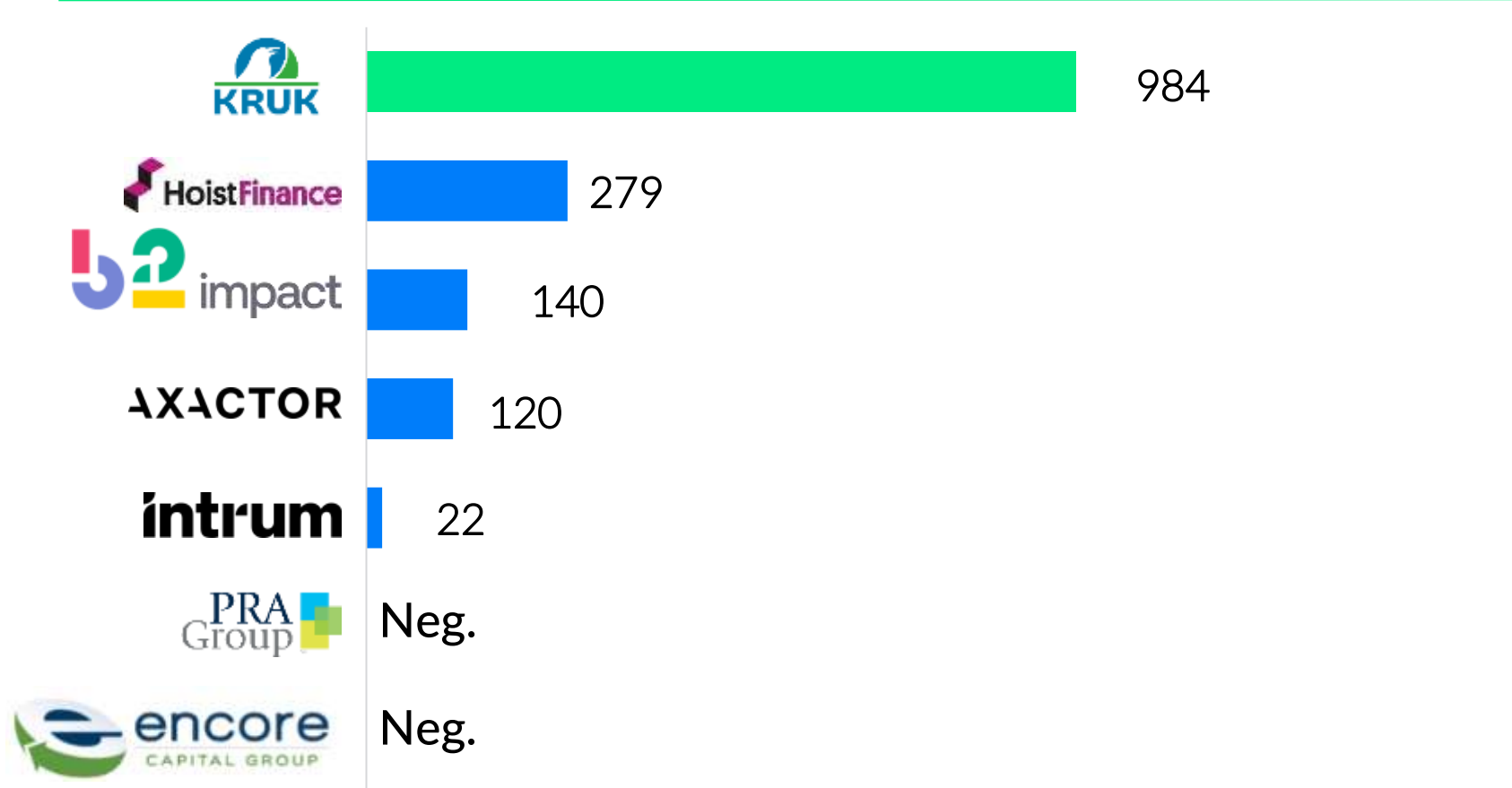
KRUK compared with industry peers after FY2023



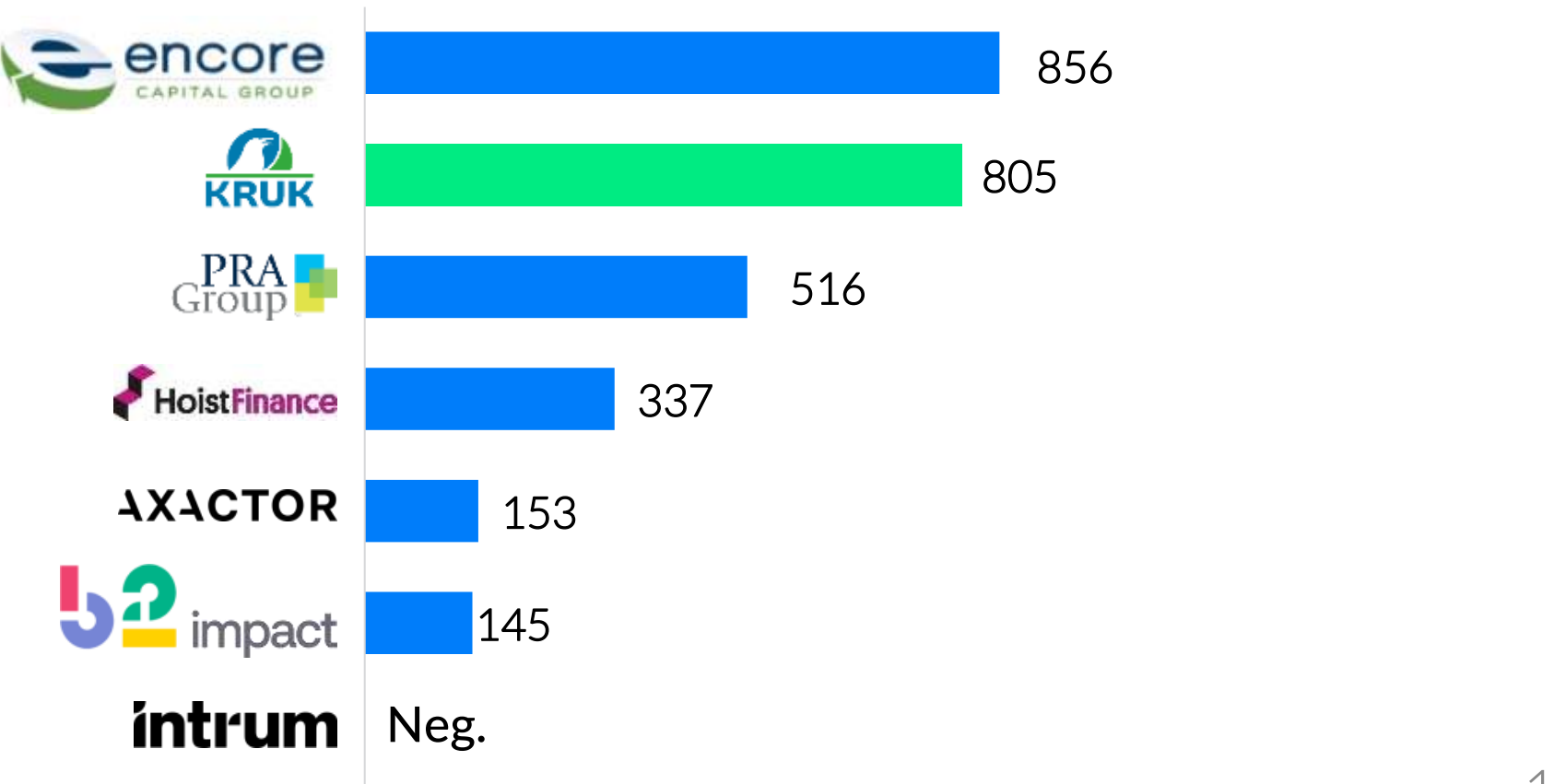
Competition in the markets where KRUK is present ¹⁾

	PL	RO	CZ	SK	DE	IT	ES
KRUK	✓	✓	✓	✓	✓	✓	✓
ARROW GLOBAL						✓	
AXACTOR					✓	✓	✓
Banca Ifis						✓	
impact	✓	✓	✓			✓	✓
eOs	✓	✓	✓	✓	✓		✓
HoistFinance	✓	✓			✓	✓	✓
intrum	✓		✓	✓	✓	✓	✓
PRA Group	✓				✓	✓	✓
encore CAPITAL GROUP	✓					✓	✓

2023 Net profit [PLNm] ²⁾



2022 Net profit [PLNm] ³⁾















1) Encore Capital present in Europe as Cabot Financial. 2) Exchange rate as of December 31st 2023; Own calculations based on publicly available data 3) Exchange rate as of December 31st 2022; Own calculations based on publicly available data











KRUK compared with industry peers after FY2023– one of the least indebted and most profitable companies among the listed companies



Data based on FY2023 results

		Return on equity (ROE)	Net Debt / Cash EBITDA LTM ¹⁾	Net Debt / Equity ²⁾	Market capitalisation ³⁾ [EURm]
 		26.5%	2.4x	1.4x	1,954
AXACTOR 		6.5%	3.9x	2.2x	126
 		6.5%	1.9x	1.6x	259
 		11.8%	-	2.8x	326
 		Neg	2.9x	3.4x	1,115
intrum 		0.3%	4.4x	3.4x	387
 		Neg	3.0x	2.4x	894

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

Competitors										
S&P Global Ratings <i>(Outlook)</i>	BB (stable)	-	B (negative)	BB (stable)	BB- (stable)	B+ (stable)	B+ (stable)	B (stable)	B (stable)	BB- (stable)
MOODY'S <i>(Outlook)</i>	Ba1 (negative)	Ba1 (stable)	B3 (negative)	-	Ba2 (stable)	B1 (stable)	B2 (stable)	B1 (positive)	B2 (stable)	Ba1 (stable)
					● S&P ● Moody's					
BBB+/Baa1										
BBB/Baa2										
BBB-/Baa3										
BB+/Ba1	●	●								●
BB/Ba2	●			●	●					●
BB-/Ba3					●					●
B+/B1						● ●	●	●		
B/B2			●				●	●	● ●	
B-/B3			●							



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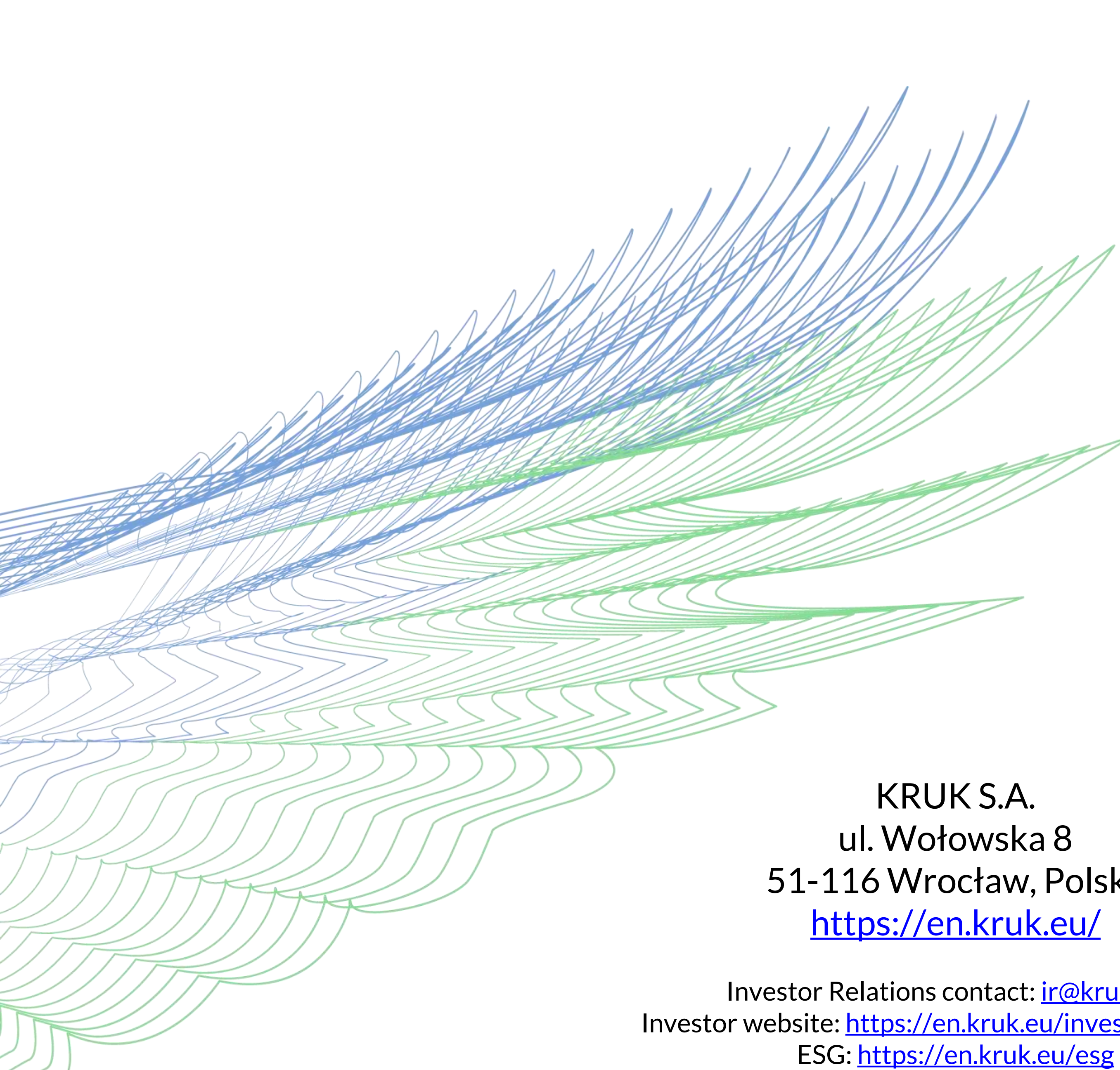
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Please note that information contained in this Presentation may become outdated, but the Company does not assume an obligation to update it, unless otherwise stated.



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