



KRUK Group

General presentation
September 2021



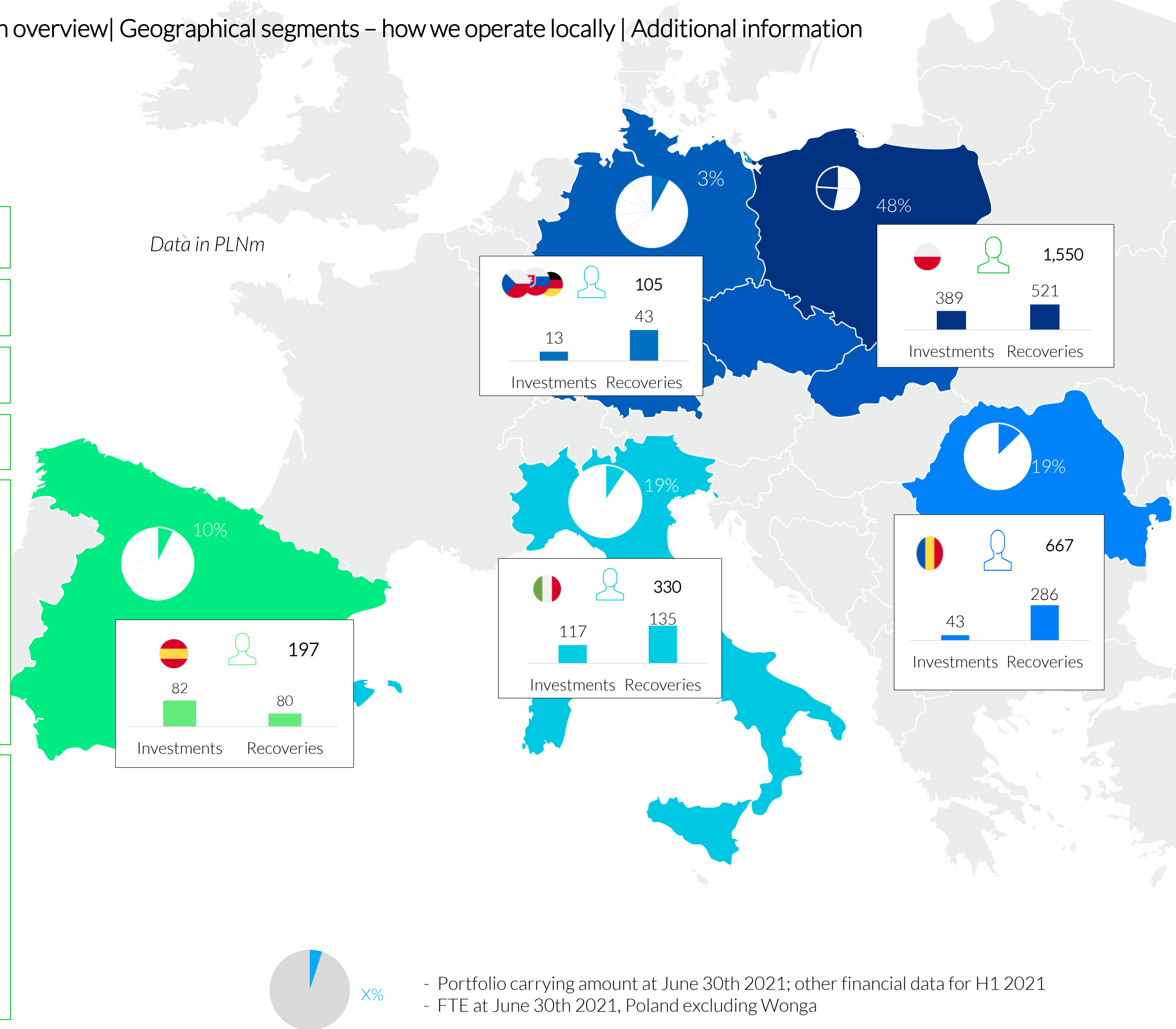
Agenda



1. Introduction – in a nutshell
2. KRUK Group – who we are
3. Operations and current results – an overview
4. Geographical segments – how we operate locally
5. Additional information

KRUK Group in a nutshell

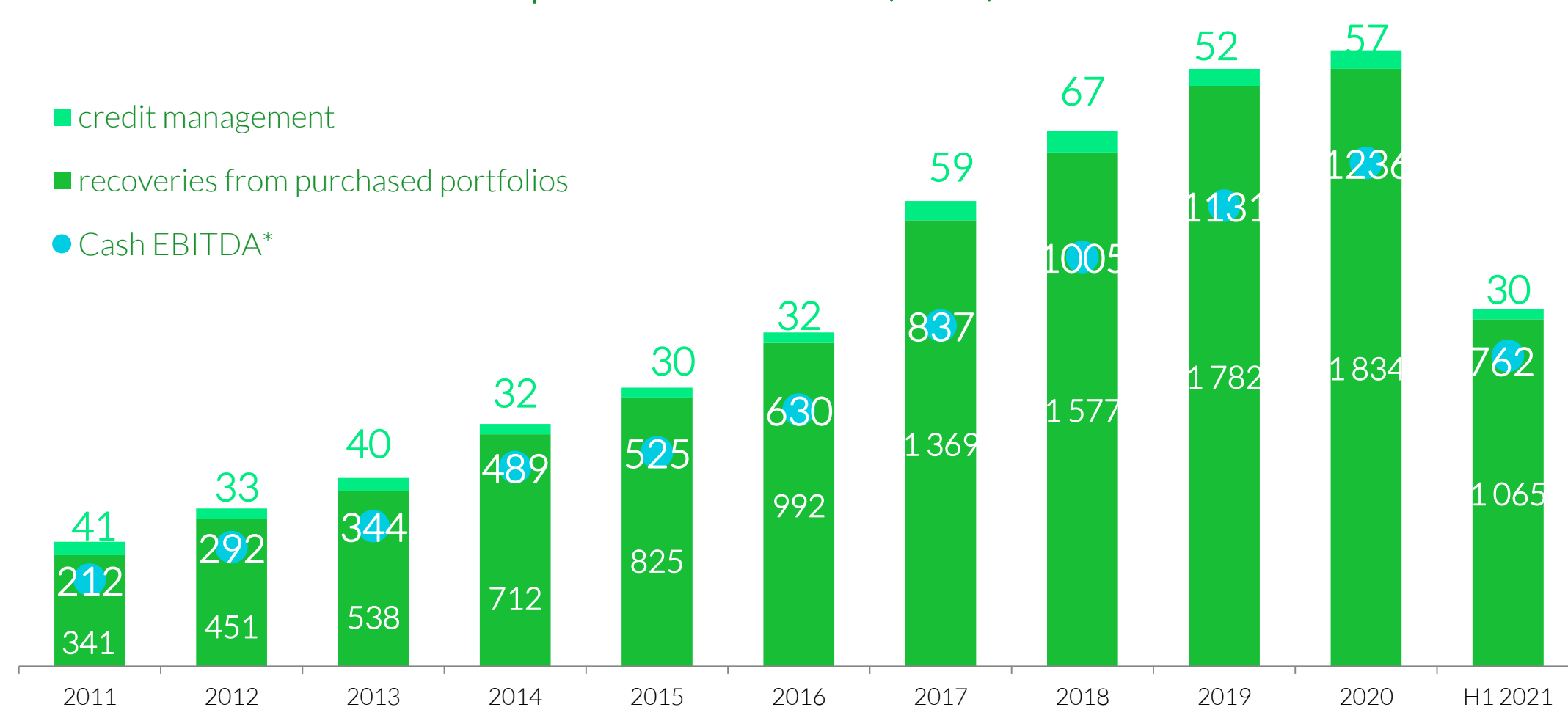
No. 1 in Poland and Romania	7 Market presence	Debt portfolio purchase Credit management services Consumer lending Credit reference
PLN 762m Cash EBITDA H1 2021	PLN 396m Net profit/(loss) H1 2021	PLN 644m Amount invested in debt portfolios H1 2021
1.4x Net debt to cash EBITDA 0.9x Net debt to equity	PLN 11 per share Dividend paid in 2021	PLN 4bn Portfolio carrying amount PLN 8.5bn ERC



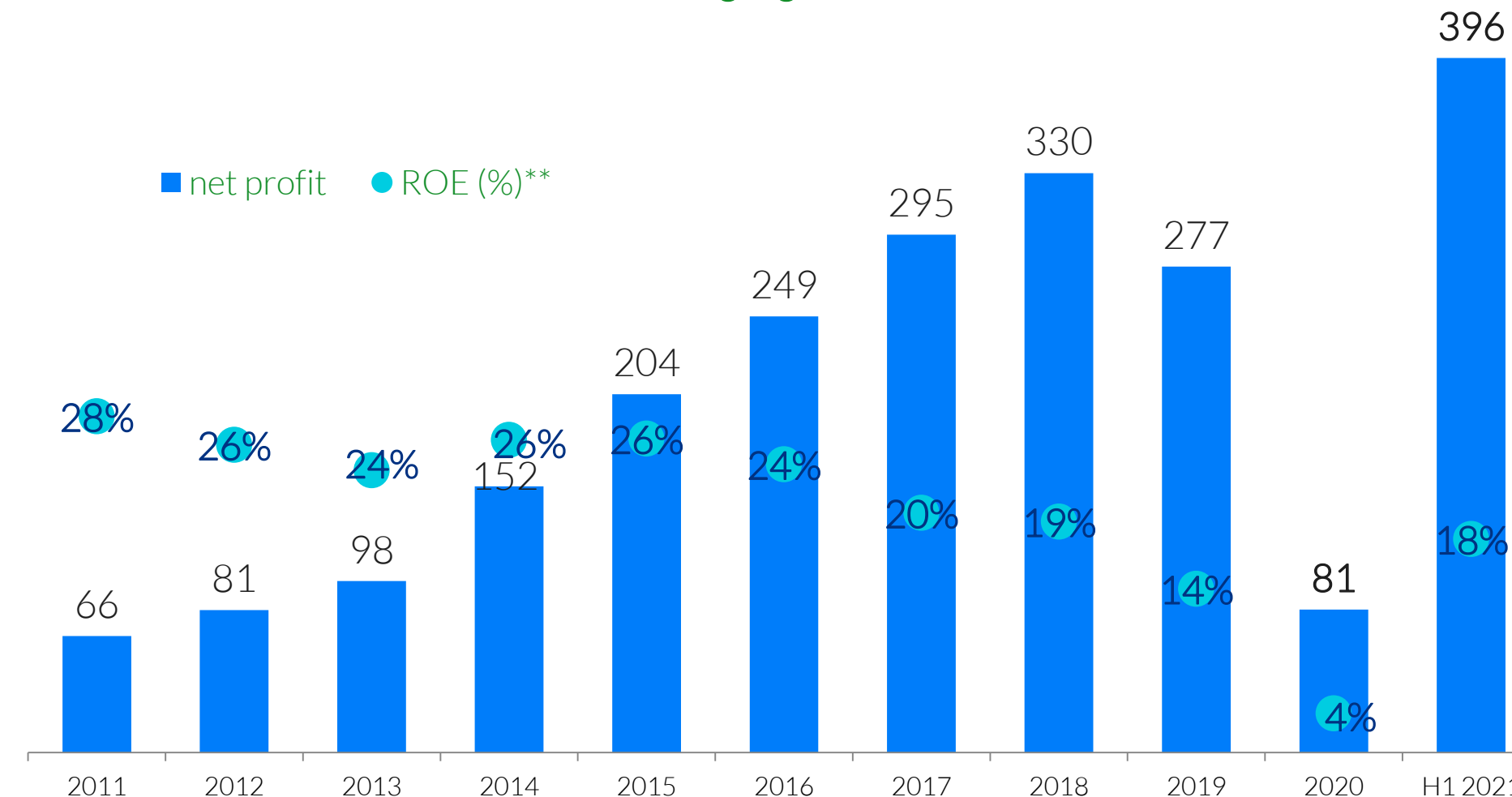
KRUK reports another year of strong cash EBITDA despite COVID-19



Cash receipts from debt collection (PLNm)



Financial highlights (PLNm)



PLNm

	2011	H1 2020	H1 2021	Change y/y	CAGR 11-H1 21
Revenue	274	465	896	92%	12%
EBIT	96	52	484	823%	17%
Cash EBITDA	212	591	762	29%	13%
Net profit	66	-19	396	2148%	19%

Accumulated number of purchased cases (in millions)

	2019	2020	H1 2021
Accumulated number of purchased cases (in millions)	8.8	9.1	9.3
Accumulated expenditure on purchased debt portfolios (PLNm)	7,255	7,711	8,355
Accumulated recoveries from purchased debt portfolios (PLNm)	9,208	11,042	12,107
Headcount (FTEs)***	3,263	3,126	2,992

* Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt

** Return on equity at the end of the period

*** FTEs – the number reflected in the cost of salaries, calculated based on full time job equivalents rather than the actual number of employees. 2019 excluding Wonga.

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Why KRUK



We are proficient in what we do thanks to a stable and seasoned management team

- ✓ With an operating history going back to 1998, we have one of the most impressive track records among Central Europe's debt collection companies and a presence spanning 7 European markets
- ✓ We provide comprehensive credit management services, leveraging both amicable settlement and court procedures, based on our own IT system and decision-making models
- ✓ We invest in cutting-edge IT solutions and develop our analytical tools
- ✓ We have built from scratch our own process know-how based on a range of operational tools, comprising a contact centre, field advisor visits, written communications (including email) and online tools.
- ✓ We have long-standing experience in court and enforcement processes, where we rely on advanced solutions to manage large volumes of cases
- ✓ We have an extensive track record of international expansion through organic growth and acquisitions
- ✓ We have a wealth of experience in debt portfolio valuation, purchase and collection, having already invested PLN 8.4bn to buy 1,197 portfolios
- ✓ We can improve our processes and leverage lessons learned; we are driven by the Lean philosophy; and we keep refining our statistics-based models

We deliver excellent performance

- ✓ We are firmly entrenched as the market leader in Poland and Romania, boasting a strong brand and delivering profitable growth across all business lines
- ✓ For all the past 23 years, we have maintained a consistent track record of profit generation
- ✓ Average ROE for 2011–LTM2021* at 22%
- ✓ Average EPS CAGR growth for 2011– 1H 2021: 17%*
- ✓ We can combine business growth with profit sharing – from 2015 to 2021 KRUK has paid a total of PLN 589m in profit distributions to shareholders.
- ✓ KRUK's share price has risen over 671% since its IPO in 2011**

* LTM2021 = H2 2020 + H1 2021

** to September 7th 2021

Why KRUK



We have ambitions and growth potential

- ✓ Our ambition is to remain on a path of profit growth and geographic expansion, with the economic interests of KRUK's management tied to the share price performance
- ✓ Over the years, we have demonstrated an ability to maximise recoveries from our existing portfolio through process efficiency improvements, translating into robust profit growth
- ✓ We believe we are well-placed to step up portfolio purchases going forward through market share gains and further expansion
- ✓ We have a corporate culture that supports sustainability: we are responsible, bold, ready to embrace change and to leverage lessons learned

Our history to date has shown that KRUK is a moderate-risk business

- ✓ Having come through two global crises, including the 2020 pandemic, we have proven our ability to adapt and capitalise on any conditions that may emerge
- ✓ With a low leverage ratio, we can keep down our liquidity risk profile and borrowing costs, while being able to flexibly capture future growth
- ✓ For the 23 years since our business was launched, we have not experienced a single major financial, liquidity or PR crisis
- ✓ KRUK's affairs are run by its founder and a stable management team. Since 2003 KRUK has been led Mr Piotr Krupa as CEO. The CEO together with the other Management Board members hold a combined equity stake of some 10% in KRUK S.A.

We are strongly committed to business ethics

- ✓ Respect for clients at every stage of the operational process remains KRUK's core value. We have received the Ethical Business title in a prestigious awards programme run by *Puls Biznesu* (subject to thorough audit by EY) every year since 2017.
- ✓ Our activities are making a positive difference in the way the debt collection and consumer lending industry are perceived
- ✓ As a responsible corporate citizen, we are engaged in financial literacy projects.

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 Zasępa
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. Appointed to the Management Board in May 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

With KRUK since August 2020. In November 2020 appointed member of the Management Board 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.

Experienced Supervisory Board members and stable shareholding structure



Piotr Stępnia <i>Chairman of the Supervisory Board</i>
Katarzyna Beuch <i>Member of the Supervisory Board</i>
Tomasz Bieske <i>Member of the Supervisory Board</i>
Ewa Radkowska-Świętoń <i>Member of the Supervisory Board</i>
Krzysztof Kawalec <i>Member of the Supervisory Board</i>
Piotr Szczepiórkowski <i>Member of the Supervisory Board</i>
Mateusz Melich <i>Member of the Supervisory Board</i>

Current employment: Supervisory Boards membership: ATM Grupa S.A., Nest Bank S.A., BFF Polska S.A., Asseco Business Solutions S.A., Grupa Kęty S.A. and ZE PAK S.A
Professional experience: President of the Management Board of GETIN Holding S.A., Vice President of the Management Board of Lukas Bank S.A.
Education: Guelph University (Canada), Ecole Supérieure de Commerce de Rouen (France), Purdue University (USA).

Professional experience: Bank Zachodni S.A., Ernst & Young Audit, Santander Consumer Bank S.A., KGHM Polska Miedź S.A, Member of the Management Board of GETIN Holding S.A.
Education: The Wrocław University of Economics (Poland), holds ACCA (FCCA) qualifications.

Current employment: member of the Supervisory Board and Chair of the Audit Committee at mBank S.A., member of the Supervisory Board of Prime Car Management S.A.
Professional experience: Dresdner Bank AG Frankfurt am Main, co-founder of Artur Andersen Poland - Partner, Head of the Financial Markets Group and member of the Management Board of Ernst & Young.
Education: University of Cologne (Germany), licensed auditor.

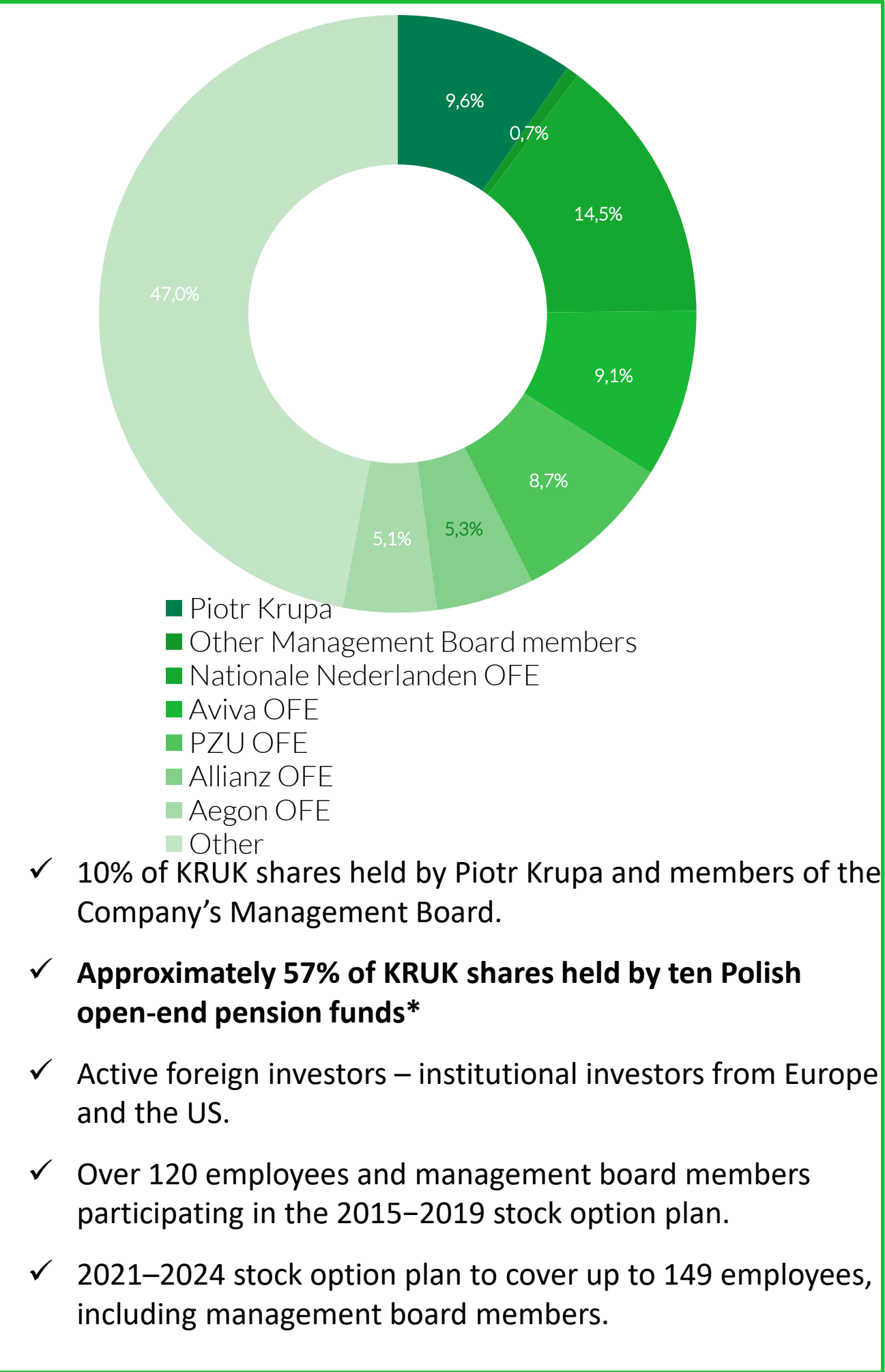
Professional experience: Investment Director at ING Investment Management Polska S.A., fund manager at Aviva Investors Polska S.A., Vice President of the Management Board of Nationale Nederlanden PTE S.A., President of the Management Board of Skarbiec TFI S.A. and Skarbiec Holding S.A.
Education: Warsaw School of Economics (Poland), holder of CFA and FRM certificates.

Current employment: President of the Management Board of BFF Polska S.A., member of the Supervisory Board of BFF MedFinance s.r.o. and BFF Slovakia s.r.o, member of the Supervisory Board of KRUK TFI S.A.
Professional experience: Manager at IFFP.
Education: Łódź University of Technology (Poland), Warsaw School of Economics (Poland), PAM Center of the University of Łódź, University of Maryland.

Current employment: member of the Supervisory Boards of FM Forte S.A., Ipopema Securities S.A., Octava S.A., Decora S.A., member of the Supervisory Board and Chair of the Audit Committee at Ipopema TFI S.A.
Professional experience: Commercial Union Polska Group, President of the Management Board of Commercial Union PTE, Member of the Audit Committee of the Chamber of Commerce of Pension Fund Companies (IGTE), Vice President of the Management Board of Aviva TU na Życie, Chair and Deputy Chair of the Life Insurance Committee of the Polish Chamber of Insurance
Education: Warsaw University of Technology (Poland), investment adviser, fellow of the Polish Society of Actuaries, member of the CFA

Education: Warsaw School of Economics (Poland), Ludwig Maximilian Universiät, Munich (Germany)
Professional experience: Ernst & Young in Berlin, Manager at the Capital Markets Department of IPOPEMA Securities S.A., President of the Management Board of Dom Inwestycyjny ZENITH S.A., Director at Mercurius Dom Maklerski Sp. z o.o.

Stable Shareholder Structure



* Source: stooq.pl June 2021

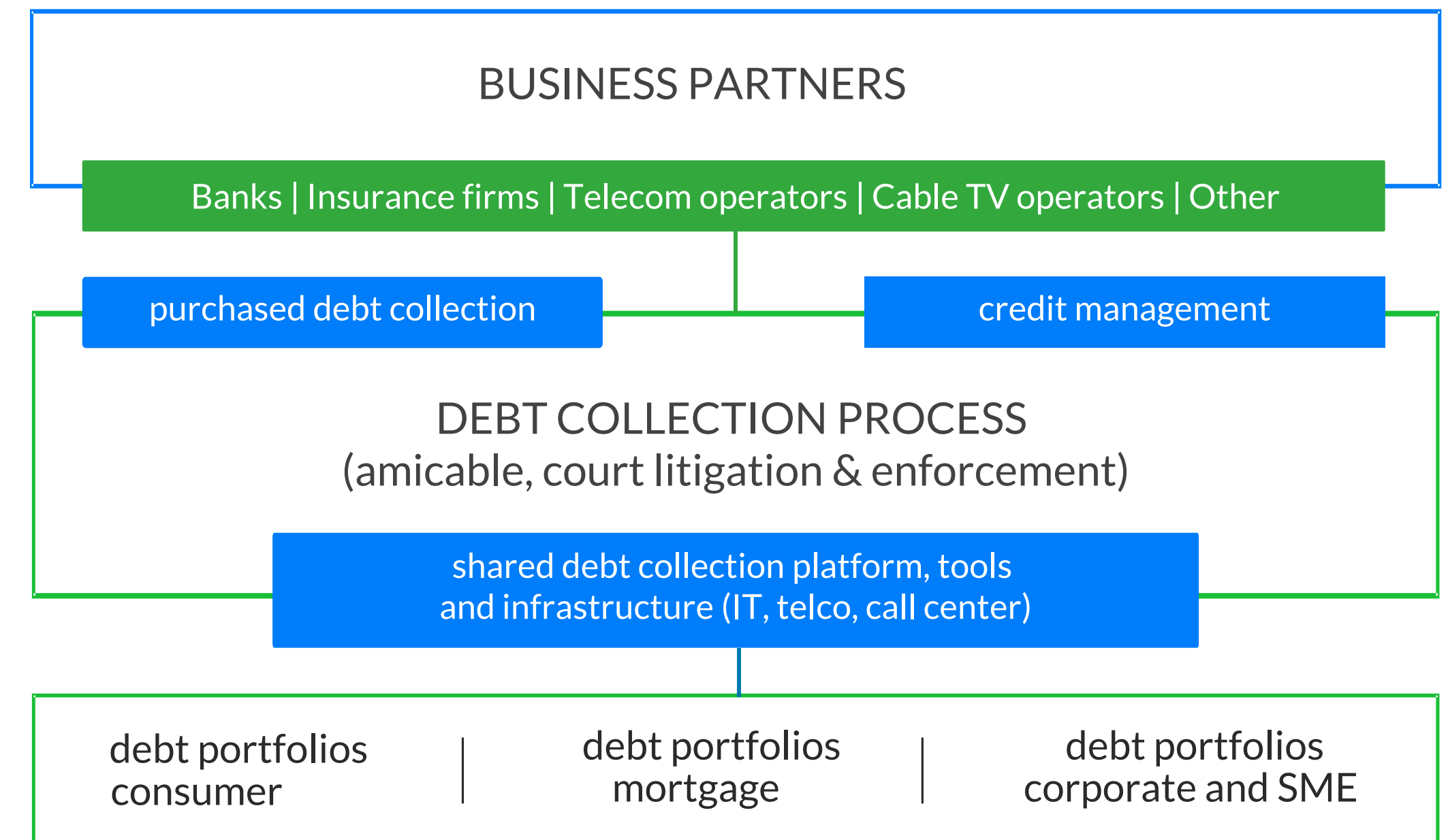
KRUK Group – milestones and business model



Milestones

2000	launch of credit management operations
2001	introduction of success-only fee model in credit management
entry into debt portfolio market – decision to raise capital	
2003	KRUK emerges as leader of credit management Enterprise Investors invests USD 21m (PEF IV) first debt portfolio purchase
2005	first debt securitisation in Poland, operations in Wałbrzych
decision to replicate business abroad	
2007	entry into Romanian market
innovative approach to debtors	
2008	implementation of mass amicable settlement strategy (amicable settlement or court collection)
2010	change in legislation – operation of ERIF Rejestr Dłużników credit reference agency media advertising – mass communication tool
growing supply of non-performing debt	
2011	first listing on WSE, entry into Czech Republic and Slovakia
2014	first large mortgage-backed debt portfolio purchased, entry into German market
2015	first portfolios purchased in Germany and Italy
2016	purchase of debt servicing companies in Spain and Italy
2018	KRUK's 20th anniversary investments hit record PLN 1.4bn
2019	acquisition of Wonga.pl
2020	development of online tools, remote work process efficiency maintained during pandemic
2021	record half-year results based on strong recoveries and profitable business in all markets

KRUK's 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.

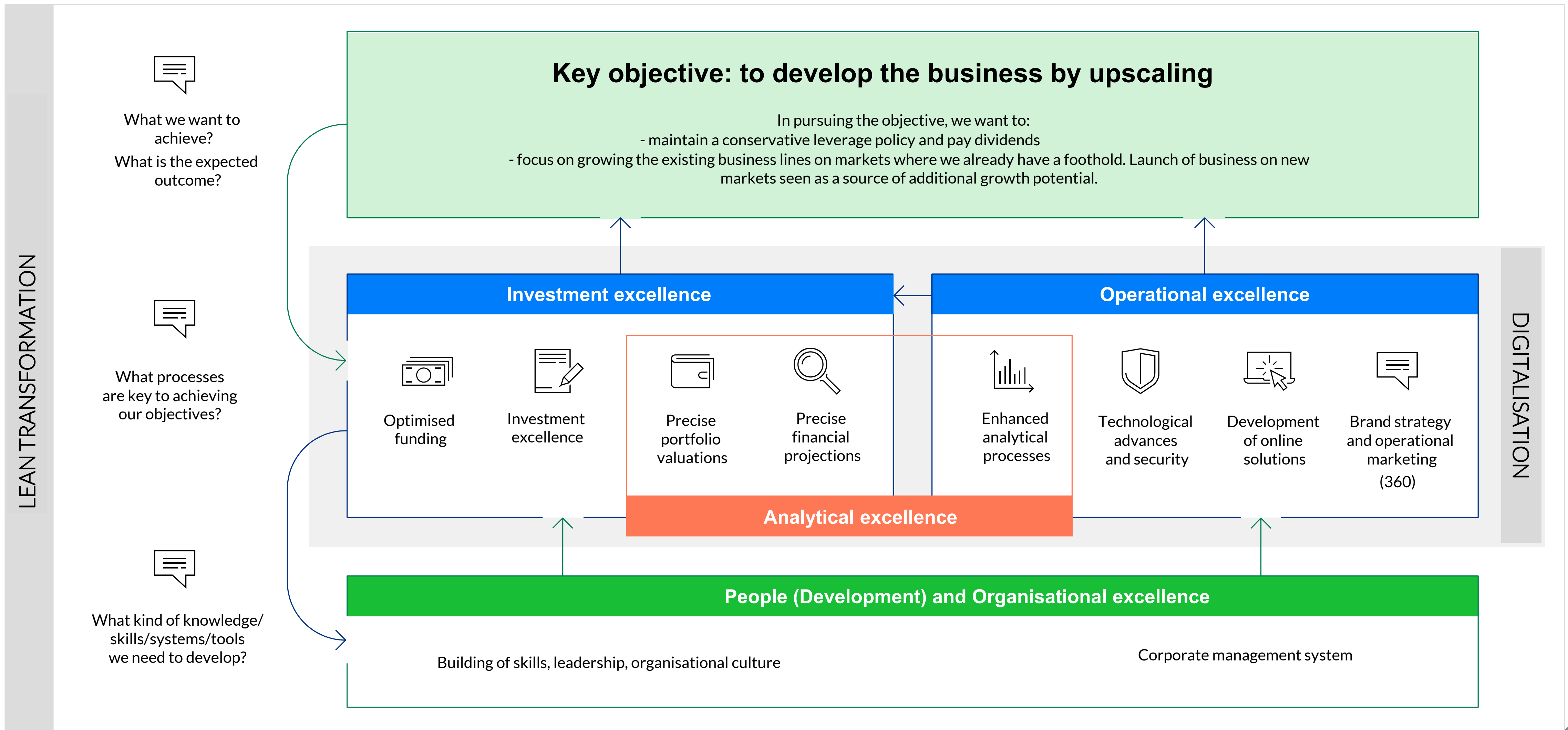
Cooperation – Together we can do more. We build relationships based on partnership and clear rules. We call a spade a spade.

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.

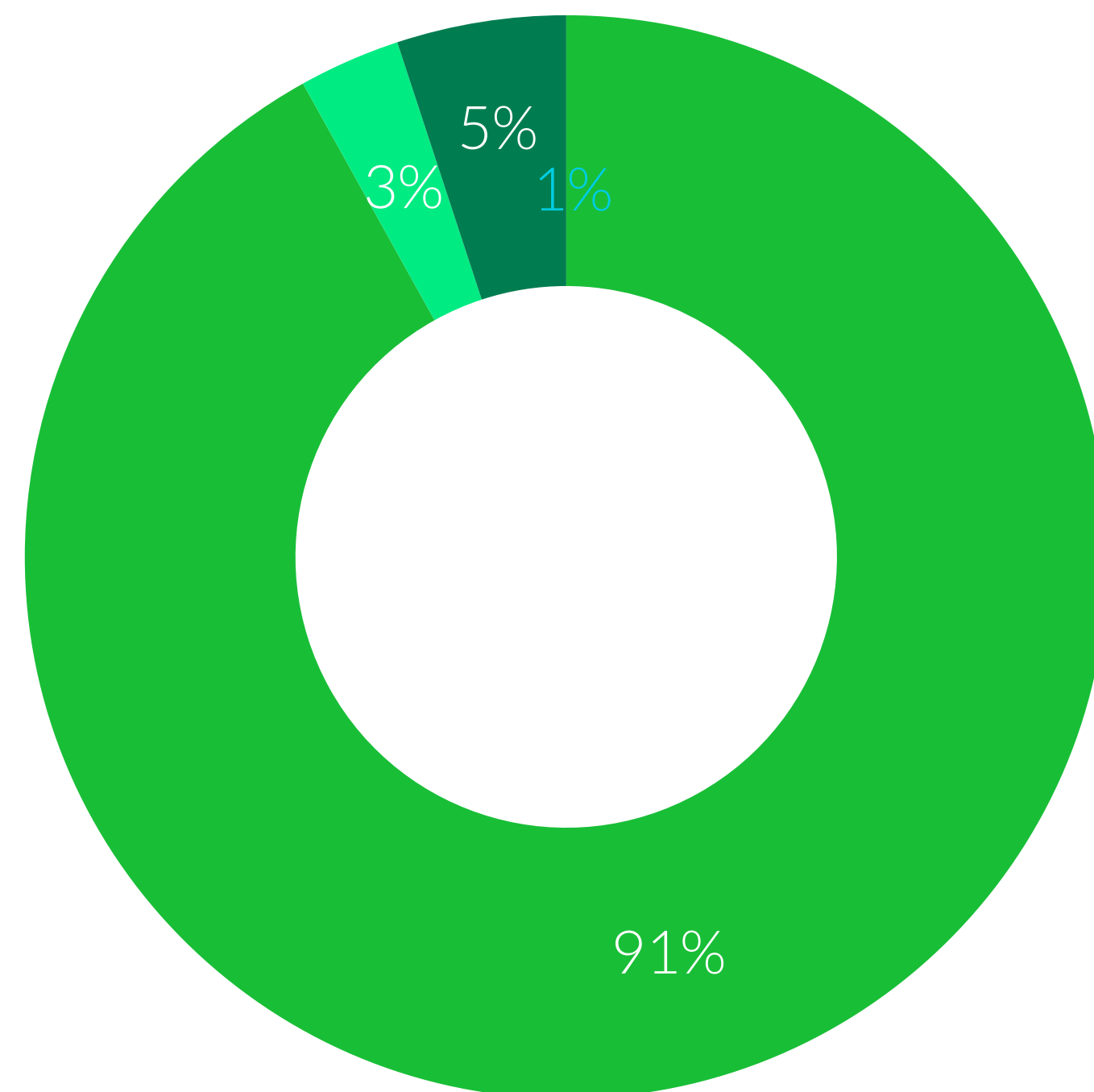
KRUK - development strategy



KRUK business lines



Share in the revenues of KRUK Group



Debt purchase and collection

- ✓ The KRUK Group's principal business is the collection of debt purchased for its own account in Poland, Romania, Spain, the Czech Republic, Slovakia and Italy.
- ✓ The Group also owns and manages assets in Germany through a debt servicing firm.
- ✓ The majority of purchased assets are unsecured retail debt portfolios.
- ✓ In H1 2021, revenue from purchased debt collection was PLN 812m (91% of the total).

Credit management services

- ✓ Credit management services for business partners (mainly banks) in Poland, Romania, Spain and Italy are a source of additional revenue streams.
- ✓ In H1 2021, revenue from credit management services was PLN 30m (3% of the total).

Consumer lending (Wonga, Novum)

- ✓ Consumer lending line – in Poland, WONGA offers short- and medium-term loans on the open market.
- ✓ Under the NOVUM brand in Poland and Romania, loans are offered to the Group's selected clients having a clear credit record with KRUK. In H1 2021, WONGA and NOVUM generated revenue of PLN 37m (4% of the total) and PLN 9m (1% of the total), respectively.

Credit reference agency (ERIF)

- ✓ In Poland, the ERIF database is used to provide additional services (e.g. borrower vetting, business credentials, a debt swapping system) and to support debt collection.
- ✓ In H1 2021, revenue generated by ERIF was PLN 4m (>1% of the total).

KRUK - Debt management processes and tools



In the debt collection process, KRUK relies on:

Amicable process

- ✓ Its purpose is to recover debt as quickly as possible in consultation with the client (debtor), or

Court litigation & enforcement

- ✓ Where more effective, the claim is sought through a court litigation & enforcement process, or

Hybrid process

- ✓ This approach enables amicable settlement when court litigation is already under way

The process is assessed for efficacy at every stage, with the optimum model selected.



Call Center



Written communications
(including texts,
emails)



Online tools
(e-kruk, e-payments,
e-settlement)



Field advisors



Court litigation

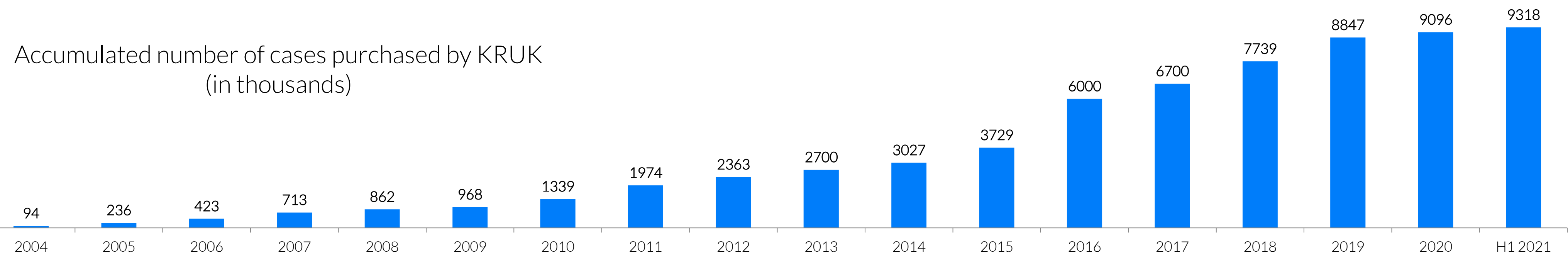
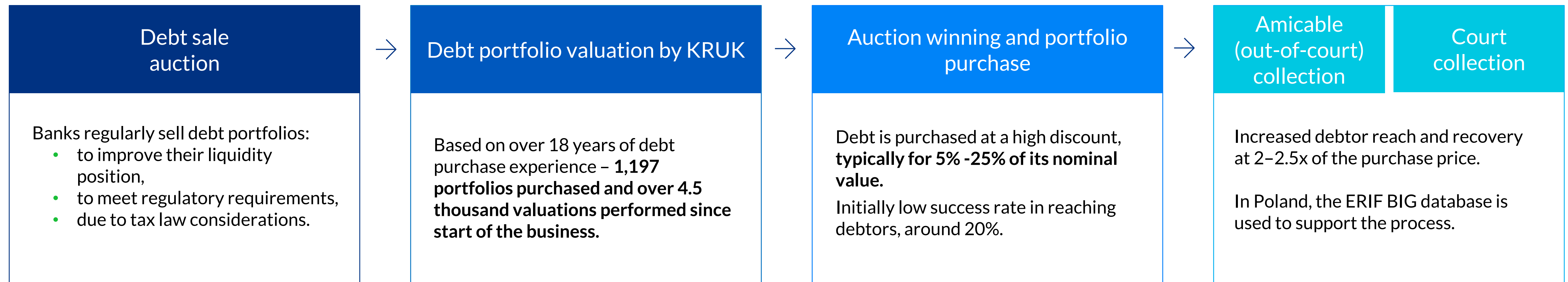


Enforcement process

KRUK is a debt investment and collection business with extensive experience



Debt portfolio purchase and management

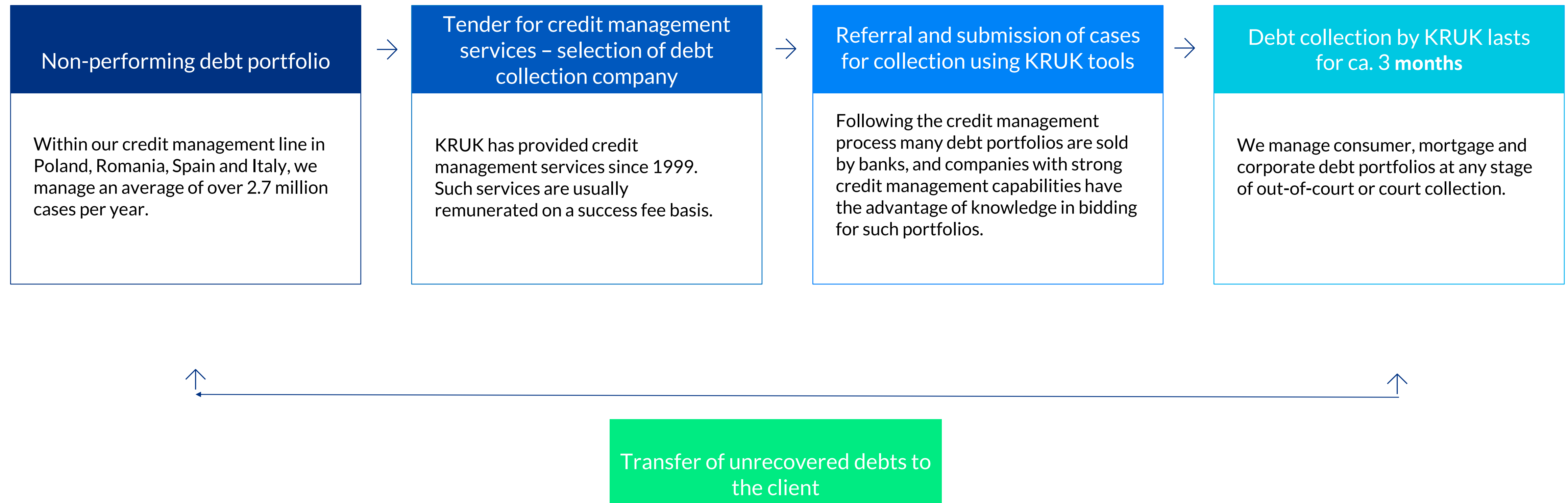


Over more than 18 years in the purchased debt management business, KRUK has handled more than 9 million debt cases

KRUK also provides credit management services for business partners

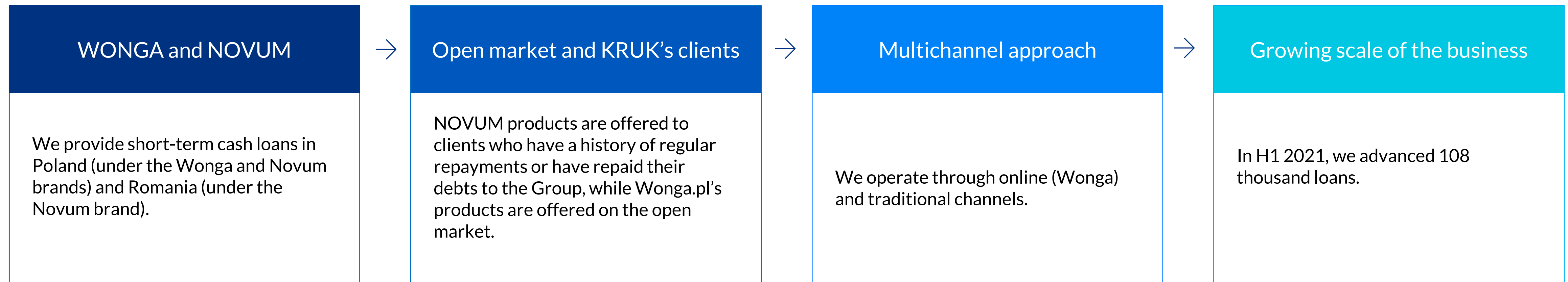


Credit management (outsourced debt collection)



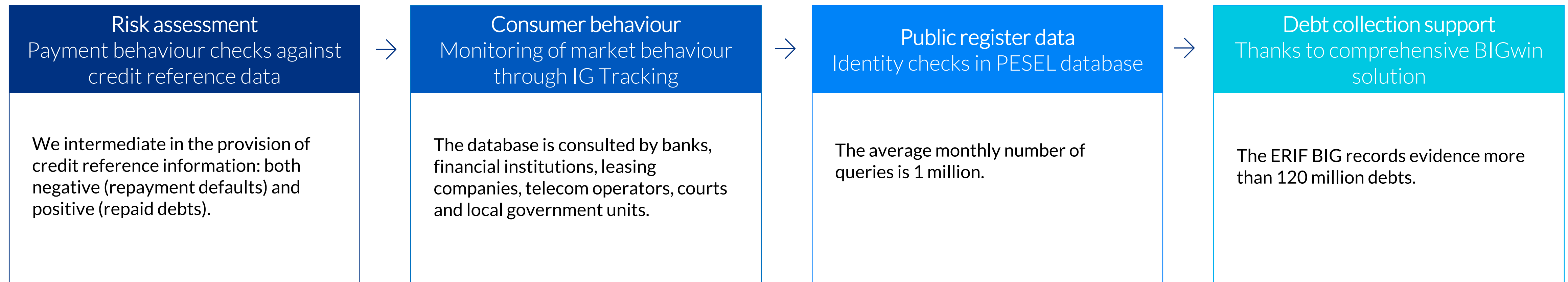
In H1 2021, revenue from the credit management line was PLN 30m (3% of KRUK's total revenue).

Consumer loans offered by the KRUK Group under the Wonga and Novum brands



In H1 2021, WONGA and NOVUM generated revenue of PLN 37m and PLN 9m (4% and 1% of KRUK's total revenue), respectively.

ERIF BIG – we collect and share credit reference information in Poland



In H1 2021, revenue generated by ERIF was PLN 4m (>1% of KRUK's total revenue).

Corporate social responsibility of the KRUK Group

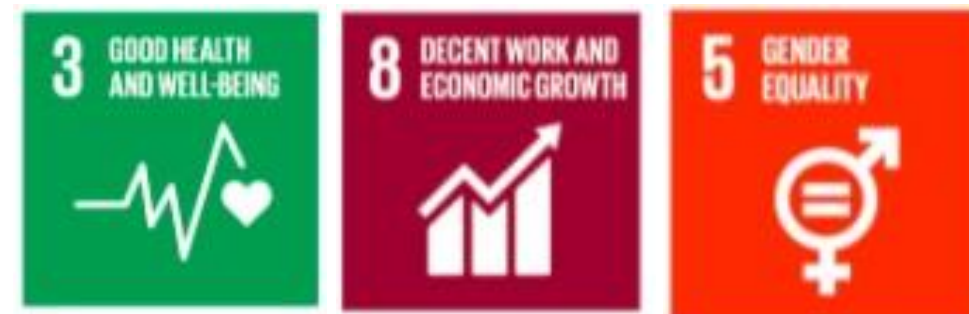


For the society and clients



- ✓ 'Energy for Medical Personnel' initiative continued in the Czech Republic to thank the local frontline healthcare staff for engaging in the fight against COVID-19.
- ✓ Commitment Certificate from Garantia Madrid awarded to KRUK Espana in recognition of measures taken to combat and prevent COVID-19 at the workplace and in client relations.
- ✓ Donation of PLN 100 thousand from KRUK S.A. for the Elijah Hospice Foundation in Michałów to support the construction of a hospice for terminally and chronically ill patients.
- ✓ 195 employees of the KRUK Group's Polish companies taking part in the Everest Foundation's 2021 Business Run charity event to raise funds for sick children.
- ✓ KRUK Romania employees taking part in the 'Tur de bine race' charity run to support the poorest.
- ✓ In Poland: continued partnership with the Psychological Support Centre.
- ✓ Long-running educational campaigns for the general public, including indebted individuals.

For employees



- ✓ Continuation of the home office model – with ca. 90% of staff continuing to work from home.
- ✓ KRUK Group's Polish companies engaging in the Humanites Institute's 'Two hours for the family' initiative – this year's event intended to address the crisis of family bonds and strengthen prevention.
- ✓ Team-building and education campaigns carried out to boost team spirit and ensure staff's well-being.
- ✓ 'Equality Plan' implemented by KRUK Espana and notified to the Spanish Ministry of Labour.
- ✓ 'Mediation Policy' revamped by KRUK S.A.

For the environment



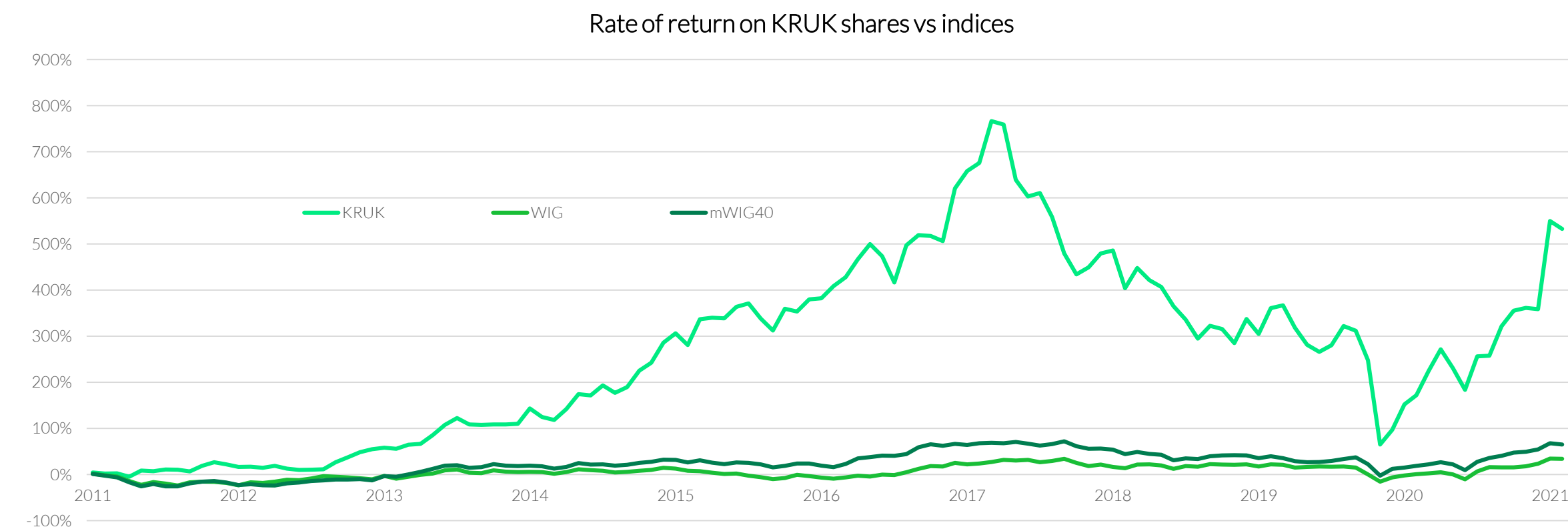
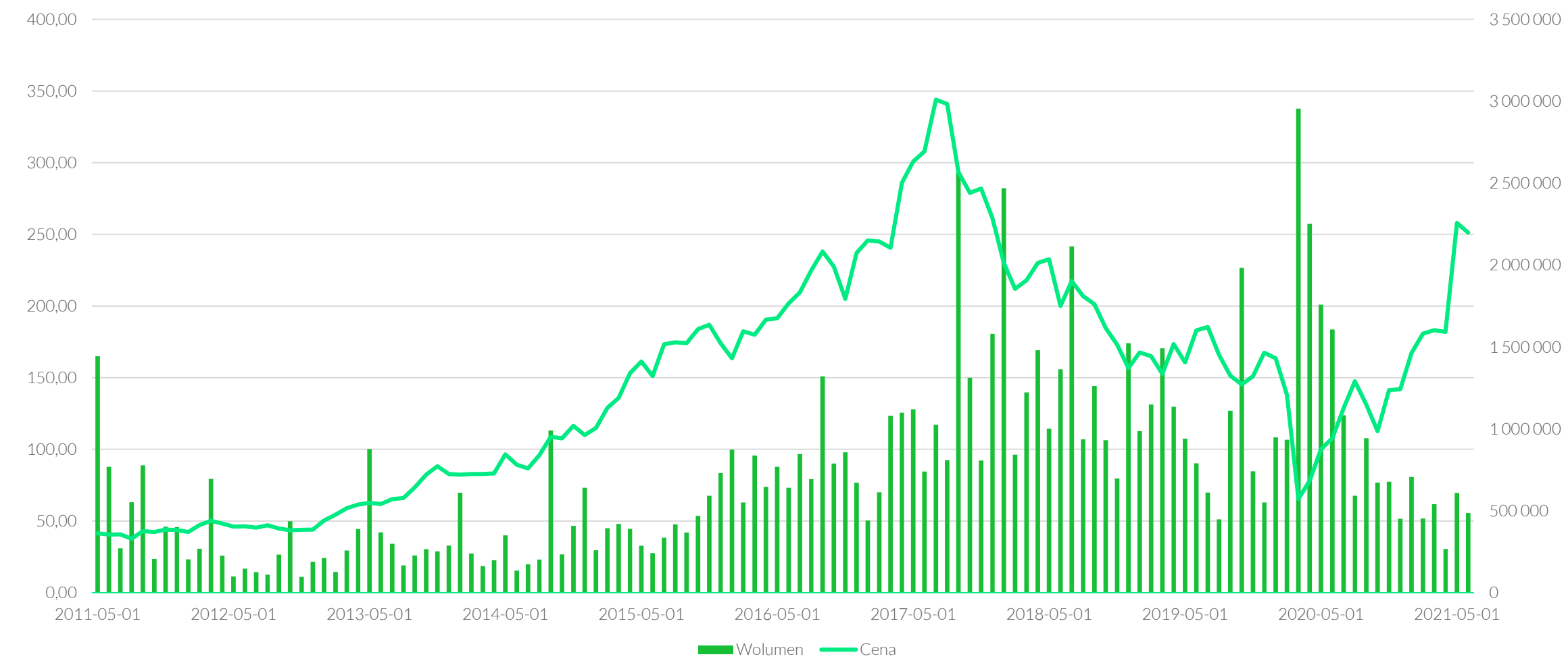
- ✓ Digital signature implemented at the Spanish company, which as in the case of KRUK S.A., will reduce paper consumption, saving several hundred trees annually.
- ✓ Car fleet replacement at KRUK S.A. – to reduce carbon emissions from vehicles driven by field advisors.
- ✓ Staff awareness raising at the KRUK Group's Polish companies on climate change through the 'Klimat do zmiany' webinar, carried out by representatives of the FER Foundation and EkoCentrum.

10 years of KRUK on the WSE

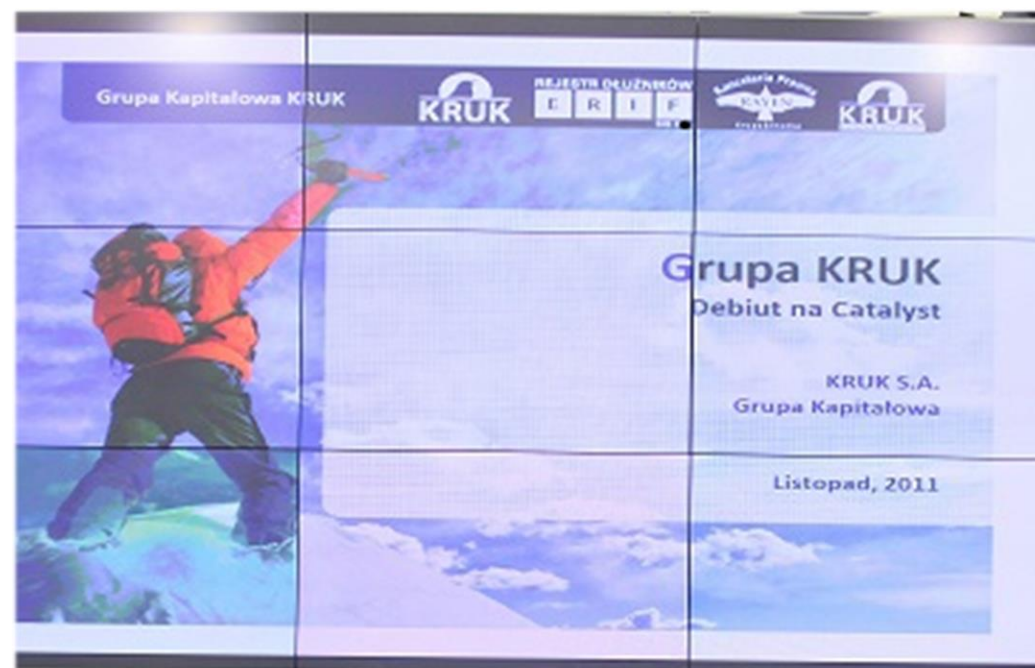


- ✓ KRUK shares were floated on the Warsaw Stock Exchange in May 2011, with a price of PLN 39.70 per share, total IPO value of PLN 369m and market capitalisation of PLN 627m
- ✓ At the end of 2016, KRUK launched a private placement of 1m shares at PLN 215 per share
- ✓ In July 2017, KRUK share price reached an all-time high, the shares traded at PLN 349.7, translating into market capitalisation of PLN 6.6bn
- ✓ Currently, KRUK shares are valued at PLN 290, up on the pre-pandemic level of January 2020,
- ✓ From the IPO date to June 30th 2021, KRUK share price rose by PLN 209.50,
- ✓ KRUK shareholders include open-ended pension funds, domestic and foreign investment fund managers (e.g. from Norway and US), as well as retail investors.
- ✓ KRUK is a constituent stock of WIG, WIG30, FITSE EM and MSCI Global Cap indices
- ✓ KRUK is now 2nd on the WIG20 Reserve List (revised Aug 20 2021).
- ✓ Research coverage of KRUK stock is currently provided by ten Polish and international institutions, including: Citi Bank, DM BDM, DM mBank, DM PKO BP, DM Trigon, Erste Group, Ipopema, Pekao SA, Santander BM, Wood&Company

10 years of KRUK on the WSE



10 years of KRUK on Catalyst



- ✓ KRUK's presence on the debt market dates back to December 2007
- ✓ Its first issue of PLN 16.5m of three-year bonds (in 2007) was a private issue. They were floating cost bonds (3M WIBOR + 3% margin)
- ✓ In 2011, KRUK debuted on the Catalyst market.
- ✓ Its first public issue took place in 2013.
- ✓ In 2015, KRUK issued its first fixed-coupon bonds.
- ✓ In 2017, KRUK launched two EUR-denominated bond issues on the Polish market with a total value of EUR 40m and 5-year maturity, bearing interest at a fixed rate of 3.59%.
- ✓ To date, KRUK has issued 68 series of bonds with a total nominal value of PLN 2.96bn, having redeemed 49 series with a total nominal value of PLN 1.53bn.
- ✓ Currently, KRUK has opened its 8th prospectus-based bond issue programme

KRUK on the financial market



KRUK's relations with the market are maintained through:

- ✓ Earnings conferences (held as video-conferences during the pandemic) for both Polish and foreign investors
- ✓ Participation in countrywide and international debt collection, financial sector and emerging markets conferences (in Sweden, the US, the Czech Republic, the UK, Romania)
- ✓ International roadshows in the US, Austria, Germany and the UK
- ✓ Participation in meetings for retail investors (e.g. Wall Street in Karpacz)
- ✓ Investor days at the KRUK office
- ✓ Invitation of brokerage house analysts and financial journalists to the Italian office
- ✓ Investor campaigns
- ✓ Investor chats
- ✓ YouTube videos for investors.

KRUK has been recognised by investors and journalists with numerous awards, including:

- ✓ The Best Annual Report 2011 – distinction for the best annual report in terms of its usability
- ✓ Listed Company of the Year 2014
- ✓ Listed Company of the Year 2017 in the 'Management Expertise' category
- ✓ Entrepreneur of the Year 2017 title for Piotr Krupa, President of the Management Board of KRUK S.A.
- ✓ Readers' award for Piotr Krupa as CEO of the most 'successful company on the stock exchange' at the Gala CFA Investment Night in 2015
- ✓ CEE Capital Markets Awards 2015 – Top Performing Company of the Year
- ✓ Capital Market Hero 2017 and 2018 from the Association of Retail Investors
- ✓ 'Ethical Company 2018' title awarded by *Puls Biznesu*
- ✓ Employer of the Year 2019 in Romania
- ✓ 'Superethical Company' award from *Puls Biznesu* and PwC in 2020
- ✓ Business Superbrands 2021 awarded by the Lewiatan Confederation
- ✓ Poland's Best Employer 2021 for KRUK S.A.

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Record-high net profit of PLN 396m



NET PROFIT	CASH EBITDA	RECOVERIES FROM PURCHASED DEBT PORTFOLIOS	PORTFOLIO PURCHASES
PLN 396m (+2,148% y/y)	PLN 762m (+29% y/y)	PLN 1,065m (+19% y/y)	PLN 644m (+705% y/y)
EPS	ROE LTM	PORTFOLIO CARRYING AMOUNT	NET DEBT/CASH EBITDA
PLN 20.82 (+2,145% y/y)	23% (H1 2020: 5%)	PLN 4.3bn (+12% y/y)	1.4x (H1 2020: 1.9x)

Strong recoveries from purchased debt portfolios and increase in new purchases



Recoveries from
purchased debt portfolios
PLN 1,065m
(+19% y/y)

Recoveries in H1 2021 amounted to PLN 1,065m, of which PLN 553m was received in Q2 2021 alone, up 33% y/y, and 8% q/q. Thus, recoveries continue on a growing trend commenced in the third quarter of 2020.

Recoveries from unsecured retail portfolios benefited from operational changes made in the consistent pursuit of the operational excellence strategy.

Amounts recovered in Poland and Romania accounted for the largest part of the KRUK Group's total recoveries (76%), having remained stable year on year.

New portfolio purchases
PLN 644m
(+705% y/y)

In H1 2021, the KRUK Group purchased portfolios with a nominal value of PLN 3.6bn. Polish portfolios accounted for 60% of the total investments.

After more than a year, the Company resumed purchases on the Italian market.

Estimated remaining
collections (ERC)
PLN 8.5bn
(+22% y/y)

Estimated remaining collections (ERC) increased by PLN 1.5bn y/y.

The increase in ERC was largely attributable to high H1 investments in debt portfolios and revaluation of recovery projections, with a discounted value of PLN 117m in Q2.

The continued strong stream of recoveries was reflected in positive revaluations across all business segments and record-high cash EBITDA



Net profit
PLN 396m
(+2,148% y/y)

The record-high net profit for H1 2021 was driven mainly by strong performance delivered by the KRUK Group's purchased debt portfolios across all operating markets. In Q2 2021, the KRUK Group's net profit was PLN 268m, the highest quarterly net profit on record.

Revenue
PLN 894m
(+44% y/y)

Revenue from purchased portfolios came in at PLN 812m (up 114% y/y), on the back of higher than expected recoveries and upward revaluation of recovery projections totalling PLN 135m (vs PLN -193m in H1 2020).

Gain/(loss) on expected
credit losses from debt
portfolios
PLN 348m

The revaluation of recovery projections in H1 2021 totalled PLN 135m (vs PLN -193m in H1 2020). The deviations between actual and projected recoveries disclosed jointly with revenue decreases on early collections in collateralised cases and payments from original creditor totalled PLN 213m, relative to PLN 87m the year before.

Operating and
administrative
expenses
PLN 386m
(-1% y/y)

The costs of operations in the first and second quarter of 2021 were broadly similar.

Strong balance sheet and high dividend



Equity
PLN 2.2bn
(+11% y/y)

Equity represents 41% of the KRUK Group's financing sources. With a net interest-bearing debt to equity ratio of 0.9x (relative to 1.1x in H1 2020) and a net interest-bearing debt to cash EBITDA of 1.4x (relative to 1.9x the year before), KRUK's financial position is strong and stable.

Cash and cash
equivalents
PLN 528m
(+53% y/y)

As at June 30th 2021, cash and cash equivalents amounted to PLN 528m (up PLN +358m q/q), and its undrawn lines of credit totalled PLN 835m.

In H1 2021, the Company launched two prospectus-based issues of unsecured five-year bonds with a total nominal value of PLN 90m offered to retail investors, bearing a fixed coupon of 4.2% (February 2021) and 4.0% (June 2021). In July 2021, KRUK carried out a third issue with a nominal value of PLN 65m, bearing a fixed coupon of 4.0%.

Under the bond issue programme without a prospectus, the Company issued six-year unsecured bonds with a total nominal value of PLN 330m, with a margin of 3.7% above 3M WIBOR. The bonds were offered to qualified institutional investors.

In 2021, KRUK paid out
PLN 206m in dividends
(95m in 2020 as shares
buyback)

As a listed company since 2011, KRUK distributed an aggregate income of PLN 589m to its shareholders between 2015 and 2021.

The intention of KRUK's Management Board, within the period covered by its 2019–2024 strategy, is to make the amount of income distributions to shareholders dependent on the Company's financial standing and prevailing market conditions, allowing for re-investment of profit in the Company's growth with a view to increasing its value.

KRUK Group in H1 2021, by segment

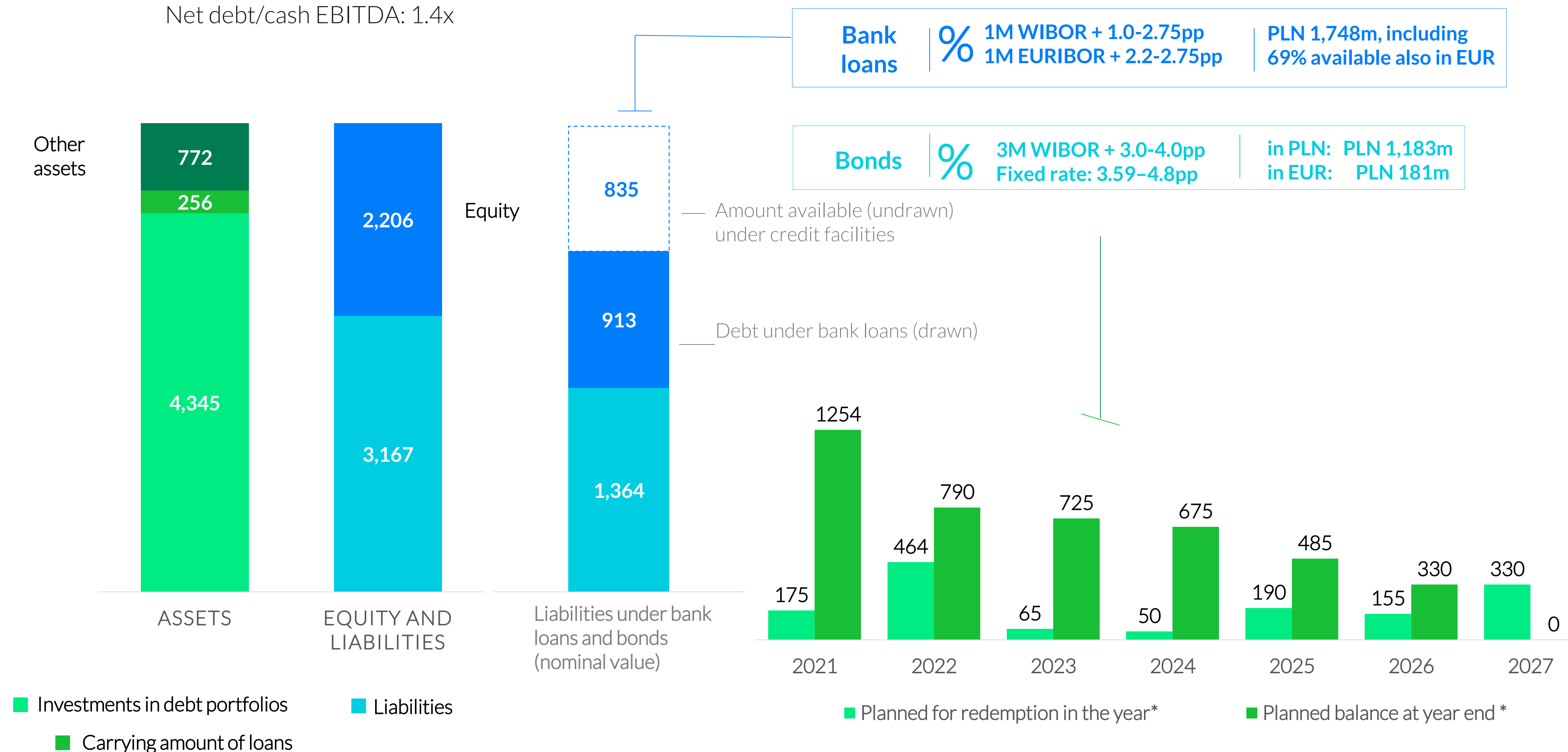


	Poland		Romania		Italy		Spain		Other markets		Head Office		Total	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020		
(PLNm)														
Expenditure on debt portfolios	389	64	43	14	117	0	82	0	13	2	N/A		H1 2021	H1 2020
													644	80
Recoveries	521	425	286	251	135	121	80	53	43	44	N/A		1,065	894
Carrying amount of purchased debt portfolios (PLNbn)	2.2	1.8	0.8	0.9	0.8	0.7	0.4	0.3	0.1	0.1	N/A		4.3	3.9
Revenue	460	285	221	115	116	19	68	17	29	19	N/A		894	456
Purchased debt portfolios	398	224	213	109	111	14	61	13	29	19	N/A		812	379
Credit management services	12	11	6	6	5	5	7	5			N/A		30	27
Wonga	37	38									N/A		37	38
Other activities	13	12	2	1							N/A		15	12
EBITDA	305	120	167	71	32	-58	27	-42	13	4	-35	-20	510	76
Cash EBITDA	429	320	240	213	56	49	46	-1	27	29	-35	-20	762	591

KRUK has good access to financing



Net debt/equity 0.9x
Net debt/cash EBITDA: 1.4x

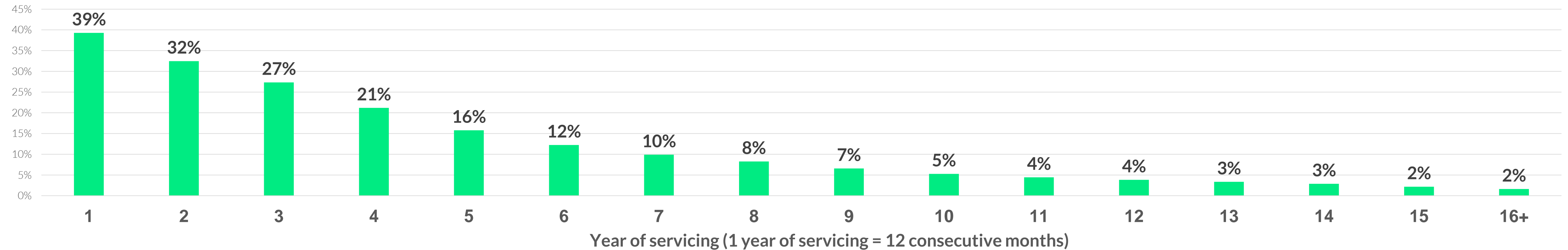


* Nominal values as at June 30th 2021, including the PLN 65m bond issue of July 2021.

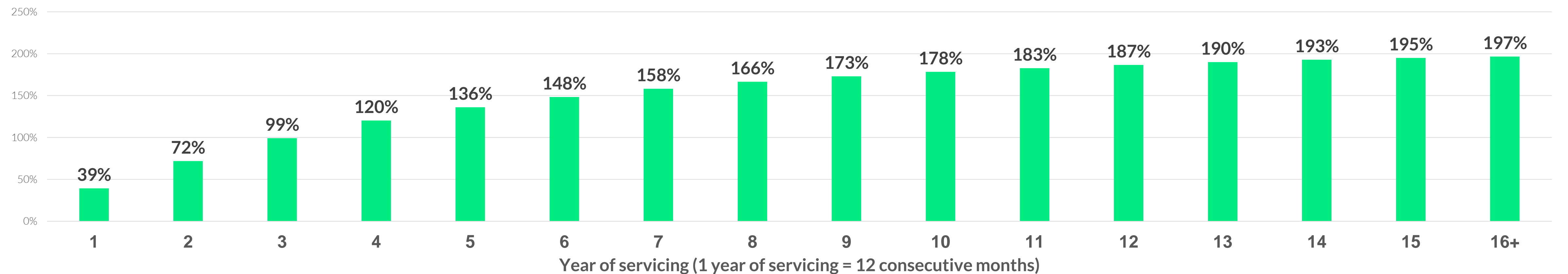
KRUK Group - ERC



Estimated remaining collections (ERC) relative to the debt portfolio carrying amount, by years of servicing, as at June 30th 2021



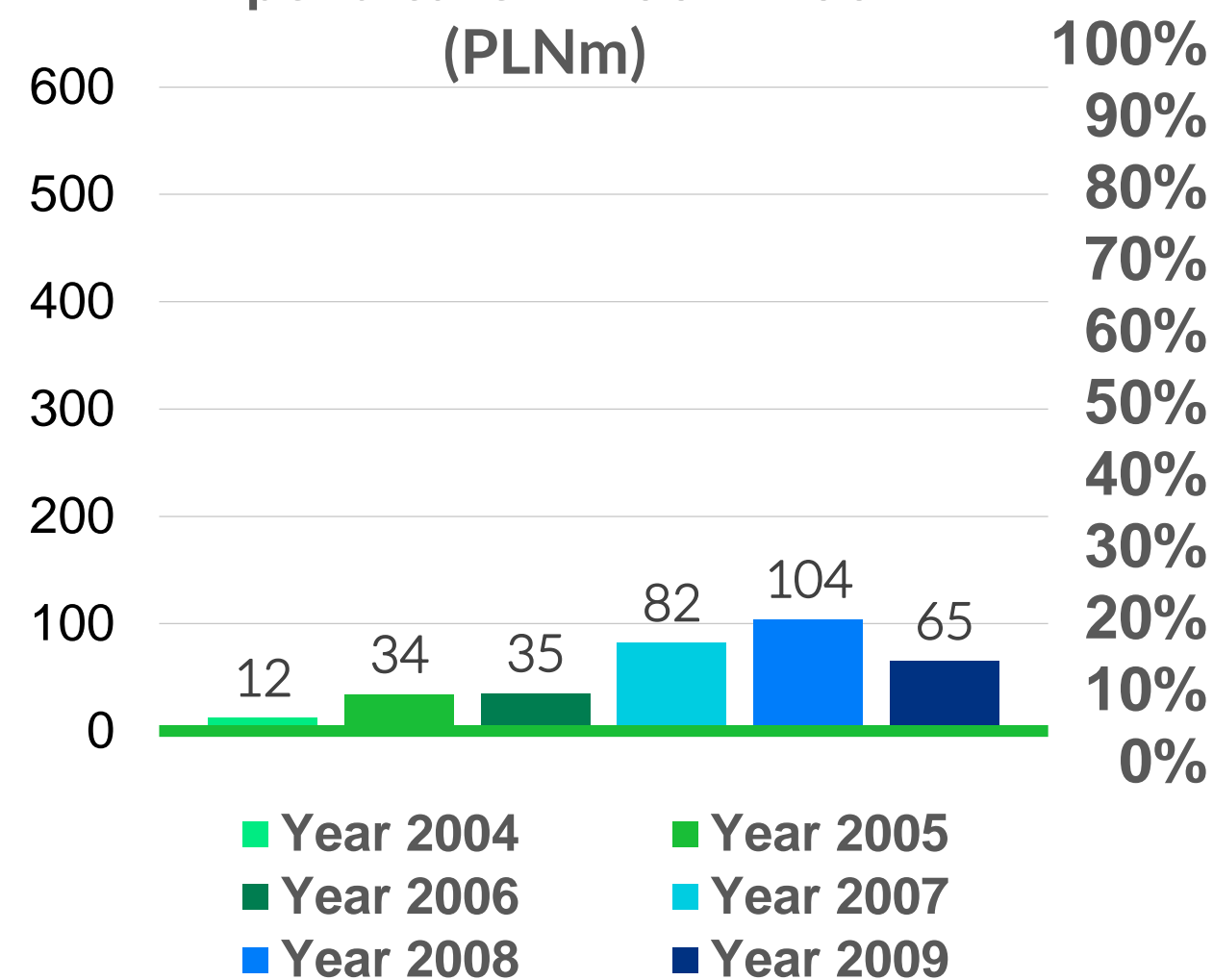
Estimated remaining collections (ERC) cumulatively relative to the debt portfolio carrying amount, by years of servicing, as at June 30th 2021



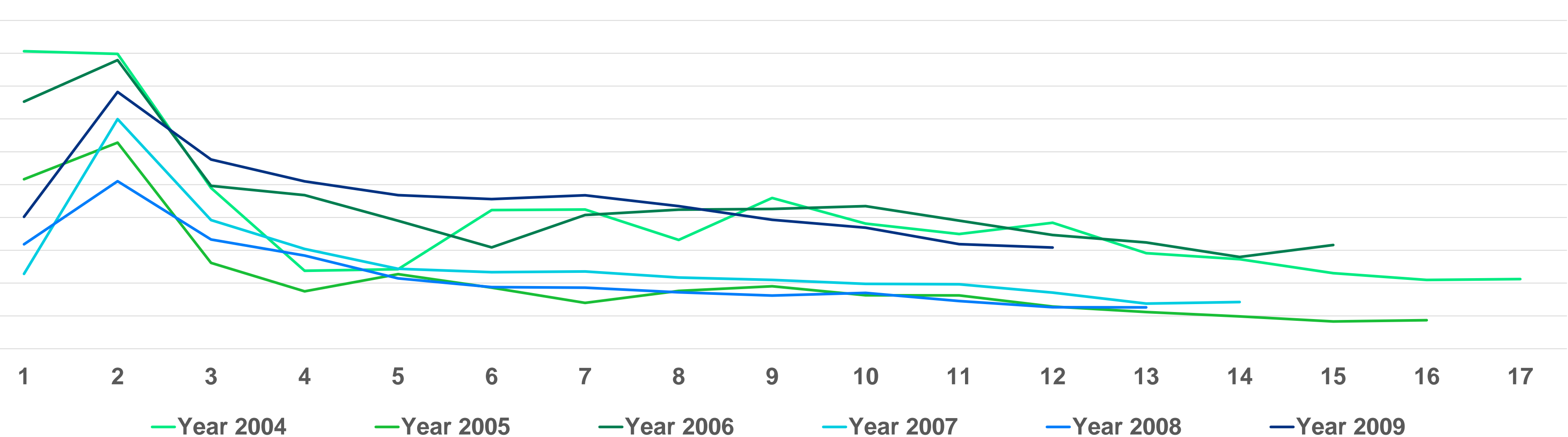
KRUK Group - historical recoveries - portfolios acquired in 2004-2015



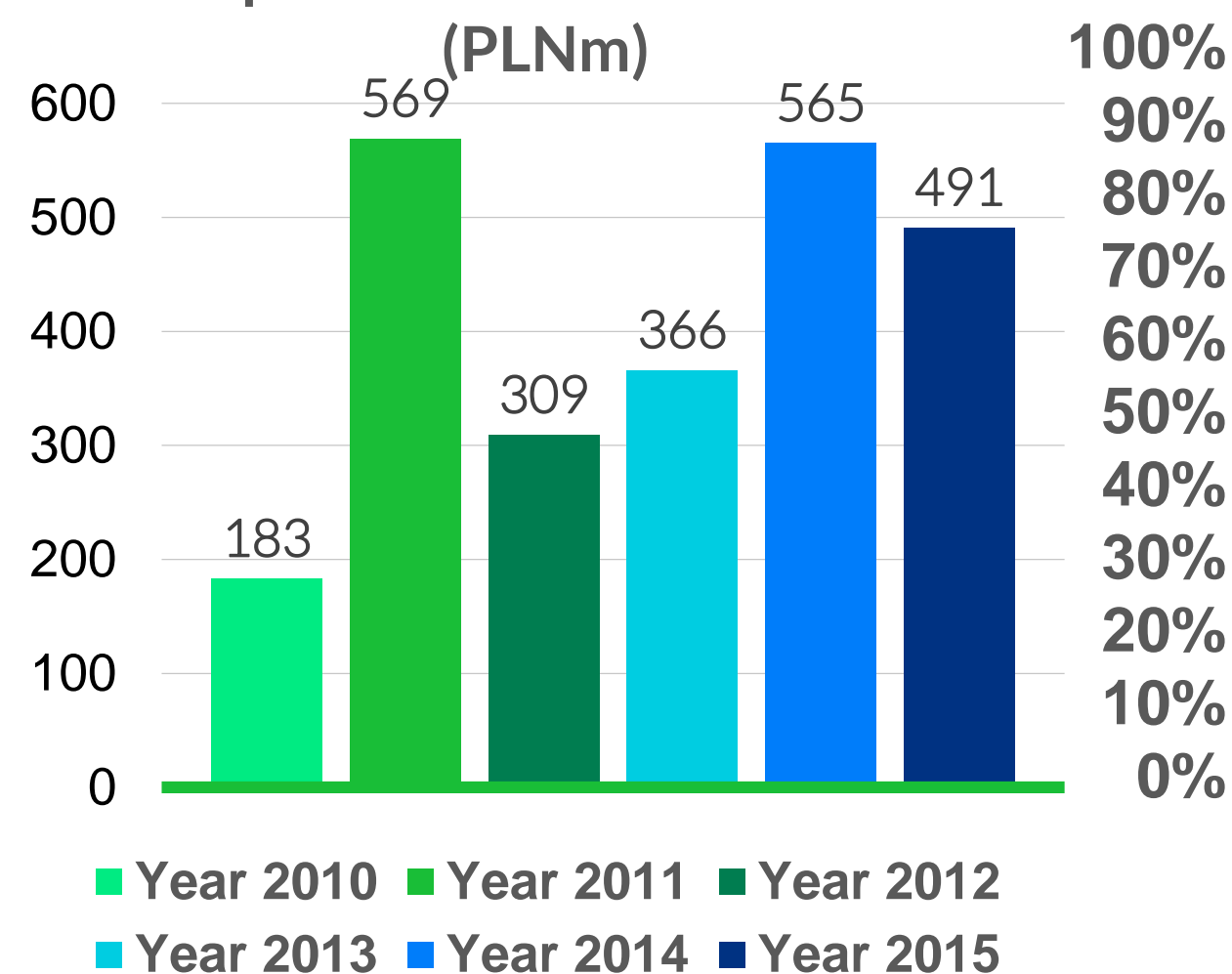
Expenditure in 2004–2009
(PLNm)



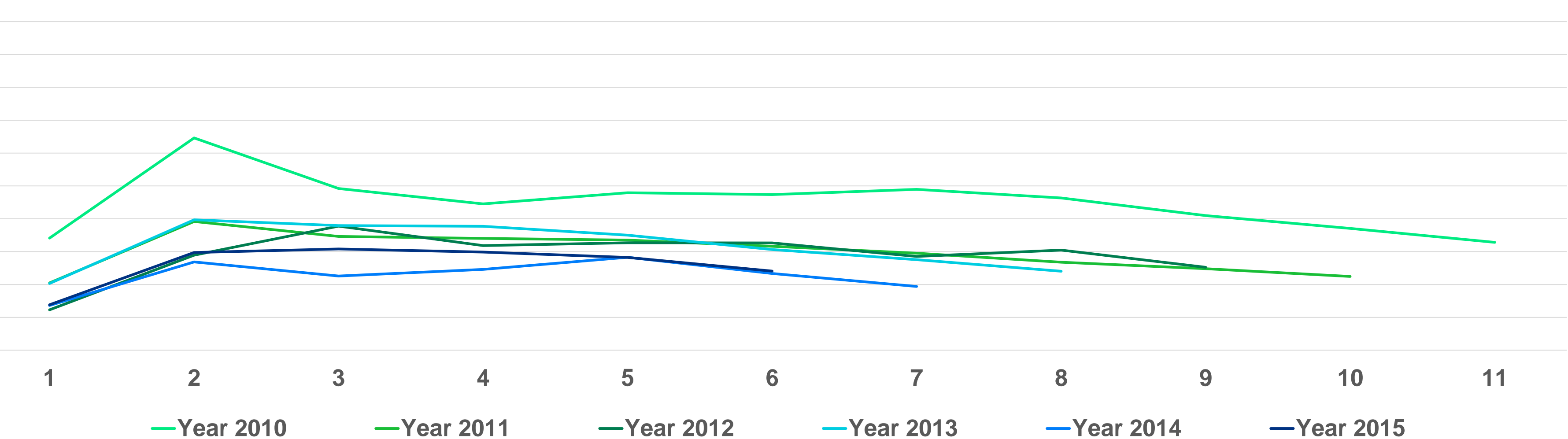
Recoveries in the successive years of servicing to expenditure in 2004–2009*



Expenditure in 2010–2015
(PLNm)



Recoveries in the successive years of servicing to expenditure in 2010–2015*



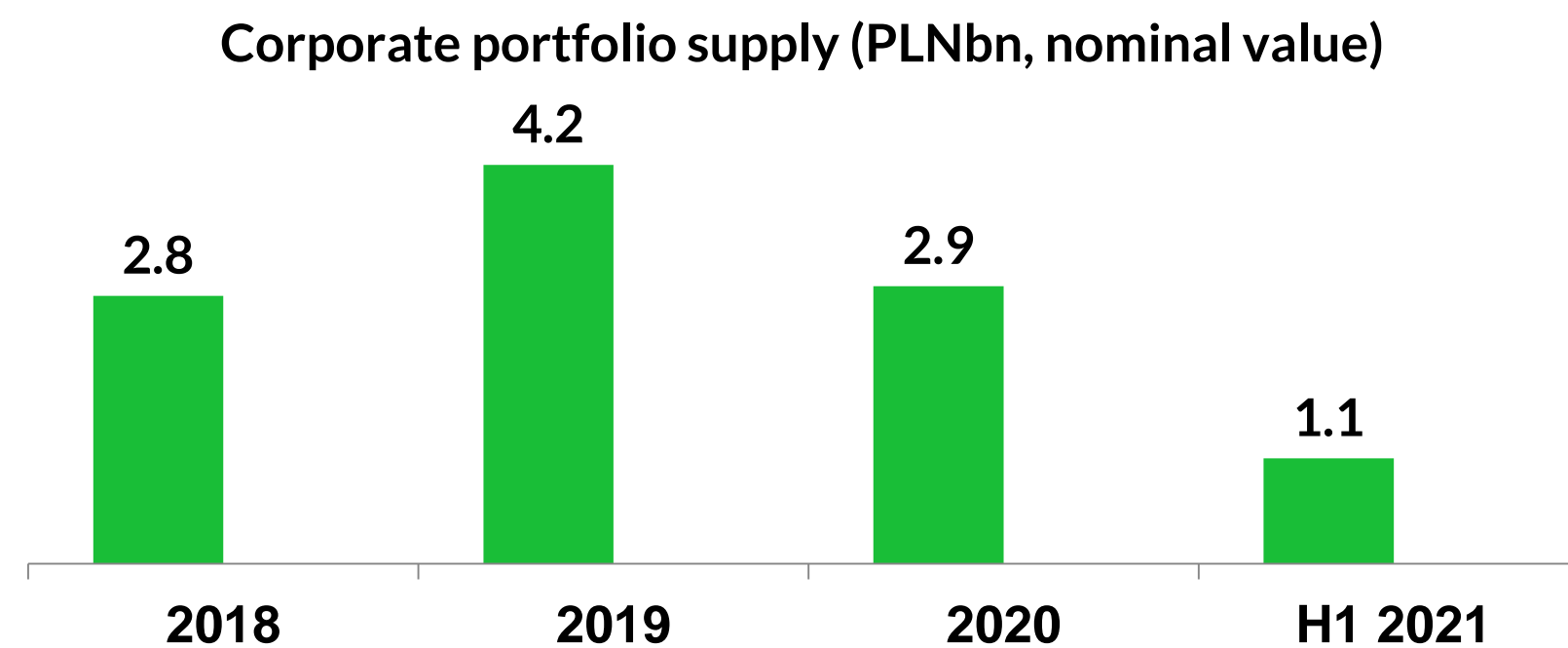
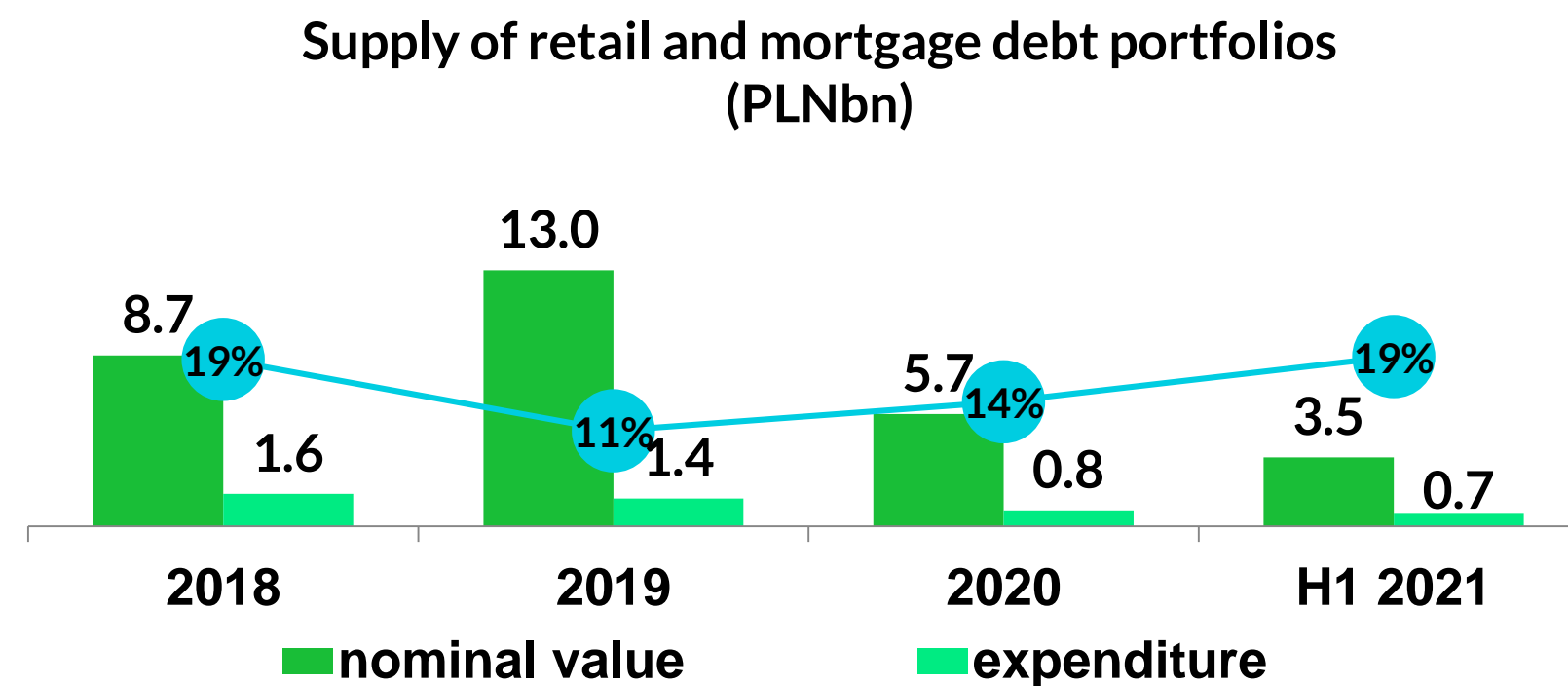
* The servicing period in the first year from the purchase may be shorter than 12 months. As at Dec 31 2020

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Debt purchase market in Poland



In the first half of 2021, auctions held by debt sellers (mainly banks and financial institutions) went through without any major pandemic-related disruptions.

All types of debt (including unsecured retail, retail mortgage and corporate cases) were available on the market, with a predominant share of unsecured retail debt, which accounted for 80% of all purchases made on the Polish market.

The estimated total debt supply, based on nominal amounts, was close to PLN 4.6bn, of which KRUK acquired some 48%.

Investors purchased debt cases for a total price of PLN 733m, of which 53% was attributable to KRUK, one of its historically largest market shares in Poland.

KRUK Group's operations in Poland (excluding Wonga)



(PLNm)	H1 2021	H1 2020	y/y
EXPENDITURE ON DEBT PORTFOLIOS	389	64	507%
RECOVERIES	521	425	23%
PORTFOLIO CARRYING AMOUNT	2,151	1,754	23%
REVENUE	423	247	71%
PURCHASED DEBT PORTFOLIOS	398	224	77%
REVALUATION OF RECOVERY PROJECTIONS	54	-45	221%
CREDIT MANAGEMENT SERVICES	12	11	7%
OTHER ACTIVITIES	13	12	14%
EBITDA	291	116	151%
CASH EBITDA	414	316	31%
PORTFOLIO PROFITABILITY (LTM)	34%	25%	36%

On the Polish market KRUK invested PLN 389m (60% of total expenditure), purchasing debt worth nominally PLN 2.2bn. In Poland, KRUK invested primarily in unsecured retail portfolios (their share in KRUK's Polish investments was 73%).

Amounts recovered on the Polish market reached PLN 521m, representing 49% of the Group's total recoveries. In Q2 2021, recoveries reached PLN 271m. The strong recoveries were mainly driven by continuous process enhancement, including development of online tools and successful court and bailiff referrals.

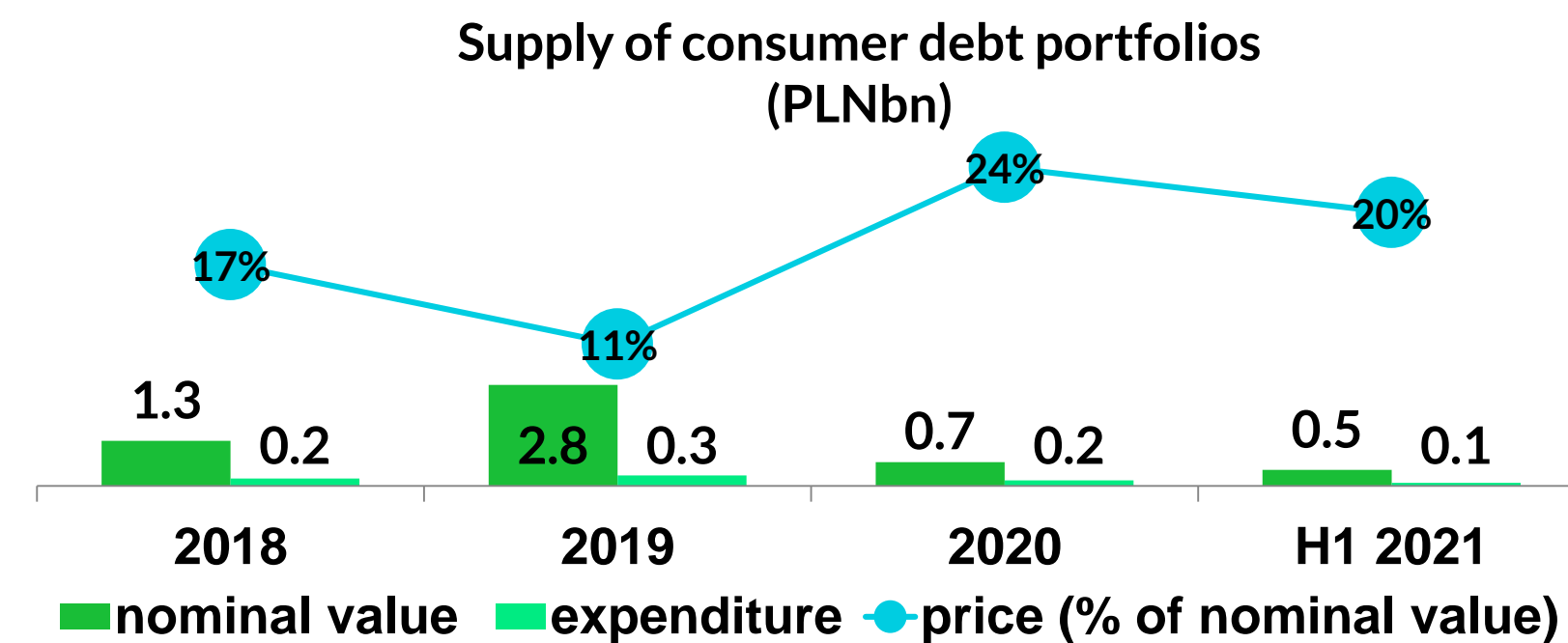
The carrying amount of purchased debt portfolios as at the end of H1 2021 was PLN 2,151m, relative to PLN 1,754m the year before. Polish portfolios accounted in total for 49% of the carrying amount of all debt portfolios held by the KRUK Group.

Revenue of PLN 423m was mainly attributable to the excess of actual recoveries against projections and revaluation of recovery projections, which totalled PLN 54m at the end of H1. A major part of the revaluation of recovery projections (PLN 49m) was made in Q2 2021.

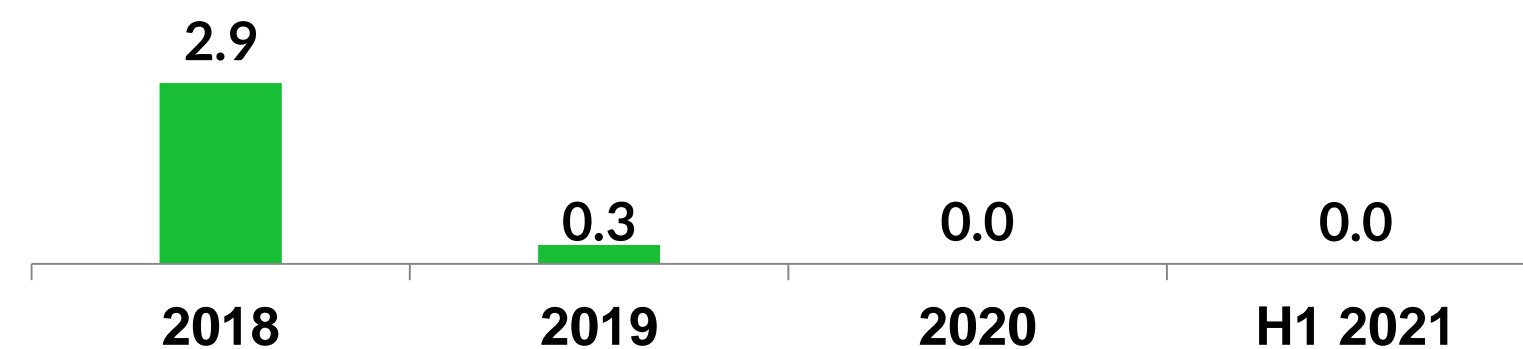
The LTM portfolio profitability improved 9pp y/y, mainly as a result of the upward revaluation of recovery projections and strong recoveries.

* 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.

Debt purchase market in Romania



Corporate portfolio supply (PLNbn, nominal value)



In H1 2021, the primary market (banks and non-bank institutions) and the secondary market in Romania saw combined sales of unsecured retail debt worth nominally over PLN 450m. KRUK's share was 42%.

According to KRUK's estimates, total expenditure on the market in the first six months of 2021 was PLN 93m, with KRUK's share at 53%. Taking into account only investments made on the primary market, KRUK's market share was over 80%.

KRUK Group's operations in Romania



(PLNm)	H1 2021	H1 2020	y/y
EXPENDITURE ON DEBT PORTFOLIOS	43	14	197%
RECOVERIES	286	251	14%
PORTFOLIO CARRYING AMOUNT	843	909	-7%
REVENUE	221	115	92%
PURCHASED DEBT PORTFOLIOS	213	109	97%
REVALUATION OF RECOVERY PROJECTIONS	62	-32	290%
CREDIT MANAGEMENT SERVICES	6	6	4%
OTHER ACTIVITIES	2	1	123%
EBITDA	167	71	137%
CASH EBITDA	240	213	13%
PORTFOLIO PROFITABILITY (LTM)	46%	33%	38%

The amount invested by KRUK on the Romanian market was PLN 43m (7% of total expenditure), purchasing debt portfolios with a nominal value of PLN 192m.

Amounts recovered on the Romanian market reached PLN 286m, accounting for 27% of the Group's total recoveries. In Q2 2021, recoveries reached PLN 146m.

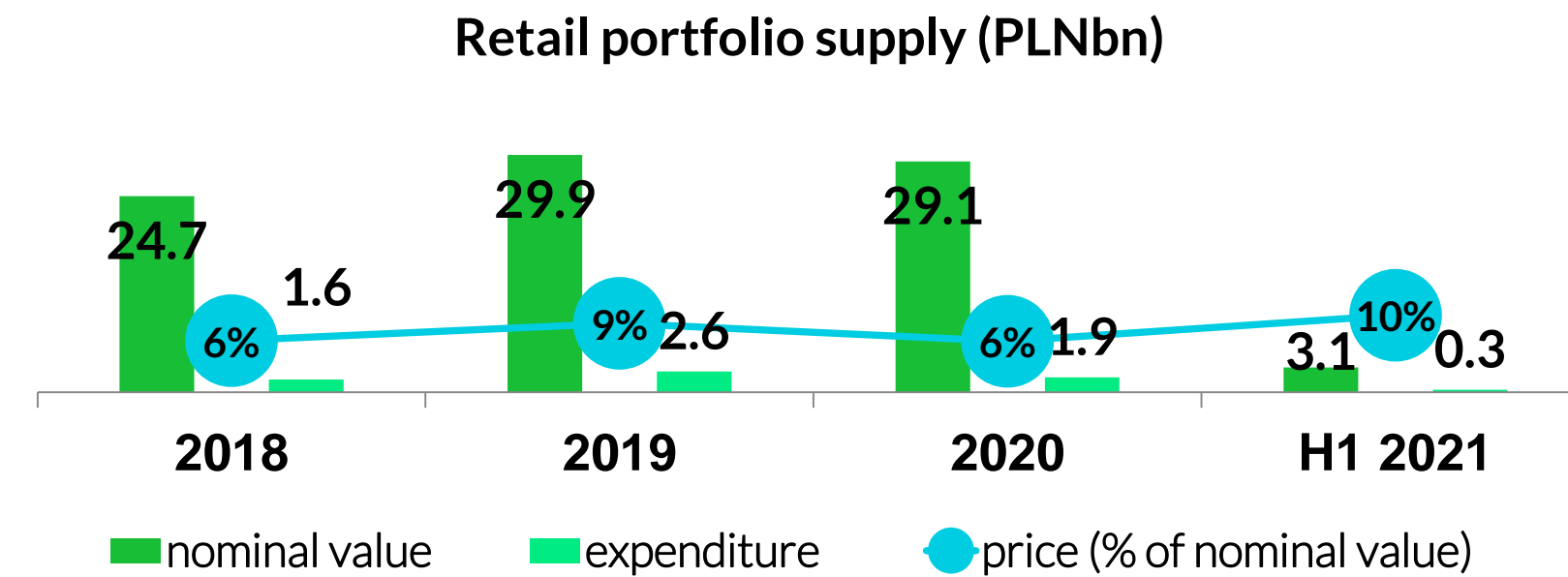
The carrying amount of purchased debt portfolios as at the end of the first half of 2021 was PLN 843m, down 7% year on year. Romanian portfolios accounted in total for 19% of the carrying amount of all debt portfolios held by the KRUK Group.

Revenue of PLN 221m was mainly attributable to the PLN 62m revaluation of recovery projections. A major part of the revaluation of recovery projections (PLN 50m) was made in Q2 2021.

The LTM portfolio profitability improved 13pp y/y, mainly as a result of the upward revaluation of recovery projections and strong recoveries.

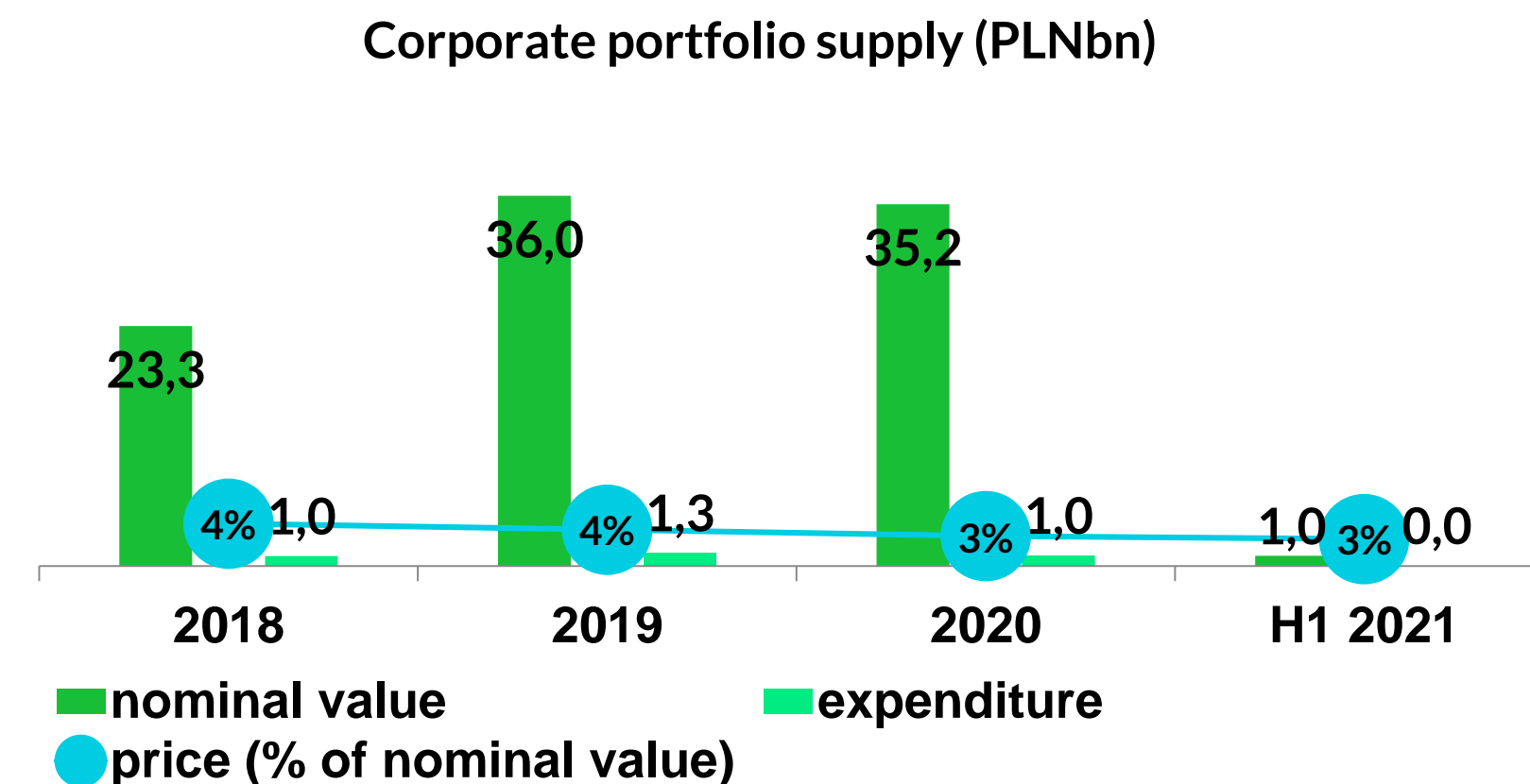
* LTM portfolio profitability calculated as the sum of revenue from purchased portfolios for the last 12 months divided by the arithmetic mean of the portfolio value at the beginning and at the end of the last 12 months.

Debt purchase market in Italy



According to the KRUK Group's estimates, the supply of retail bank and non-bank debt portfolios in Italy (excluding mortgage debt) in H1 2021 was in excess of PLN 4.1bn in nominal terms, of which KRUK purchased approximately 18%.

Total expenditure on these portfolio categories in Italy was PLN 330m, with KRUK's share estimated at 35%.



KRUK Group's operations in Italy



(PLNm)	H1 2021	H1 2020	y/y
EXPENDITURE ON DEBT PORTFOLIOS	117	0	-
RECOVERIES	135	121	12%
PORTFOLIO CARRYING AMOUNT	813	744	9%
REVENUE	116	19	511%
PURCHASED DEBT PORTFOLIOS	111	14	700%
REVALUATION OF RECOVERY PROJECTIONS	9	-76	112%
CREDIT MANAGEMENT SERVICES	5	5	-10%
EBITDA	32	-58	155%
CASH EBITDA	56	49	14%
PORTFOLIO PROFITABILITY (LTM)*	26%	16%	64%

KRUK resumed debt purchases on the Italian market, having spent PLN 117m on portfolios with a nominal value of PLN 760m.

Amounts recovered on the Italian market reached PLN 135m, accounting for 13% of the Group's total recoveries. In Q2 2021, recoveries reached PLN 70m.

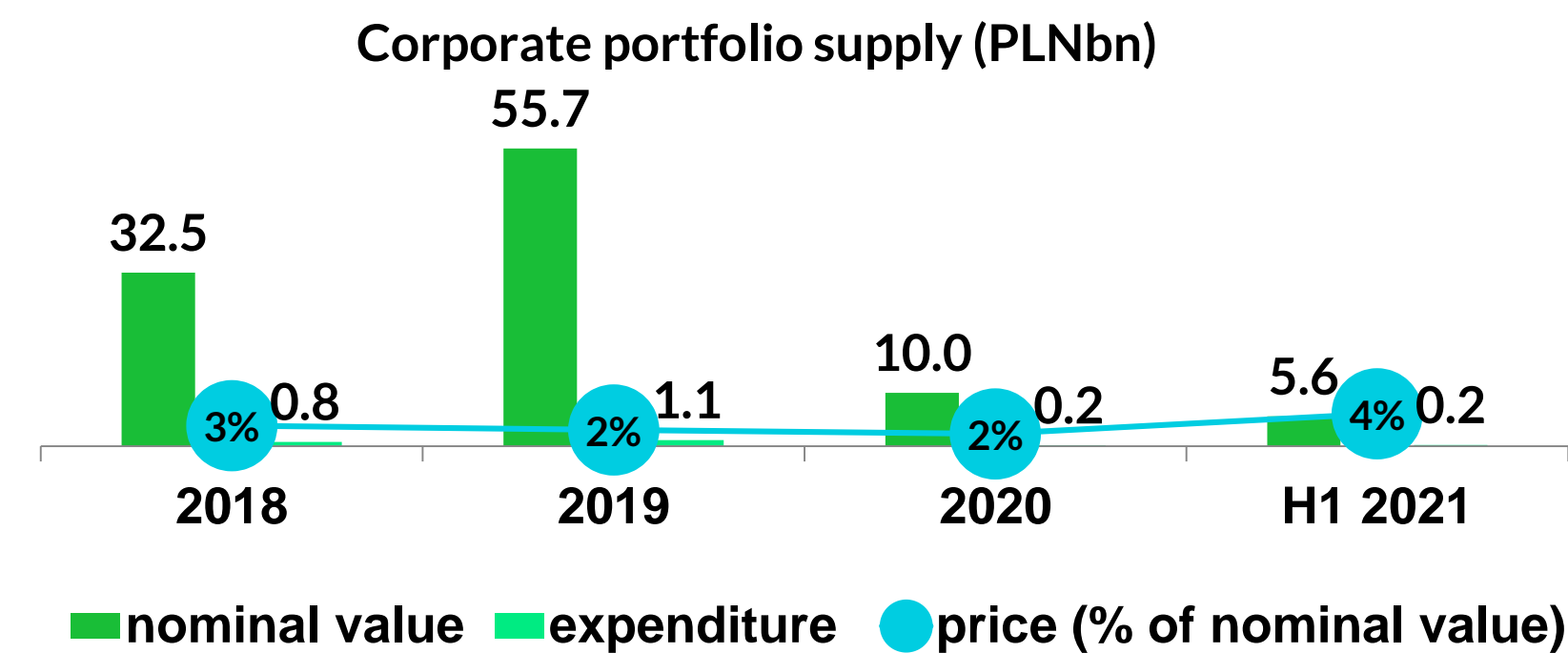
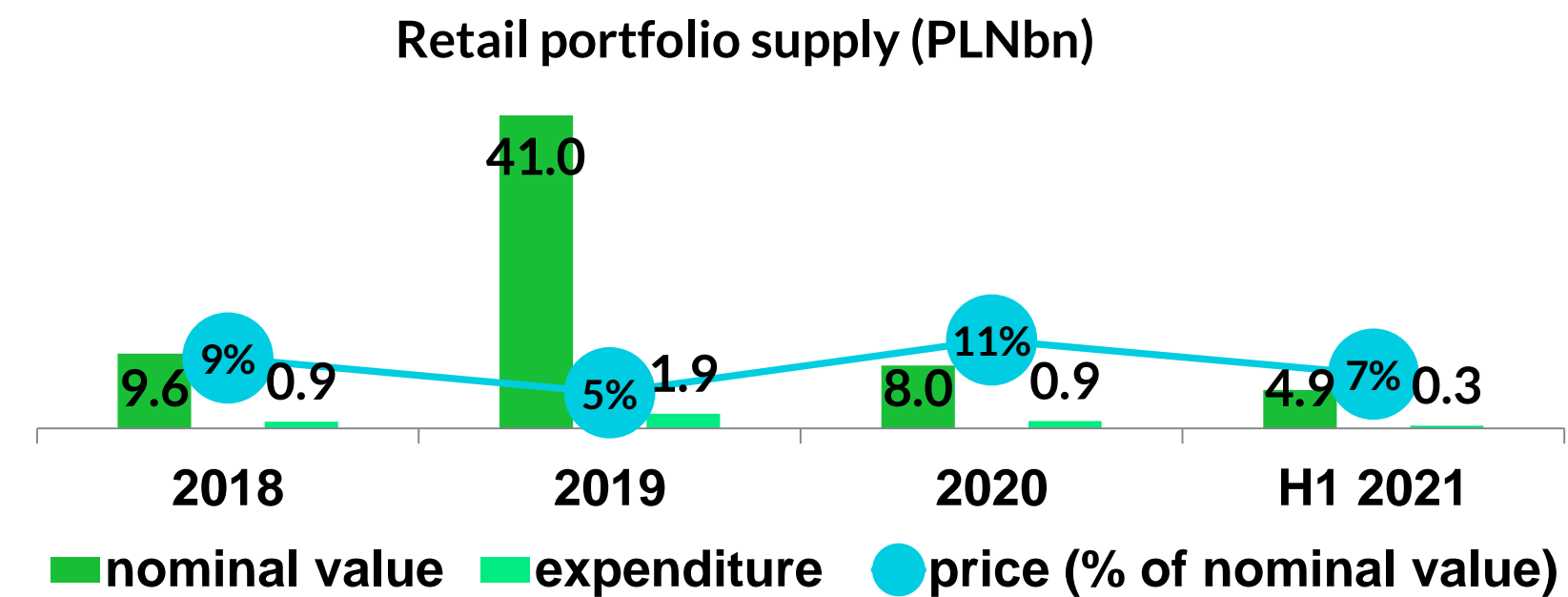
As at the end of H1 2021, the carrying amount of debt portfolios purchased on that market was PLN 813m, representing 19% of the KRUK Group's total carrying amount of debt portfolios.

Revenue of PLN 116m was mainly driven by good recoveries and slight, but positive revaluation of recovery projections.

The LTM portfolio profitability improved 10pp 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.

Debt purchase market in Spain



Based on KRUK's estimates, in H1 2021 sales of bank and non-bank debt portfolios in Spain reached nearly PLN 10.5bn in nominal terms (excluding mortgage debt), of which nearly a half were sales of unsecured retail debt.

The total amount invested by all players on the Spanish market was in excess of PLN 0.5bn, with KRUK's share at 15%.

KRUK Group's operations in Spain



(PLNm)	H1 2021	H1 2020	y/y
EXPENDITURE ON DEBT PORTFOLIOS	82	0	-
RECOVERIES	80	53	50%
PORTFOLIO CARRYING AMOUNT	421	343	23%
REVENUE	68	17	289%
PURCHASED DEBT PORTFOLIOS	61	13	380%
REVALUATION OF RECOVERY PROJECTIONS	5	-37	113%
CREDIT MANAGEMENT SERVICES	7	5	50%
EBITDA	27	-42	165%
CASH EBITDA	46	-1	5576%
PORTFOLIO PROFITABILITY (LTM)*	20%	11%	76%

KRUK's investments on the Spanish market amounted to PLN 82m, comprising debt worth nominally PLN 418m.

Amounts recovered on the Spanish market reached PLN 80m, accounting for 8% of the Group's total recoveries. In Q2 2021, recoveries reached PLN 44m.

As at the end of H1 2021, the carrying amount of debt portfolios purchased on that market was PLN 421m, representing 10% of the KRUK Group's total carrying amount of debt portfolios.

Revenue of PLN 68m was mainly driven by good recoveries and slight, but positive revaluation of recovery projections.

The LTM portfolio profitability improved 9pp 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 Germany, the Czech Republic and Slovakia



(PLNm)	H1 2021	H1 2020	y/y
EXPENDITURE ON DEBT PORTFOLIOS	13	2	733%
RECOVERIES	43	44	-3%
PORTFOLIO CARRYING AMOUNT	118	124	-5%
REVENUE	29	19	49%
PURCHASED DEBT PORTFOLIOS	29	19	49%
REVALUATION OF RECOVERY PROJECTIONS	5	-3	260%
EBITDA	13	4	220%
CASH EBITDA	27	29	-6%
PORTFOLIO PROFITABILITY (LTM)*	46%	33%	38%

Investments on the Czech and Slovak market amounted to PLN 13m, comprising debt with a nominal value of PLN 57m.

Portfolio recoveries amounted to PLN 43m, accounting for 4% of the Group's total recoveries. In Q2 2021, recoveries reached PLN 22m.

As at the end of H1 2021, the carrying amount of debt portfolios purchased on that market was PLN 118m, representing 3% of the total carrying amount of the KRUK Group's debt portfolios.

Revenue of PLN 29m was mainly driven by the upward revaluation of recovery projections.

The LTM portfolio profitability improved 13pp 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.

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Investor Relations



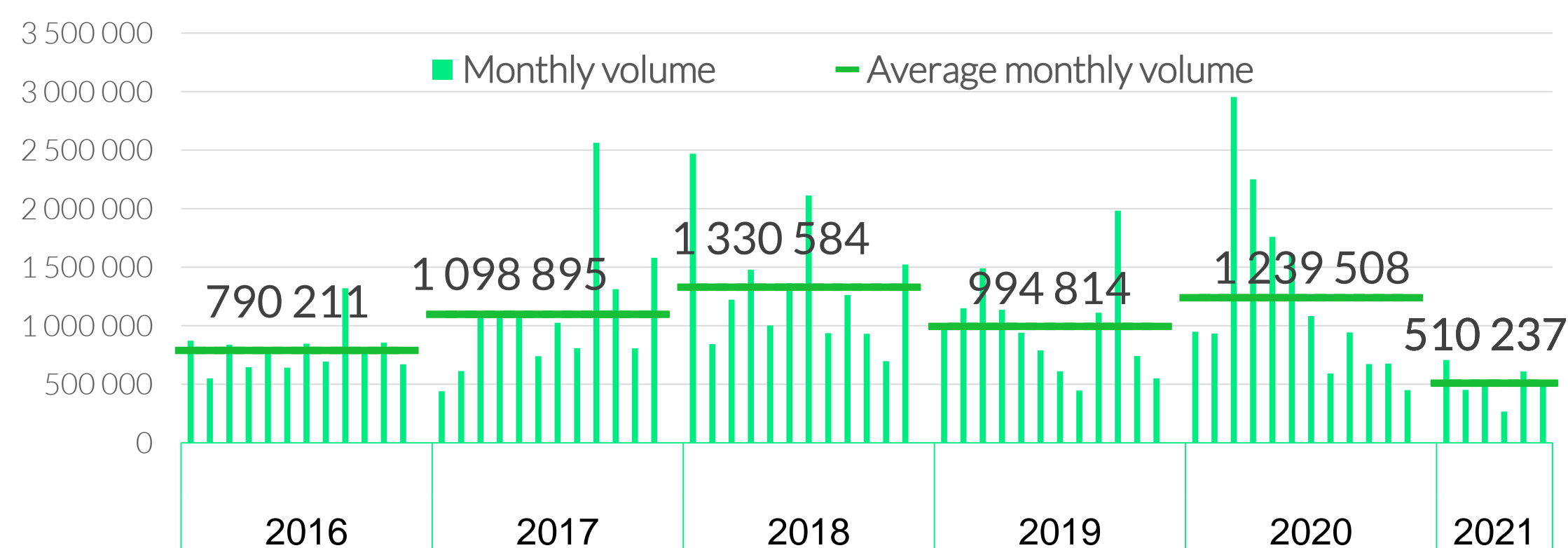
Selected IR events planned for 2021

Date	Event
September 10th	BM Pekao Emerging Europe Investment Conference
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–8th	WOOD's Winter Wonderland – EME

Equity analyst recommendations

Date	Author	Recommendation	Price target
July 2021	DM Trigon	hold	PLN 310.00
July 2021	DM mBanku	accumulate	PLN 288.46
May 2021	DM PKO BP	buy	PLN 269.00

KRUK as the 35th most liquid stock on the WSE



Shareholders with ownership interests above 3%*

Shareholder	Ownership interest
OFE Nationale-Nederlanden	14.53%
Piotr Krupa	9.61%
OFE Aviva Santander	9.08%
OFE PZU Złota Jesień	8.68%
OFE Allianz Polska	5.30%
OFE Aegon	4.97%
OFE MetLife	4.89%
OFE Generali	4.53%
OFE UNIQA	3.63%

Research coverage

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DM mBanku	Michał Konarski	michal.konarski@mdm.pl
DM PKO BP	Jaromir Szortyka	jaromir.szortyka@pkobp.pl
CITI	Andrzej Powierża	andrzej.powierza@citi.com
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Ipopema	Łukasz Jańczak	lukasz.janczak@ipopema.pl
Santander BM	Kamil Stolarski	kamil.stolarski@santander.pl
Wood & Co.	Marta Jeżewska-Wasilewska	marta.jezewska-wasilewska@wood.com

* Source: stooq.pl as at June 16th 2021.

Competition – presence in Europe



		Poland	Romania	Czechia	Slovakia	Germany	Italy	Spain
KRUK		✓	✓	✓	✓	✓	✓	✓
Arrow							✓	
Axactor						✓	✓	✓
Banca Ifis		✓	✓				✓	
B2Holding		✓	✓	✓			✓	✓
EOS		✓	✓	✓	✓	✓		✓
Hoist Finance		✓	✓			✓	✓	✓
Intrum		✓	✓	✓	✓	✓	✓	✓
PRAGroup		✓				✓	✓	✓

Competition's presence in other european countries, on which KRUK is not present:

Arrow – Great Britain, Holland, Ireland, Portugal

Axactor – Finland, Norway, Sweden

B2Holding - Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, France, Greece, Hungary, Latvia, Lithuania, Montenegro, Norway, Portugal, Serbia, Slovenia, Sweden

EOS – Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Denmark, France, Great Britain, Greece, Hungary, Ireland, Kosovo, Macedonia, Montenegro, Russia, Serbia, Slovenia, Switzerland, USA

Hoist Finance – Austria, Belgium, France, Great Britain, Greece, Holland, Sweden

Intrum – Austria, Belgium, Denmark, Estonia, Finland, France, Great Britain, Greece, Holland, Hungary, Ireland, Lithuania, Norway, Portugal, Sweden, Switzerland

PRAGroup – Austria, Finland, Great Britain, Norway, Sweden



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