

Annual General Meeting of KRUK S.A. April 18th 2018

Piotr Stępniaak: Good morning everyone. It's 12 noon sharp, so let me welcome you to the Annual General Meeting of KRUK S.A. My name is Piotr Stępniaak. I'm the Chairman of the Supervisory Board and I have the privilege to open today's meeting. To begin with, I would like to introduce the persons who represent the company, that is Mr Piotr Krupa, President of the Management Board, and Mr Michał Ząsepa, member of the Management Board responsible for finance. To ensure that the meeting is conducted in a proper manner, we have with us Ms Anna Poswa, Notary Public, who will take the minutes of the meeting. The electronic ballot counting system will be supported by Unicom. Let me now ask its representative to demonstrate to you how the system works so that everyone knows how to operate it.

Good morning everyone. After signing the attendance list, each shareholder was given an electronic voting device. When a vote is called, you will see on the screen three buttons that correspond to the answer you want to give: YES, NO, ABSTENTION. What you do is select one option and then confirm your choice in the next window. I don't think this should cause any problems. But of course if you have any technical problems, we will be there to help you throughout the Meeting. Thank you very much.

Piotr Stępniaak: Thank you. We are using a microphone not because this is a particularly large room. We are doing so because, in accordance with the Code of Best Practice for WSE Listed Companies, today's meeting is being recorded. We can assure you that your personal image will not be disclosed. We also have with us representatives of the legal department, legal counsels, as well as company staff who will be supporting today's meeting. Ladies and gentlemen, today's General Meeting was convened by a notice published on March 22nd, and so I confirm that this Annual General Meeting has been properly convened and has the capacity to pass valid resolutions. The first item on the agenda is the appointment of Chair of the General Meeting. I would like to nominate Piotr Krupa, President of the Management Board. Would anyone like to propose other candidates? Since there are no other nominations, I'd like to ask Mr Krupa whether he agrees to stand for the election.

Piotr Krupa: Yes, I do.

Piotr Stępniaak: Let's now proceed to the vote. Votes will be cast by secret ballot using electronic means. Thank you. The voting is closed. 10,400,182 votes attached to 10,400,182 shares, representing 55.29% of the share capital, were cast. There were no votes against and no abstaining votes. All votes were in favour, so Mr Krupa was unanimously appointed Chair of today's Meeting. Let me now pass the floor to the Chairman.

Piotr Krupa: Thank you for the appointment. I'm signing the attendance list now. It will be available for inspection by anyone interested. I hereby confirm that the General Meeting has been properly convened in accordance with the Commercial Companies Code and the Company's Articles of Association. The notice of the General Meeting was published on the Company's website on March 22nd 2018 and had not been removed before the date of the General Meeting. The text of the notice meets the requirements of Art. 402² of the Commercial Companies Code. A current report containing the notice was sent by the Company on March 22nd 2018. All draft resolutions can be viewed on the tablets that have been distributed to you. The resolutions may be read aloud at your explicit request. The number of shares represented at today's meeting is 10,400,182.

Let's proceed to item 4 on the agenda, which is the adoption of the agenda. By the prescribed deadline none of the shareholders submitted a request to place other matters on the agenda. The text of the

resolution is now displayed on your tablets. Votes will be cast by open ballot. Let's now proceed to the vote. The result of the vote is 10,400,182 votes in favour of the resolution. The resolution has been passed.

Let's proceed to item 5 on the agenda, which is the presentation by the Management Board of the Company's financial results. This item is being presented in accordance with the Best Practice for WSE-Listed Companies. I now give the floor to Mr Michał Zasepa, Member of the Management Board and CFO.

Michał Zasepa: Good morning everyone. We are still waiting for the presentation to be displayed on the screen. Could you please blow it up a little so we can see it better. Thank you. Ladies and gentlemen, in 2017 the Kruk Group earned its record net profit of PLN 295m, 19% higher than in 2016. It is an excellent result that confirms the Group's stability, strength and high profitability. In 2017, recoveries from purchased debt portfolios amounted to PLN 1,400,000,000, up by as much as 38% year on year. Last year, the company invested almost PLN 1bn in new debt portfolios on the seven markets in which it operates, purchasing nearly 140 debt portfolios with a nominal value of more than PLN 16bn. This is another solid result which will deliver profits in the future. The Company financed the purchase of portfolios with its own funds and with borrowings. In 2017, the company had very good access to debt instruments, it issued bonds, but first of all it increased its ability to borrow funds from banks. At year end, it had approximately PLN 400m in outstanding debt and more than PLN 1bn available under credit facilities. The balance sheet is very stable, the net debt to equity ratio is 1.2, one of the lowest figures among the debt industry companies in Europe, which also shows that our balance sheet is healthy. Considering the company's sound financial condition, the Management Board recommended payment of dividend in the amount of PLN 5 per share. If approved by the shareholders, it will be the highest dividend paid by KRUK to date. This slide shows the financial parameters we have a closer look at each quarter. The 19% increase in net profit translated into a 12% increase in earnings per share last year. Return on equity remains high, at 20%. The carrying amount of the debt portfolio in the balance sheet rose to PLN 3,200,000,000 and, as I have said before, the net debt to equity ratio remains relatively low, at 1.2. In 2017, the company posted a net profit of PLN 295m and this is a continuation of the upward trend that, as you can see, started many years ago. To compare, in 2007 the company earned less than PLN 9m in net profit. Since the first listing in the stock exchange in 2010, when Kruk earned a net profit of PLN 36m, the profit figure went up to as much as PLN 295m in 2017. The profit growth was accompanied by the growth of our organisation. At the end of 2017, Kruk employed approximately 3,100 staff in seven countries. So much for the summary of our performance in 2017.

Piotr Krupa: Thank you. Are there any questions regarding this part of the presentation? Thank you. Now let's move on to item 6 on the agenda – the review of the report of the KRUK S.A. Supervisory Board for 2017. The 2017 report was adopted by the Supervisory Board by Resolution No. 2/2018 of March 19th 2018 and published on the company's website. Does anyone have any questions or would like to take the floor on this item? If not, let's move on to item 7 on the agenda: the review of the Directors' Report on the operations of the Company in 2017 and a resolution to approve the Directors' Report. Are there any questions? If not, we'll proceed to the vote. The voting will be by open ballot. 10,400,182 votes were cast in favour of the resolution. The resolution has been passed. Let's proceed to item 8 on the agenda: the review of the separate financial statements of KRUK S.A. for the financial year ended December 31st 2017 and a resolution to approve the separate financial statements. Are there any questions regarding this item? None. I now ask you to cast your votes. The voting will be by open ballot. The result of the vote is 10,400,182 votes in favour of the resolution. The resolution has been passed. Let's now proceed to item 9 of the agenda, that is the review of the Management Board's proposal concerning the allocation of KRUK S.A.'s net profit for the financial year 2017, the Management Board's dividend recommendation and a relevant resolution. The company's 2017 net profit was PLN 29,514,356. Pursuant to Resolution No. 70/2018 of March 6th 2018, the Management Board proposes that the General Meeting allocate the entire net profit to payment of dividends to the

company's shareholders, in the amount of PLN 5 per share. The dividend will be distributed from the Company's net profit for 2017, increased by the amount of PLN 64,525,144 transferred from statutory reserve funds created out of retained earnings. The Management Board's proposal and recommendation were approved by the Supervisory Board by Resolution No. 5/2018. The Management Board proposes to set the dividend record date, on which the list of shareholders entitled to receive dividends is determined, for April 25th 2018, and the dividend payment date for April 27th 2018. I now ask you to cast your votes on the draft resolution. The voting is by open ballot. Thank you. 10,400,182 votes were cast in favour of the resolution. The resolution has been passed. Let's move on to item 10 on the agenda: the review of the Directors' Report on the operations of the KRUK Group in 2017 and a resolution to approve the Directors' Report. Are there any questions regarding this item? If not, we'll proceed to the vote. Votes will be cast by open ballot. 10,400,182 votes were cast in favour of the resolution. The resolution has been passed. Let's proceed to item 11 on the agenda: the review of the consolidated financial statements of the KRUK Group for the financial year ended December 31st 2017 and a resolution to approve the consolidated financial statements. Are there any questions? If not, we'll proceed to the vote. Votes will be cast by open ballot. Thank you. 10,400,182 votes were cast in favour of the resolution. The resolution has been passed. Let's now proceed to item 12a on the agenda: resolutions on granting discharge to members of the Company's Management Board in respect of their duties in the financial year 2017. I put to vote the draft resolution to grant discharge to Piotr Krupa, President of the KRUK S.A. Management Board, in respect of his duties in the financial year 2017. As prescribed by Art. 413 of the Commercial Companies Code, the shareholder Piotr Krupa will not participate in the vote. Let's now proceed to the vote. Thank you. 8,421,575 votes were cast in favour of the resolution. The resolution has been passed. Thank you. I put to vote the draft resolution to grant discharge to Ms Agnieszka Kułton, the Management Board Member for Credit Management, in respect of her duties in the financial year 2017. As prescribed by Art. 413 of the Commercial Companies Code, the proxy for shareholder Agnieszka Kułton will not participate in the vote. Cast your votes now, please. Votes will be cast by secret ballot. The result of the vote is 10,339,982 votes in favour of the resolution. The resolution has been passed. I now put to vote the draft resolution to grant discharge to Ms Urszula Okarma, the Management Board Member for Strategic Transactions and Customer Relations, in respect of her duties in 2017. The proxy for shareholder Urszula Okarma will not participate in the vote. Cast your votes now, please. Votes will be cast by secret ballot. The result of the vote is 10,294,632 votes in favour of the resolution. The resolution has been passed. I put to vote the draft resolution to grant discharge to Ms Iwona Słomska, the Management Board Member for Marketing, Public Relations and Human Resources, in respect of her duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution. The resolution has been passed. I put to vote the draft resolution to grant discharge to Mr Michał Zasepa, the Management Board Member for Finance, in respect of his duties in 2017. The shareholder Michał Zasepa will not participate in the vote. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,356,541 votes in favour of the resolution. The resolution has been passed. Let's now proceed to item 12b on the agenda: resolutions on granting discharge to members of the Company's Supervisory Board in respect of their duties in the financial year 2017. First, I put to vote the draft resolution to grant discharge to Mr Piotr Stępiak, Chairman of the Supervisory Board, in respect of his duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution. The resolution has been passed. I put to vote the draft resolution to grant discharge to Ms Katarzyna Beuch, member of the Supervisory Board, in respect of her duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution. The resolution has been passed. I put to vote the draft resolution to grant discharge to Mr Tomasz Bieske, member of the Supervisory Board, in respect of his duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution. The resolution has been passed. I put to vote the resolution to grant discharge to Mr Arkadiusz Jastrzębski, member of the Supervisory Board, in respect of his duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution.

The resolution has been passed. I put to vote the draft resolution to grant discharge to Mr Krzysztof Kawalec, member of the Supervisory Board, in respect of his duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution. The resolution has been passed. I put to vote the draft resolution to grant discharge to Mr Robert Koński, member of the Supervisory Board, in respect of his duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution. The resolution has been passed. I put to vote the draft resolution to grant discharge to Mr Józef Wancer, member of the Supervisory Board, in respect of his duties in 2017. Cast your votes now, please. Voting is by secret ballot. The result of the vote is 10,384,982 votes in favour of the resolution. The resolution has been passed. Let's proceed to item 13 on the agenda: a resolution authorising the Management Board to buy back the Company's own shares. Are there any questions? If not, we'll proceed to the vote. Votes will be cast by open ballot. The result of the vote is 9,763,604 votes in favour of the resolution. The resolution has been passed. Let's move on to item 14 on the agenda: a resolution on allocation of funds for the share buyback. If there are no questions, we'll proceed to the vote. The voting will be by open ballot. The result of the vote is 9,763,604 votes in favour of the resolution. The resolution has been passed. Let's proceed to item 15 on the agenda: a resolution on amending Art. 13 of the Articles of Association of KRUK S.A. We will now proceed to vote on the resolution. Votes will be cast by open ballot. The resolution requires a qualified majority of three-quarters of votes to pass. Let's now proceed to the vote. The result of the vote is 10,400,182 votes in favour of the resolution. The resolution has been passed. Let's proceed to item 16 on the agenda, that is the approval of the consolidated text of the Company's Articles of Association. Cast your votes now, please. The voting is by open ballot. The result of the vote is 10,400,182 votes in favour of the resolution. The resolution has been passed. Let's proceed to item 17 on the agenda: a resolution on amending the Rules of Procedure of the Supervisory Board of KRUK S.A. and drafting the consolidated text of the Rules of Procedure. These amendments follow from the previously adopted amendments to the Company's Articles of Association and the requirements introduced by the Polish Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 with regard to the regulations governing the operation of the Audit Committee. Let's now proceed to the vote. We'll proceed to the vote. Votes will be cast by open ballot. The result of the vote is 10,388,188 votes in favour of the resolution. The resolution has been passed. Ladies and gentlemen, the vote on the resolution to amend the Rules of Procedure of the Supervisory Board was the last item on the agenda of today's General Meeting of KRUK S.A. I hereby declare that all the agenda items have been addressed and I close the Meeting. Thank you all for attendance. Goodbye.