

2025–2029 Strategy Presentation

- 2019–2024 Strategy Delivery as at 30 September 2024
- Strategy 2025–2029

2019–2024 Strategy Delivery as at 30 September 2024

Target: PLN 700 million in 2024, as per the strategy announced in December 2018*

The target was delivered much faster.

PLN 700m
in 2024 – a doubling
of net profit within
six years



PLN 695m
Net profit in 2021

PLN 805m
Net profit in 2022

PLN 959m
Net profit in
Q1–Q3 2024

* Directors' Report on the operations of the KRUK Group in 2018; the 2019–2024 strategy was updated over the course of its delivery

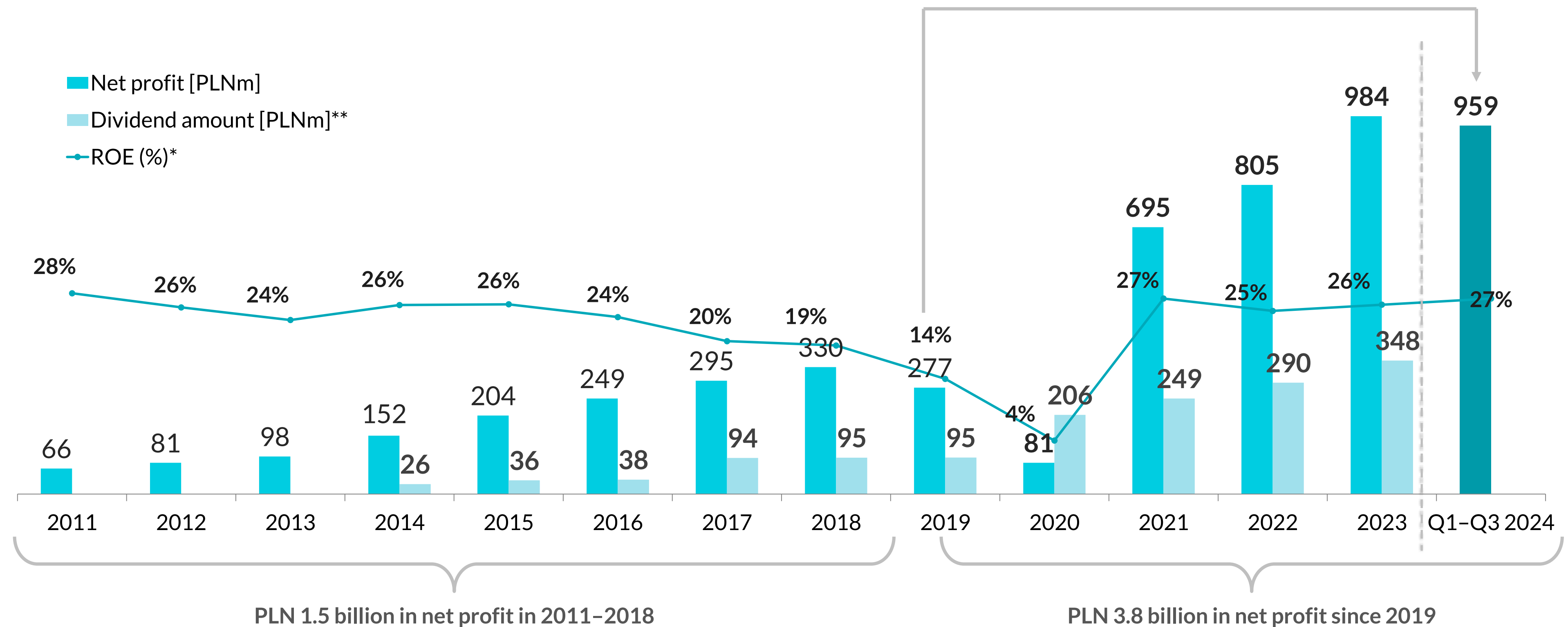
Between 2019 and Q3 2024, we generated PLN 3.8 billion in net profit and distributed PLN 1.2 billion in dividends

Strategic goal*

Drive business growth through scaling operations, enhancing process efficiency, and optimising costs*

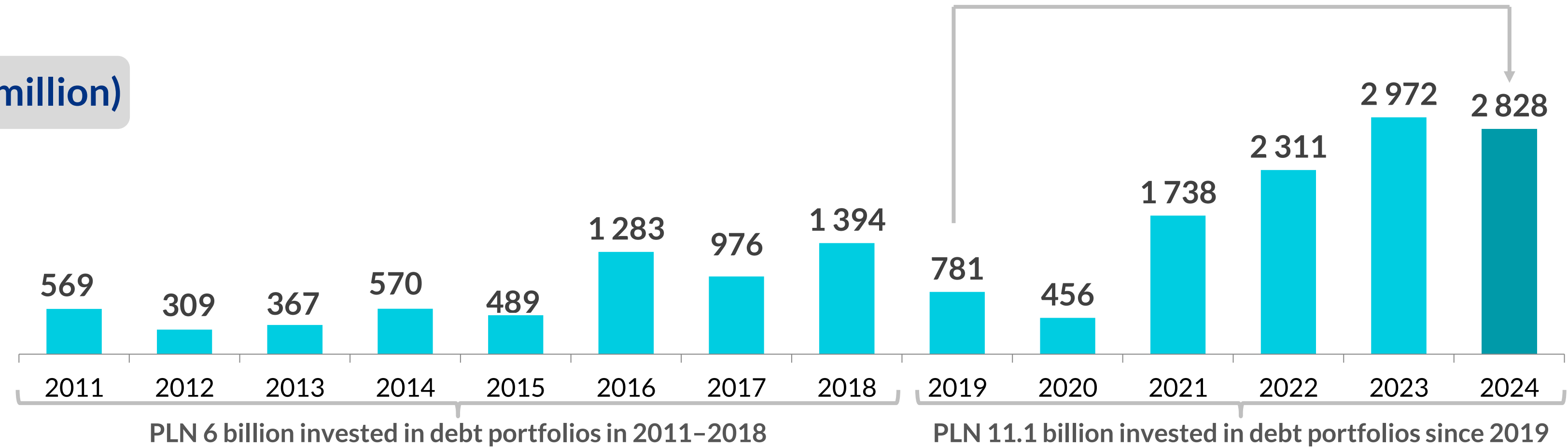
* Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2023; updated strategic goal of the 2019–2024 strategy

** In 2019, profit was distributed through a share buyback programme.

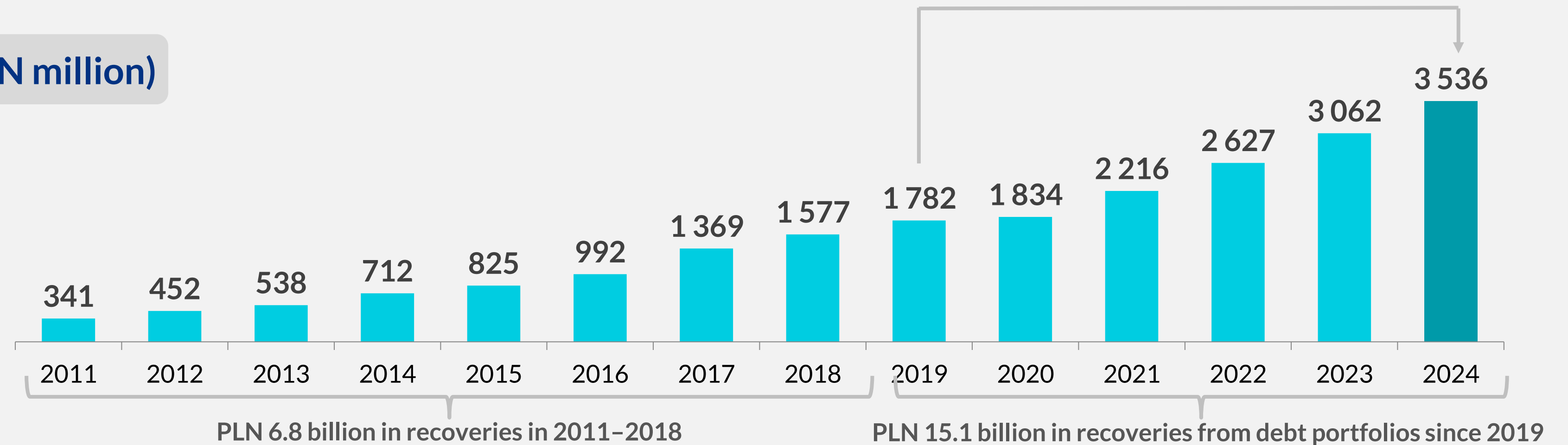


Since 2019, we have invested PLN 11.1 billion and achieved PLN 15.1 billion in recoveries

Investments in debt portfolios (PLN million)



Recoveries from debt portfolios (PLN million)



Throughout the strategy period, we focused on our largest markets and core business: investing in unsecured consumer debt portfolios

We prioritise areas with the highest profit growth potential

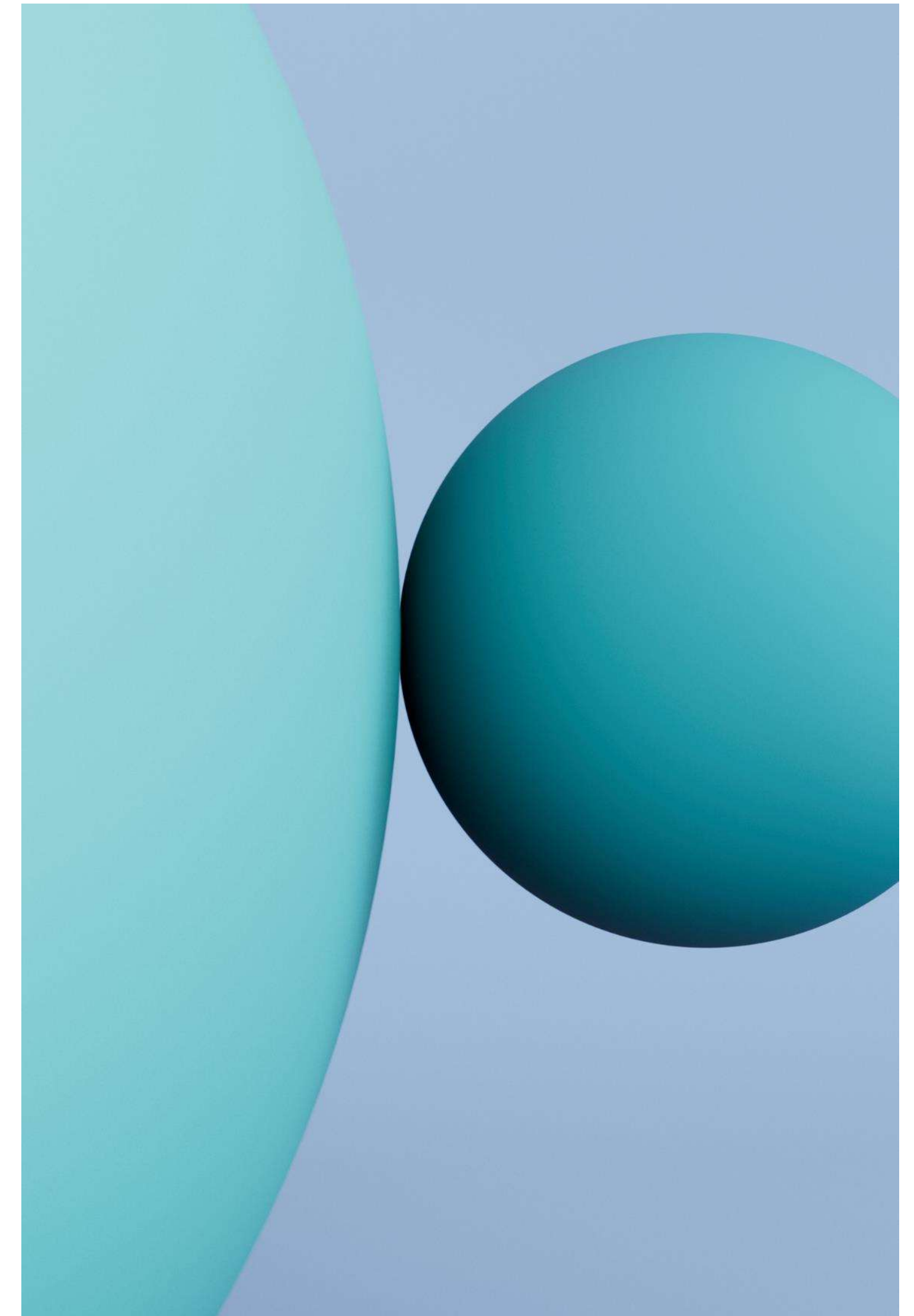
We increased the carrying amount of purchased debt portfolios from PLN 4.1 billion at the start of 2019 to PLN 9.7 billion as at 30 September 2024.

We have secured a leading position in the unsecured consumer debt segment across four key European markets: Poland, Romania, Italy, and Spain.

We took action in areas with limited growth potential

We sold the credit reference agency Biuro Informacji Gospodarczej ERIF BIG S.A.

We halted new investments in the Czech, Slovak, and German markets.



We have unlocked new growth potential

Consumer loans

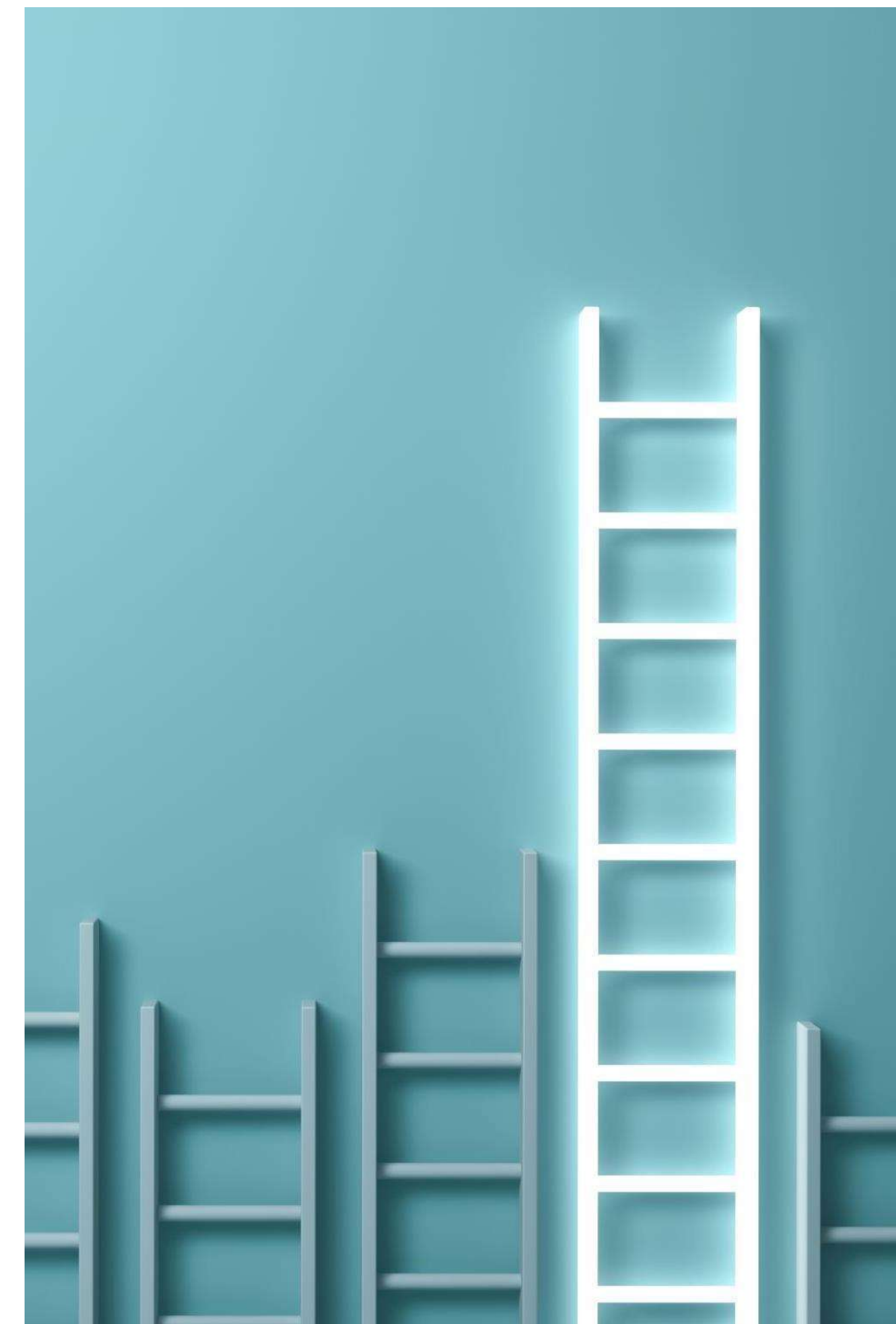
In 2019, KRUK acquired 100% ownership of Wonga.pl sp. z o.o., an independent player in Poland’s online lending market.

During the strategy period, Wonga doubled the carrying amount of its loan portfolio and recorded an EBITDA of PLN 72 million in Q1–Q3 2024, compared with negative EBITDA in 2019.

Wonga financial data (PLN million)	2019	2020	2021	2022	2023	Q1–Q3 2024
CARRYING AMOUNT OF LOANS	168	186	268	302	326	362
REVENUE	36	78	72	129	139	126
EBITDA	-10	16	36	72	76	72

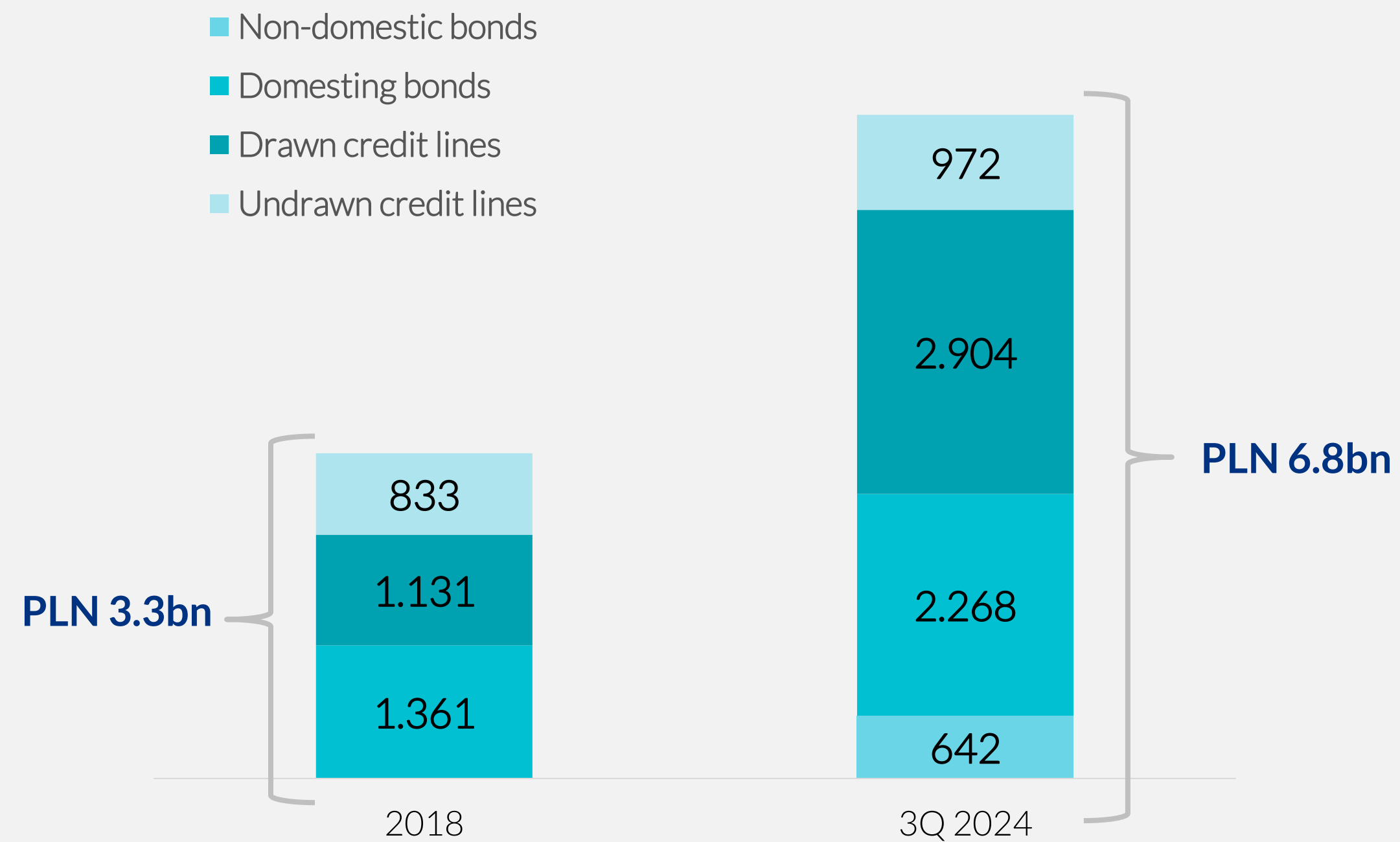
France – exploring the potential of the unsecured debt purchase market

In December 2023, the Group entered into an agreement to acquire its first debt portfolios in France. We invest in unsecured retail debt, working in collaboration with local servicing partners. In 2024, we acquired 13 portfolios, with investments totalling PLN 83 million.

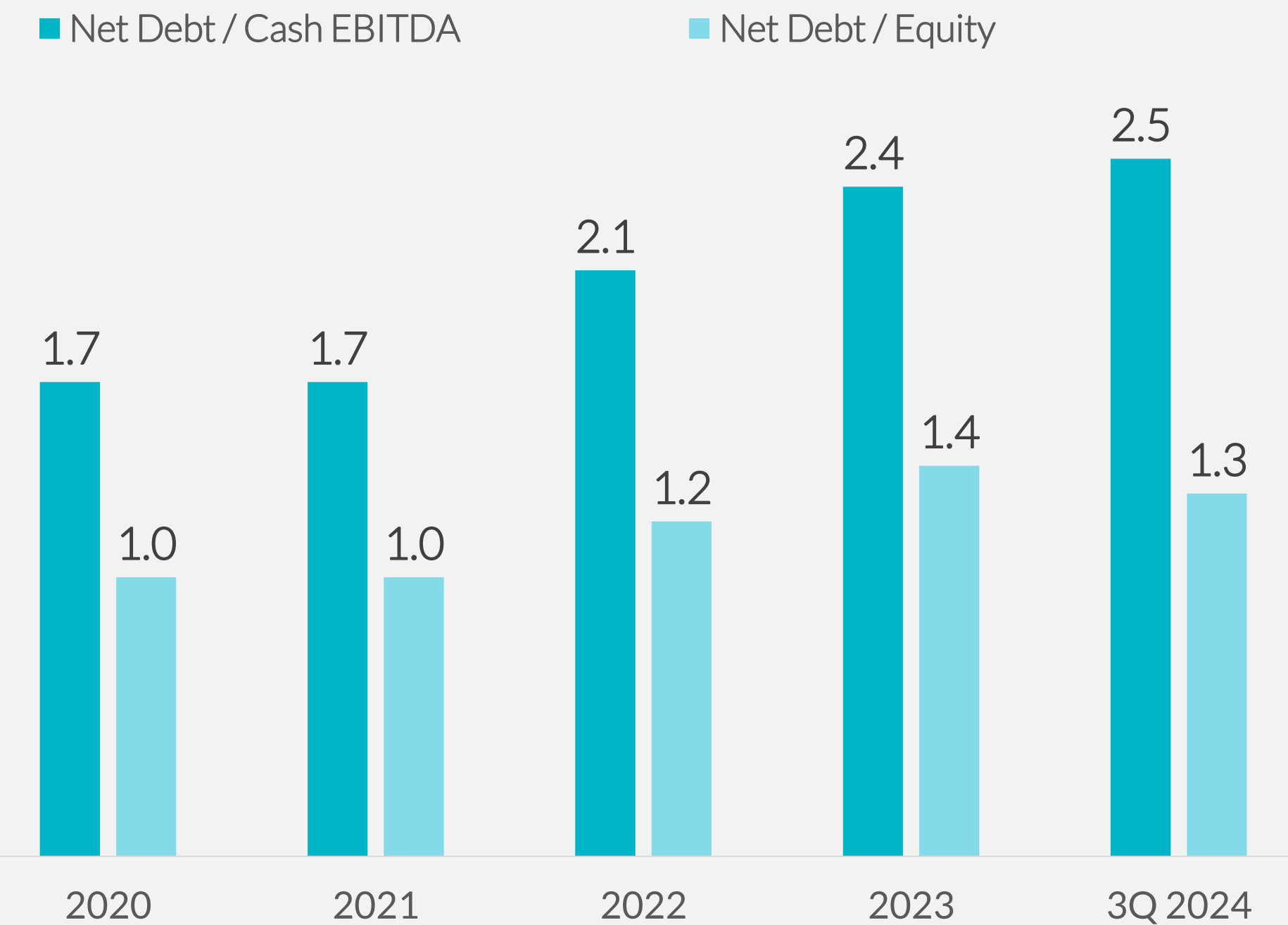


Rapid profit growth supported by a prudent liquidity policy – we carefully manage liquidity by taking on new debt with a plan to repay it from existing assets, avoiding the need for refinancing

Funding sources



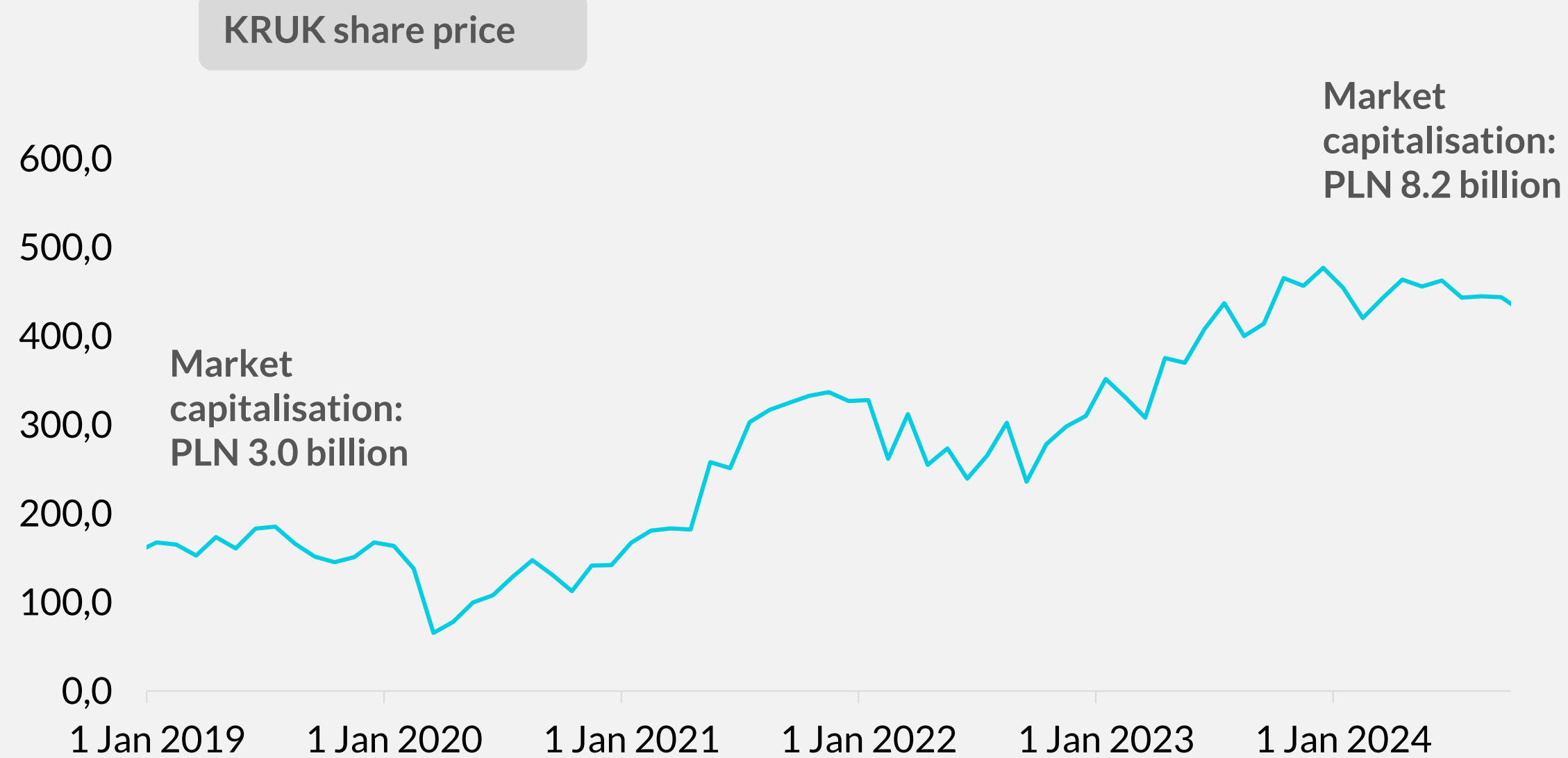
Financial metrics



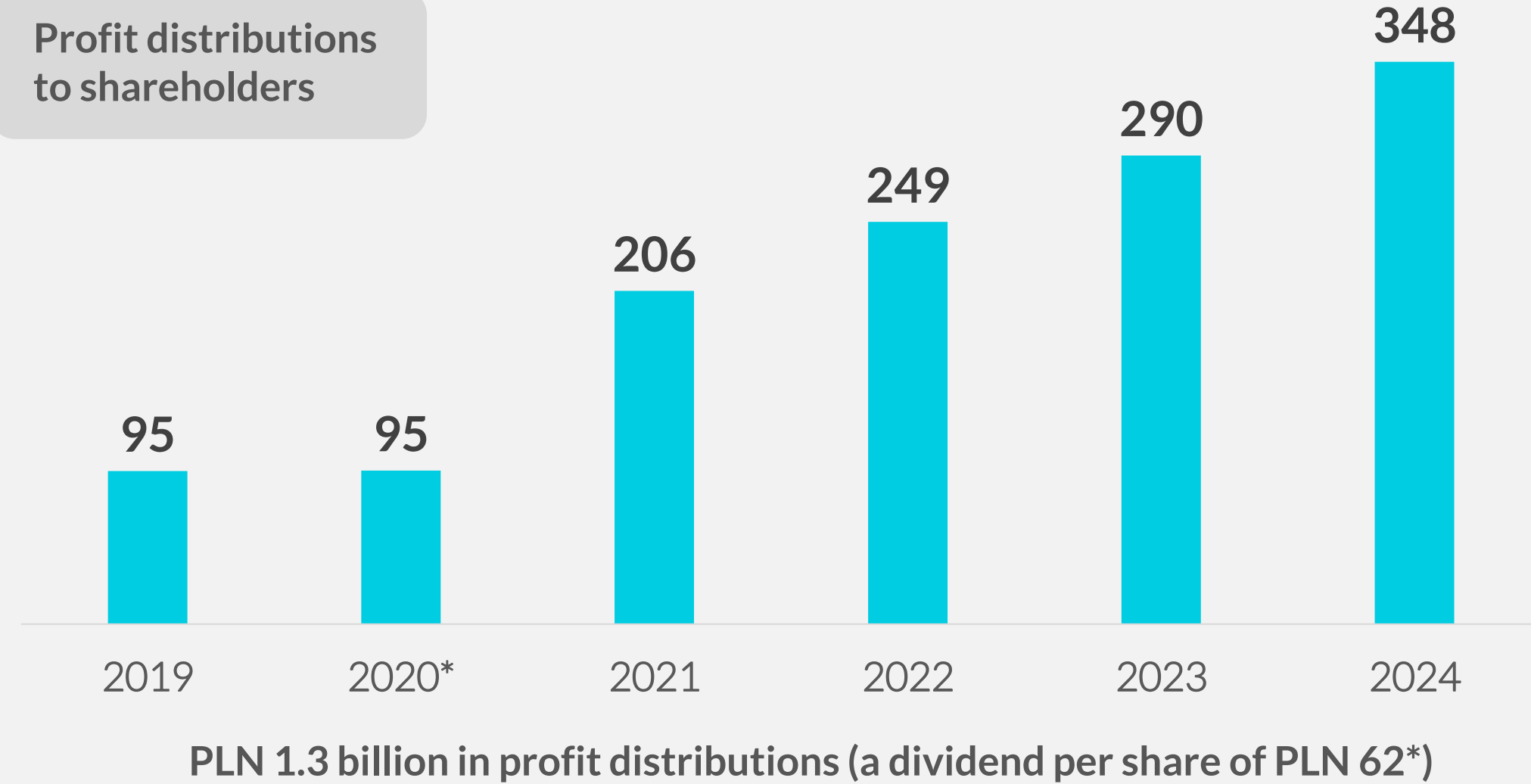
Delivering value for shareholders → return on shares during the 2019–2024 strategy period: 213%

213% return including share price appreciation and dividends per share

170% return from share price appreciation



43% return from dividends per share











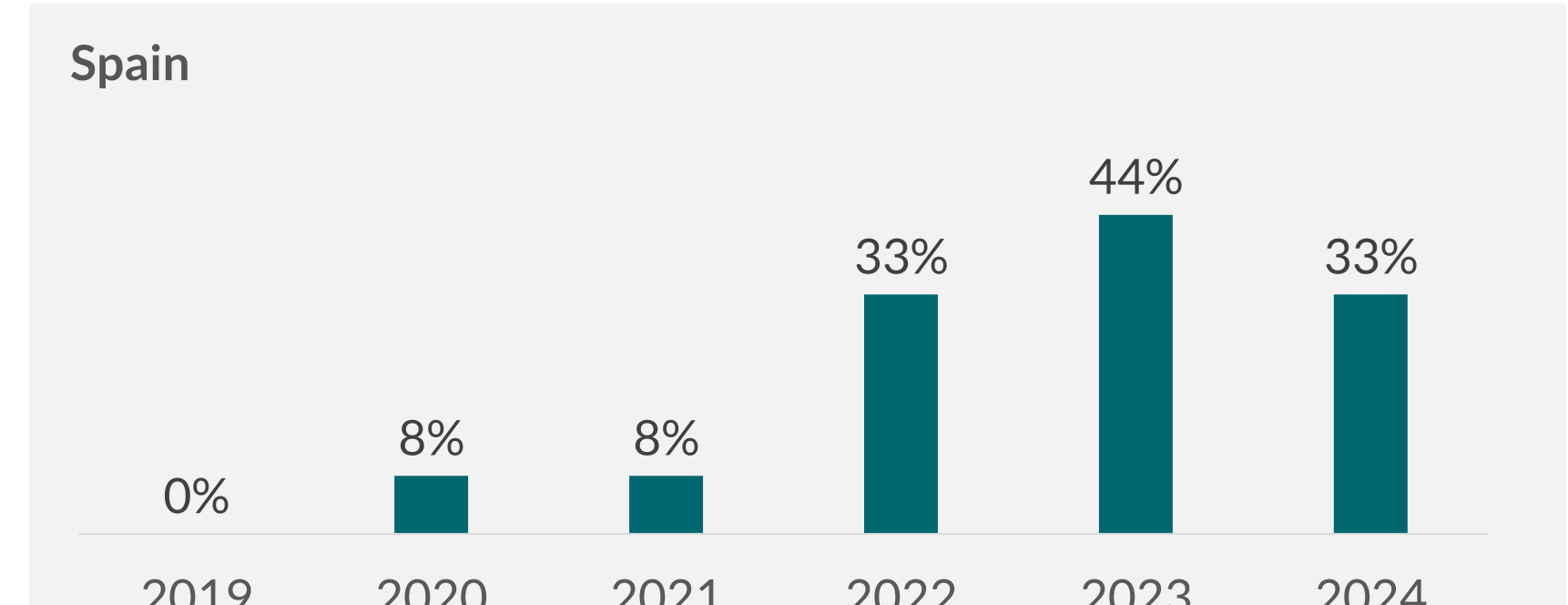
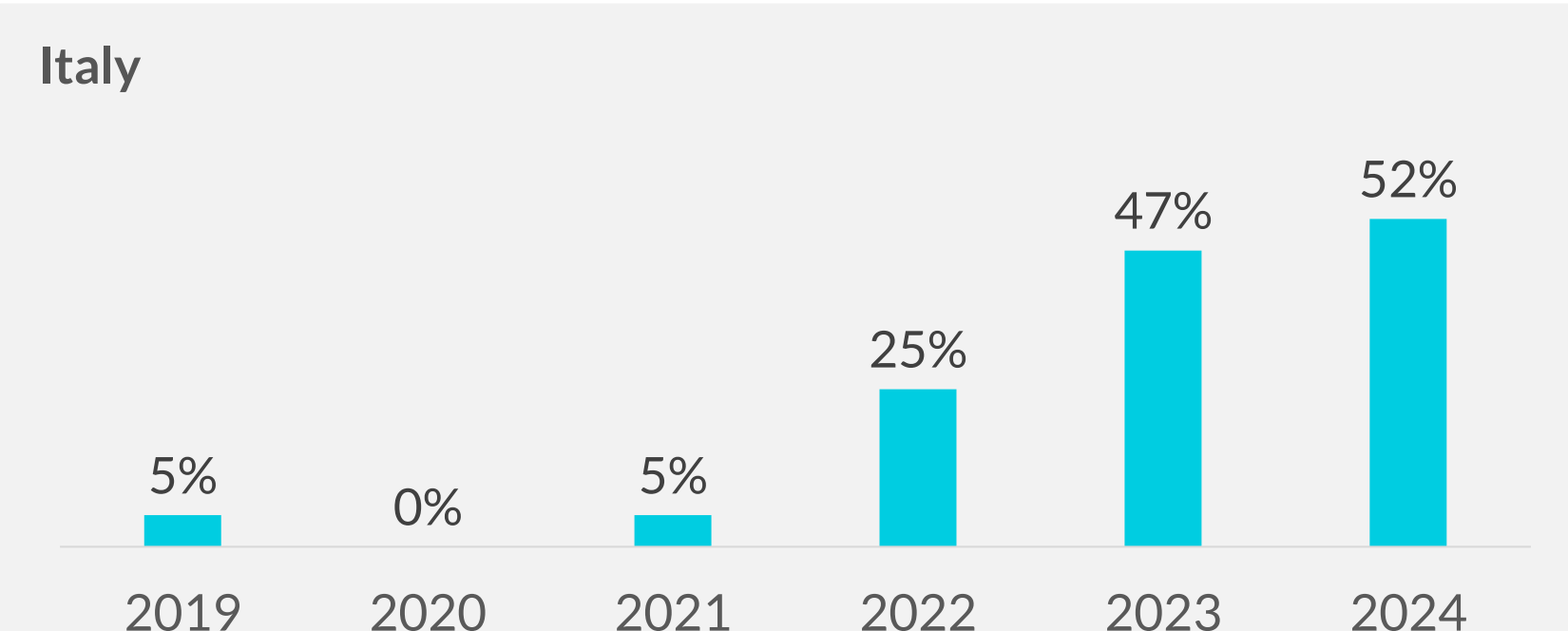
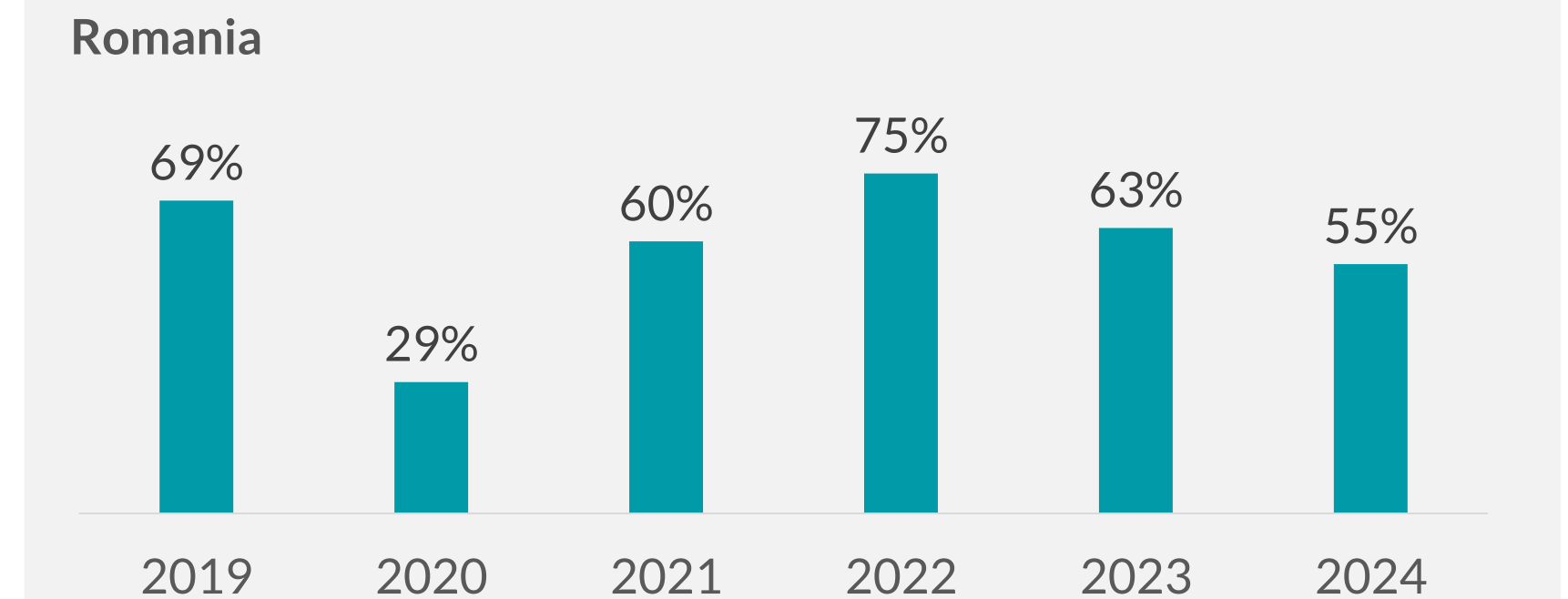
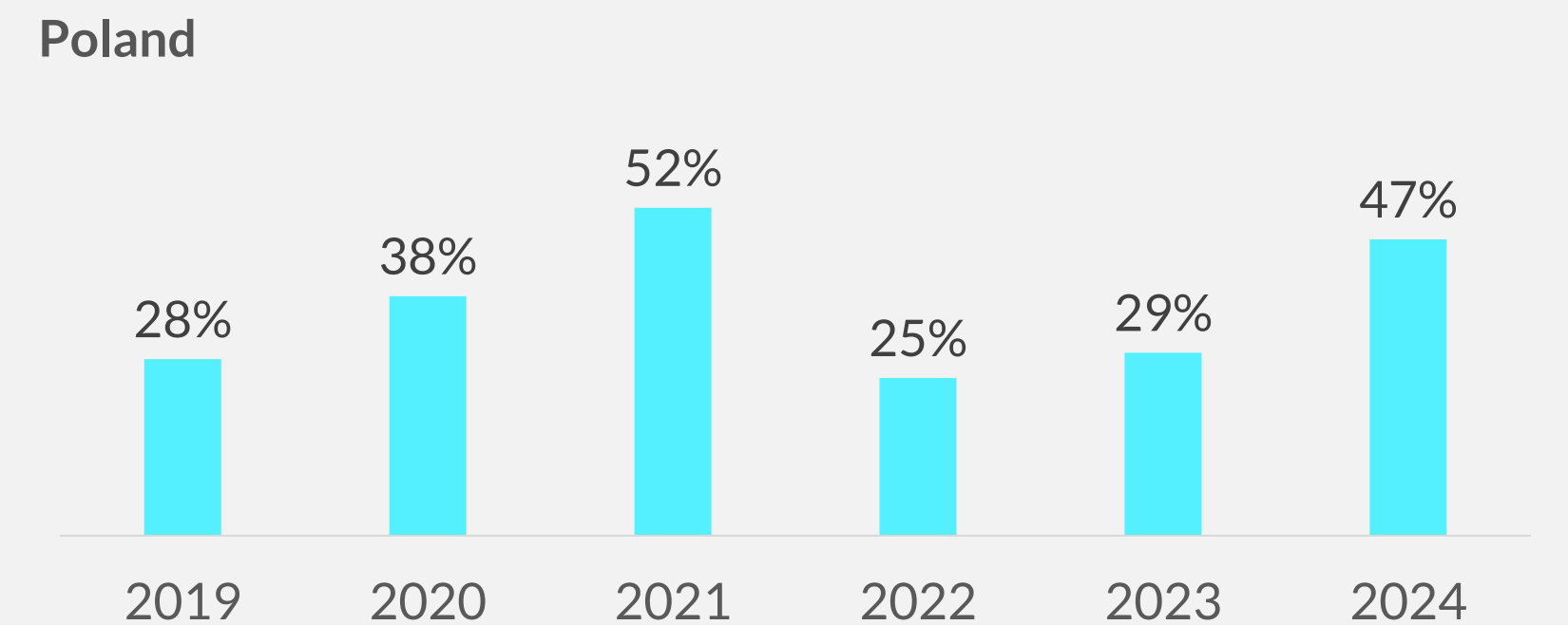
* In 2020, profit was distributed through a share buyback programme. For calculation purposes, the buyback value was converted to an equivalent of PLN 5 per share.
Return on investment calculated as at the end of November 2024.

We are the market leader in investing in unsecured retail debt portfolios, maintaining a strong competitive position and significant growth potential for the future

Profitability

KRUK's market share – unsecured retail portfolios on the primary market**

		Net profit LTM* (PLN million)	Return on equity (ROE) LTM*
		1,186	27%
Competitor 1		376	15%
Competitor 2		197	4%
Competitor 3		117	6%
Competitor 4		52	3%
Competitor 5		Neg.	Neg.
Competitor 6		Neg.	Neg.



*LTM: Last Twelve Months (from 1 October 2023 to 30 September 2024).

**Excludes investments in the secondary market.

Strategy 2025–2029

Mission

We guide our clients toward a path out of debt. We operate ethically and effectively, while educating society about responsible financial management.

Vision

We are building a world of financial balance based on mutual trust, where promises and commitments are fully honoured.

Our values stay the same:

Respect

Mutual respect is the cornerstone of our business. We treat everyone as we would like to be treated.

Collaboration

Together, we can achieve more. We build relationships based on partnership, and clear rules. We foster open and honest communication.

Accountability

Each of us is accountable for our decisions, actions, and inactions, and the consequences they bring.

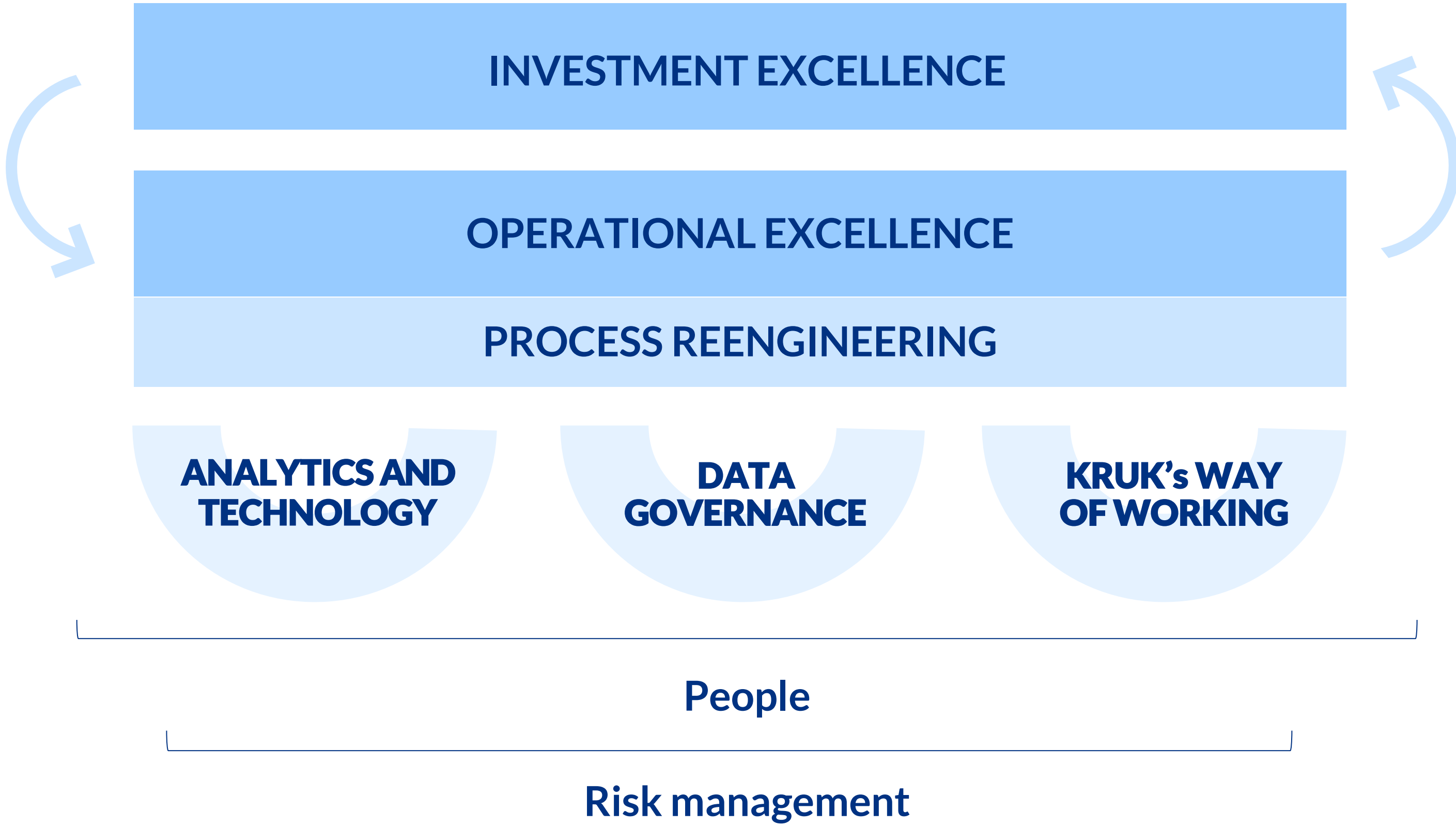
Simplicity

Simplicity is beautiful. We simplify our processes and eliminate inefficiencies. Done is better than perfect.

Development

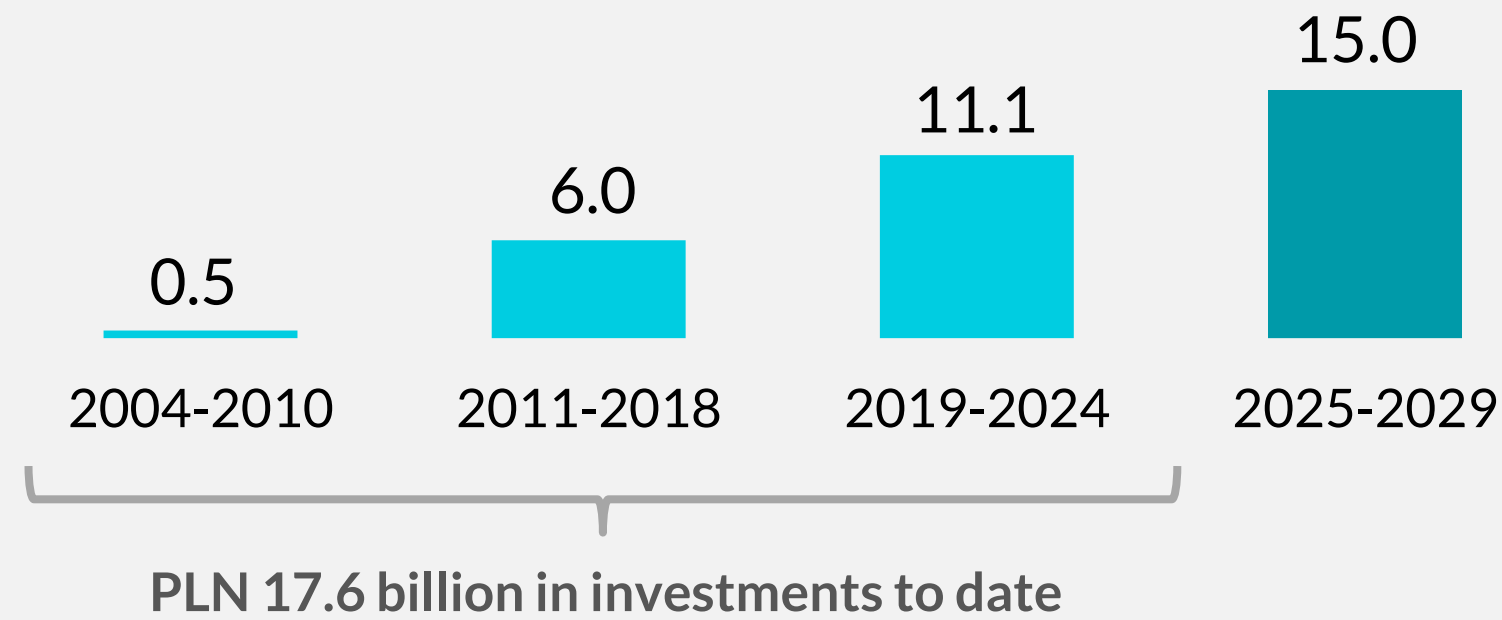
We are committed to continuous improvement. We have an innate drive for progress that persists under any circumstances, even when we achieve success.

Strategy 2025-2029: Drive business growth through scaling operations, enhancing process efficiency, and digital transformation



Investment excellence – approximately PLN 15 billion in planned investments under conservative market assumptions

Investments in debt portfolios (PLN billion)



~ PLN 3 billion in average annual investments in debt portfolios over the last two years



KRUK's planned average annual investments in debt portfolios over next five years

Our core strategy is organic growth with a focus on five major European markets:

Poland, Romania, Italy, Spain, and France:

- combined population of 232 million people,
- among the largest NPL markets in Europe with further growth potential.

In our 27-year history, we have invested PLN 17.6 billion. We anticipate potential to invest around PLN 15 billion over the next five years.

Following record investments in 2023 and 2024, we plan more moderate investments in 2025 (approximately PLN 2.5 billion) with growth in subsequent years.

Our planned investment levels will preserve our leadership position in the primary market for unsecured retail debt.

While macroeconomic growth and lending activity are expected to increase in our markets, our base scenario conservatively estimates a modest growth in debt sales between 2025 and 2029, with our average annual investments remaining consistent with the past two years.

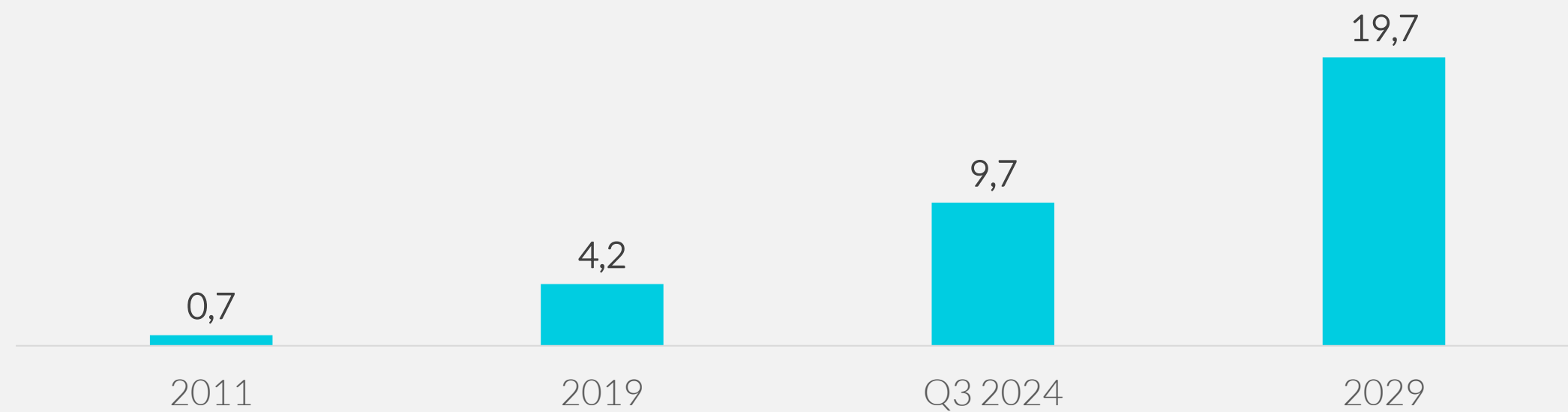
We aim to maintain our historical market share in unsecured consumer portfolio investment on the primary market, averaging 30–40%.

During the strategy period, investments are expected to deliver an average IRR consistent with 2024 levels.

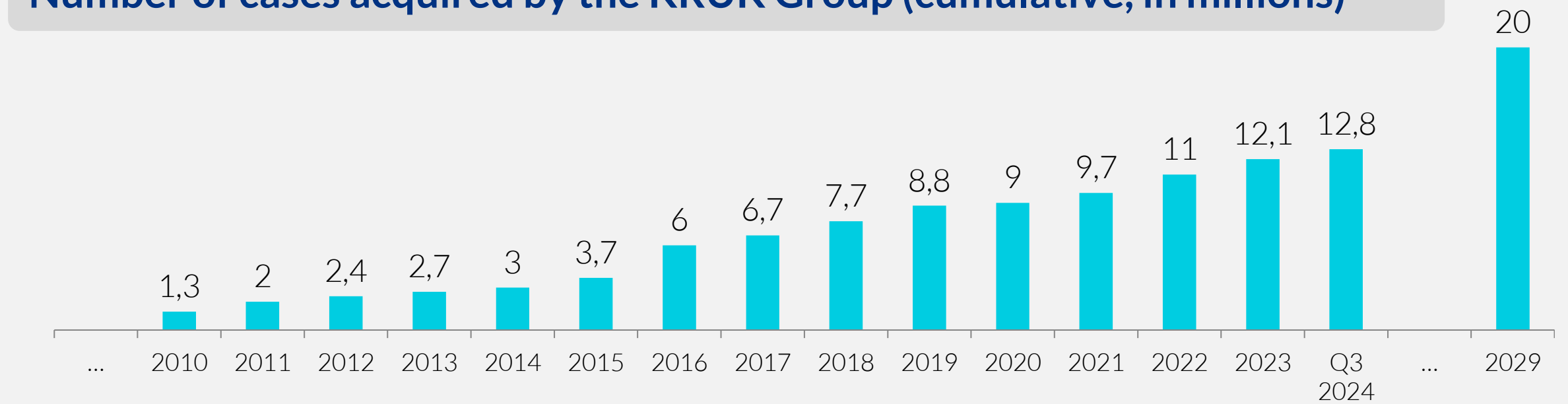
We assume that investments in other asset classes will account for no more than around a dozen percent of total investments.

Operational excellence – driving further improvement in performance

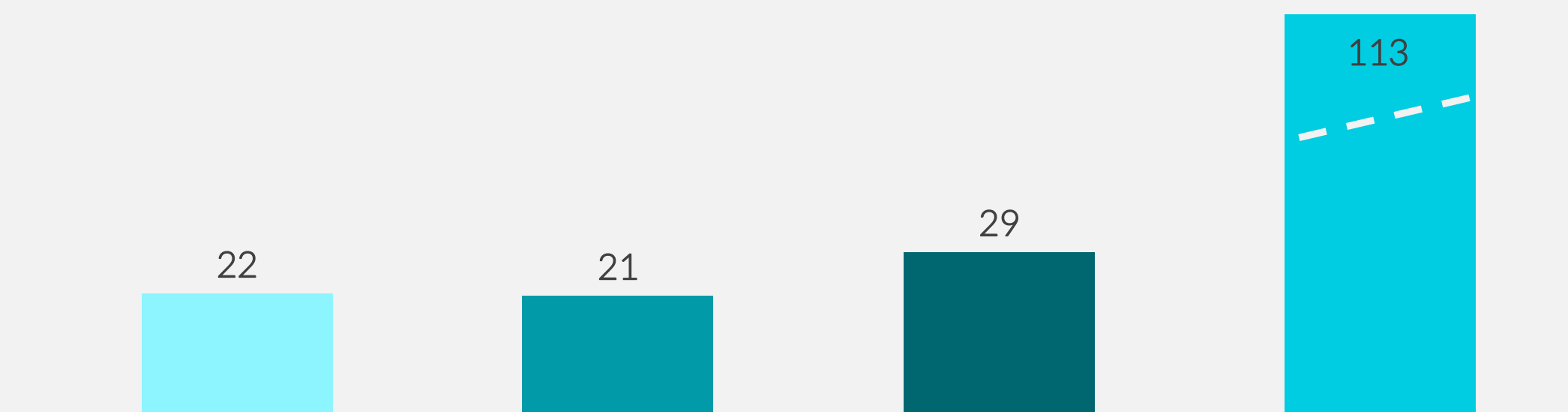
Carrying amount of purchased portfolios (PLN billion)



Number of cases acquired by the KRUK Group (cumulative, in millions)



Recoveries and nominal value of debt portfolios held as at 30 September 2024 (PLN billion)



- Historical recoveries from 2002 to 30 September 2024
- 20-year accounting estimate of recoveries from portfolios held as at 30 September 2024 (ERC)
- 20-year management target for recoveries from portfolios held as at 30 September 2024
- Remaining nominal value of portfolios held as at 30 September 2024

We aim to drive growth by expanding our balance sheet and focusing on maximising recoveries from our existing debt portfolios. Our objective is to double the carrying amount of our current portfolios.

Over the course of the strategy, we plan to establish pathways to achieve a realistic target for recoveries from our existing debt portfolios, at PLN 29 billion over the next 20 years.

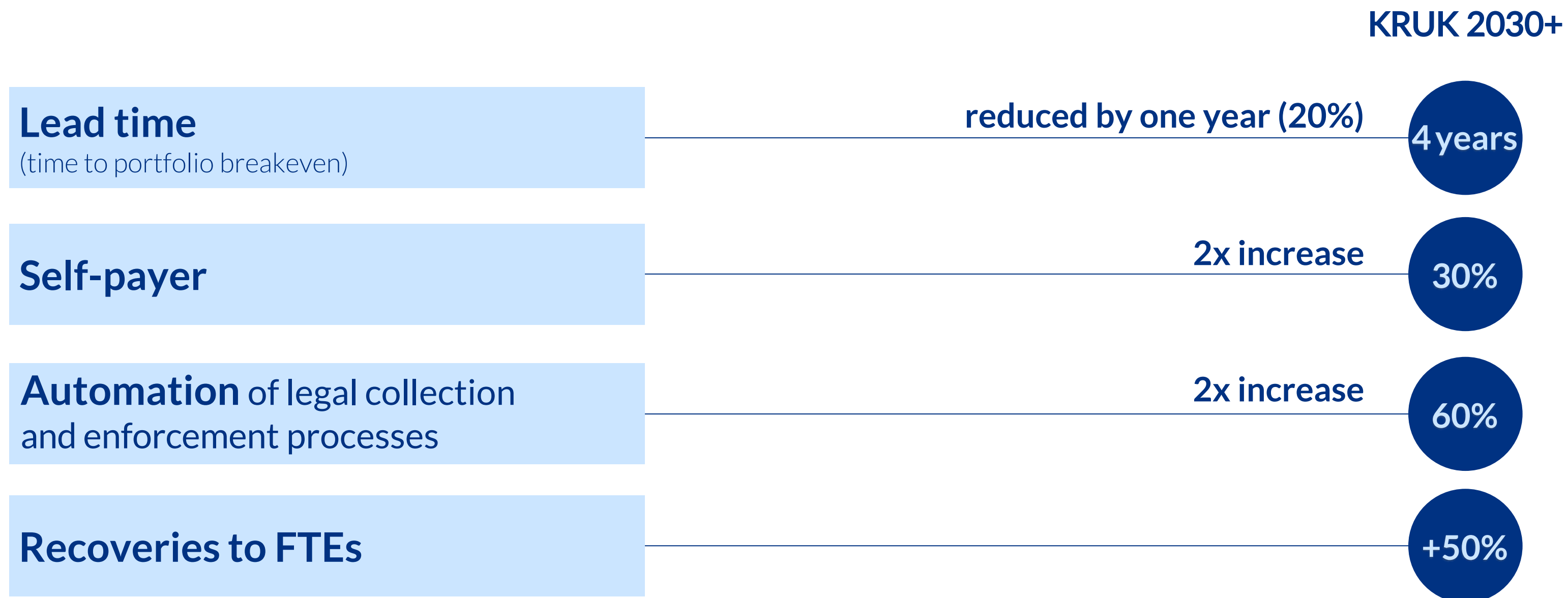
By 30 September 2024, we recovered a total of PLN 22 billion. Our accounting estimate of recoveries over the next 20 years amounts to PLN 21 billion, representing 19% of the nominal value of debt portfolios as at 30 September 2024. Over the next 20 years, we target recoveries of PLN 29 billion, representing 26% of the nominal value of portfolios as at 30 September 2024.

By 2030, KRUK aims to have acquired a cumulative total of over 20 million cases.

Operational excellence – process reengineering

By 2030, we plan for KRUK to have acquired a total of over 20 million cases (compared to the current level of approximately 13 million). At the same time, we expect only a modest increase in employment, with FTEs* rising to a maximum of 4,000, up from the current ca.3,500.

Accordingly, our operational strategy focuses on process reengineering to further enhance efficiency.



1. Lead time - the time required to cover the investment expenditures and direct operating costs by recoveries
 2. Self-payer - the percentage of recoveries obtained in amicable and hybrid processes coming from self-served customers
 3. Automation - percentage of documents processed at the judicial and enforcement stage in a fully automated manner
 4. Recoveries to FTEs - recoveries from all acquired portfolios in relation to the number of FTEs working in the acquired portfolios business line plus FTEs working at headquarter
 * FTE (Full-Time Equivalent) – a measure reflecting employment levels based on salary and wage costs, standardised to full-time positions rather than individual employees

Digital transformation – three key focus areas

Our transformation plan is:

- Built on a thorough assessment of the current situation, potential growth scenarios, and best practices, conducted with support from an external advisor. We have clearly defined the target state, roadmap, and resource requirements
- Holistic, focused on enhancing processes, tools, and ways of working to ensure a seamless and effective transformation.

A preliminary plan to invest approximately PLN 500 million over five years, primarily dedicated to internal IT, but also to purchasing external services. Targeting a minimum IRR of 20% for this investment, with the break-even point expected after the strategy period (post-2029).

PROCESS REENGINEERING



NEW HORIZON
Analytics & Technology

Developing a new analytical and technological ecosystem.

1. We are building a system that:

- supports end-to-end processes (analysing and optimising processes from start to finish)
- is analytics-driven
- is safe, secure, and controllable.

2. We embrace advanced technologies – adopting AI-driven and cloud-first solutions.

Key AI applications in operational processes

- bots and chatbots: supporting self-payers
- document processing: automating reading and responding to correspondence
- decision-making models: enabling personalised, client-focused decision-making processes.



DATA GOVERNANCE

Implementing a comprehensive approach to data governance based on best practice.

1. Data is our critical asset and a source of competitive advantage. We maximise its potential in operational processes.

2. We define key roles and responsibilities in data management (structure).

3. We implement standards and processes to enhance data accessibility, usability and security.

4. We improve decision-making models. We foster a culture of data-driven decision-making.



KRUK's WoW

Redefining our way of working, combining the best practices of LEAN and AGILE.

1. We design processes focused on delivering value, eliminating inefficiencies, and leveraging employee potential.

2. We take an agile approach to developing products within the framework of the new ecosystem.

3. We support employees through the transformation process.

4. We establish systems to position KRUK as a self-learning organisation.

Effective risk management remains a fundamental pillar of the KRUK Group

Risk management system

Mature

- Proactive
- Involved into the decision-making process
- Operating within the PDCA cycle
- Adaptable

Integrated

- Consistent and accurate
- Fully aligned system components



To strengthen the KRUK Group’s management of climate change, social and employee matters, and corporate governance, we are integrating ESG factors into our business strategy.

The goals outlined in the ESG Strategy for the KRUK Group in 2023 will be reviewed in 2025 to ensure alignment with the new business strategy and compliance with the requirements of the CSRD directive.



Environmental

- ✓ We reduce our carbon footprint.
- ✓ Several office spaces rented by the KRUK Group already meet high environmental standards and are equipped with energy-efficient technologies, helping to lower carbon footprint and improve energy efficiency.
- ✓ We actively engage employees in energy-saving initiatives and environmental awareness programmes.

Social

- ✓ We focus on promoting financial literacy, organising initiatives such as *Day without Debts* and educational programmes for children.
- ✓ We maintain a minimum 50% female employment rate (currently at 62%, with 56% in senior management roles).
- ✓ We maintain a low employee turnover rate.

Governance

- ✓ We implement Privacy by Design and Privacy by Default principles for data protection.
- ✓ We advance the implementation of an AI Governance framework.
- ✓ We enhance the compliance programme and whistleblowing process.

Key achievements:

- Recognised as ESG Company of the Year 2024 by *Gazeta Finansowa*.
- Awarded the Silver CSR Leaf 2023 and the White ESG Leaf 2024 by *Polityka* for integrating ISO 26000 principles on social responsibility and European Sustainability Reporting Standards into daily operations.
- Included in the Responsible Business Forum’s Diversity in Check 2024 list, highlighting employers leading in diversity and inclusion management in Poland.

People – our greatest asset

Strategy focuses on attracting and retaining top talent, enhancing employee skills, fostering engagement, and cultivating an organisational culture that promotes innovation and collaboration.

We have a highly experienced, skilled, and committed team that ensures the achievement of our business objectives.

- ✓ **Low turnover: 12% YTY** (December 2024)
- ✓ **High engagement: 89%** – group-wide survey results (August 2024)*
- ✓ Two **Dream Employer** awards for projects in organisational culture and change management
- ✓ Grand prize in the **Power of Attraction** competition for modern tools and technologies in human resources management
- ✓ Finalist in the **People Innovation** competition

* Survey conducted using the Willis Towers Watson methodology.

Key goals

Employer of choice

Efficient recruitment processes

Employee development

Personalised career paths, coaching, mentoring, and development opportunities within the organisation.

Diversity, Equity, and Inclusion

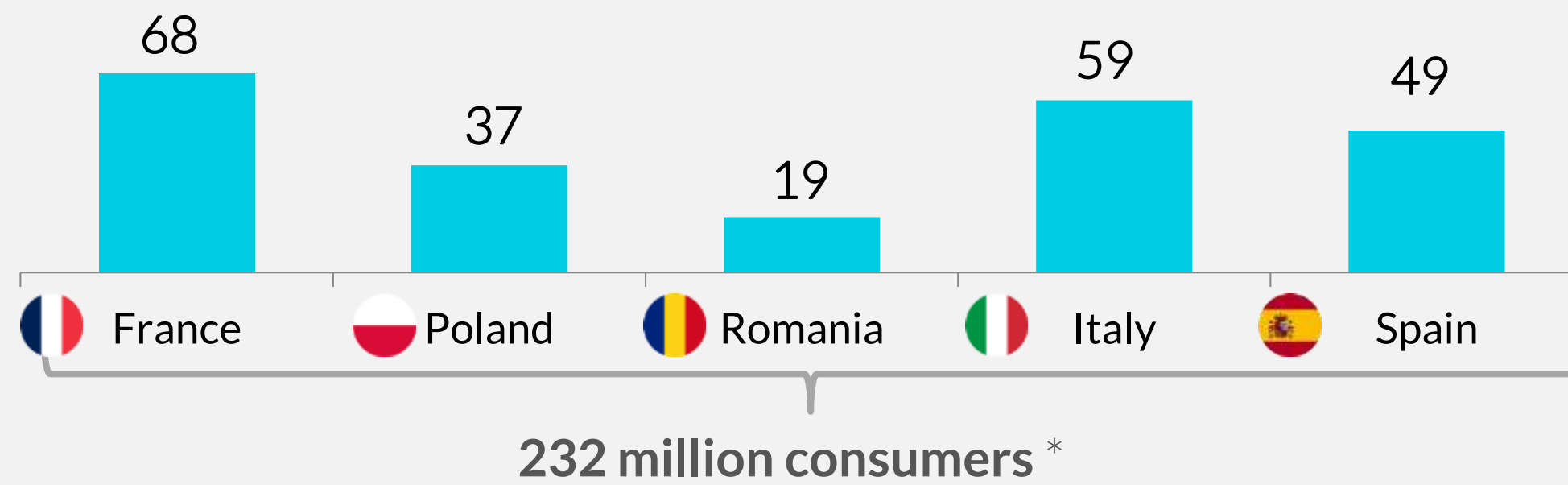
Creating an environment where every employee feels respected and valued

Wellbeing

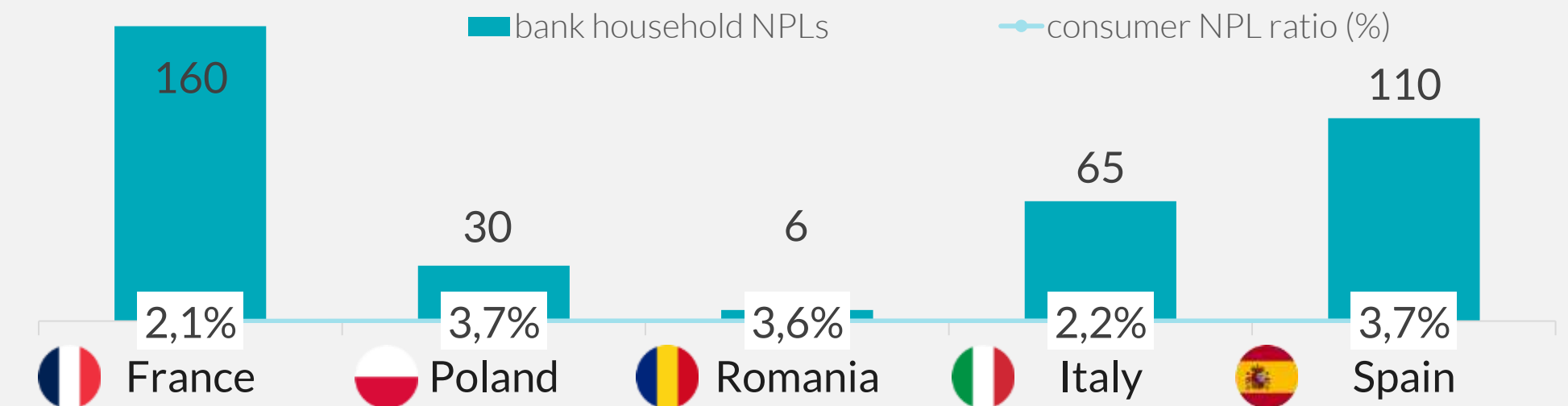
Introducing wellbeing programmes to make KRUK an even better place to work

France: our next major market

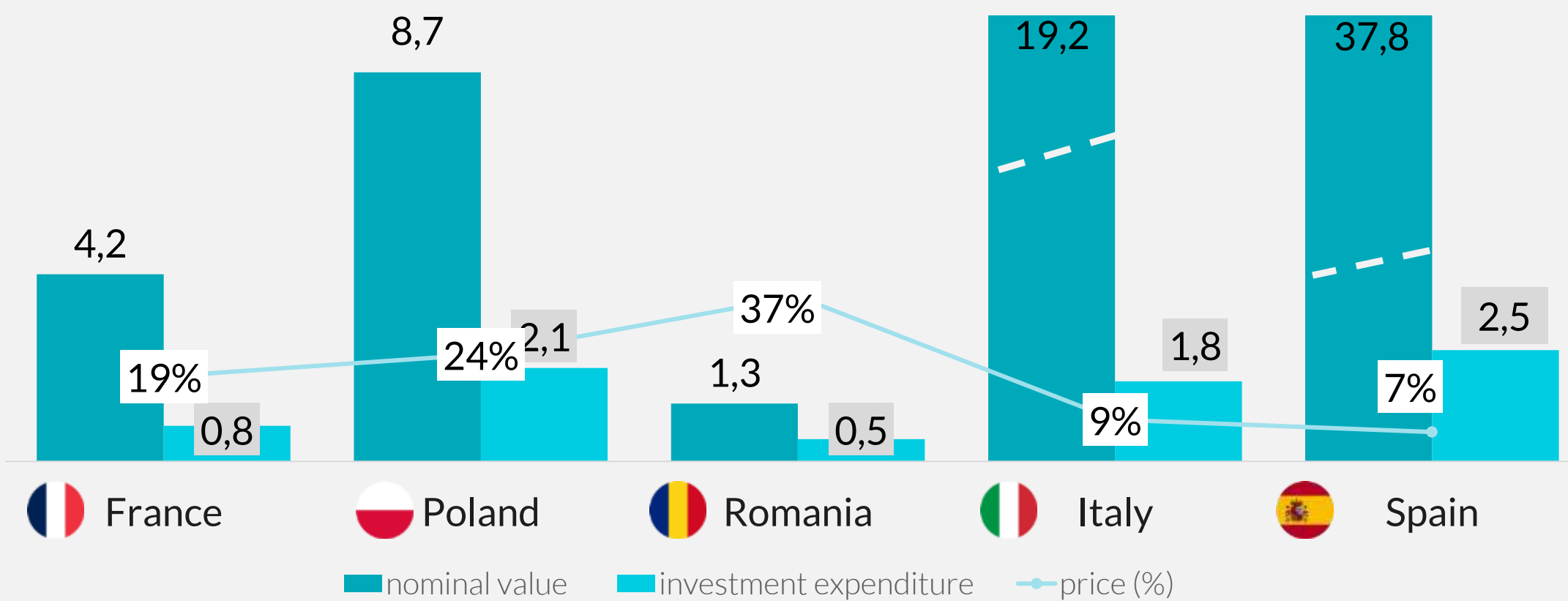
Population (in millions)



Bank household NPLs (PLN billion) and NPL ratio**



Unsecured retail portfolio supply in 2024 (PLN billion)



France, the third most populous country in Europe, offers substantial growth potential for KRUK. Ranked third in Europe and second in the EU by GDP, France's economy is projected to grow by 8% over the next five years, according to the IMF.

Unsecured credit for consumption granted to domestic individuals is 183bn EUR, as of Nov 2024***. Since 2020, total loans have increased by 10% and unsecured consumer loans by 8.7%.

With the market size and NPL ratios, we anticipate an organic increase of debt portfolio supply. Since 2021, NPL volumes have grown by 21%, while unsecured retail debts have risen by 18.2%. France has the highest level of unsecured retail NPLs in the EU, with NPL ratios comparable to other Western European markets.

The French market includes both international players: Hoist, Intrum, B2Impact, Link Financial (LCM), Cabot (Encore Group), EOS, IQera, and local competitors.

* Source: Eurostat

** Source: EBA and ECB (impaired loans/non-performing loans)

***Source: Banque de France

France: progress and insights

2022 >

Conducted initial market analysis (desk research)

2023 >

Conducted in-depth market analysis, held discussions with banks and other market participants, and selected advisors and servicers

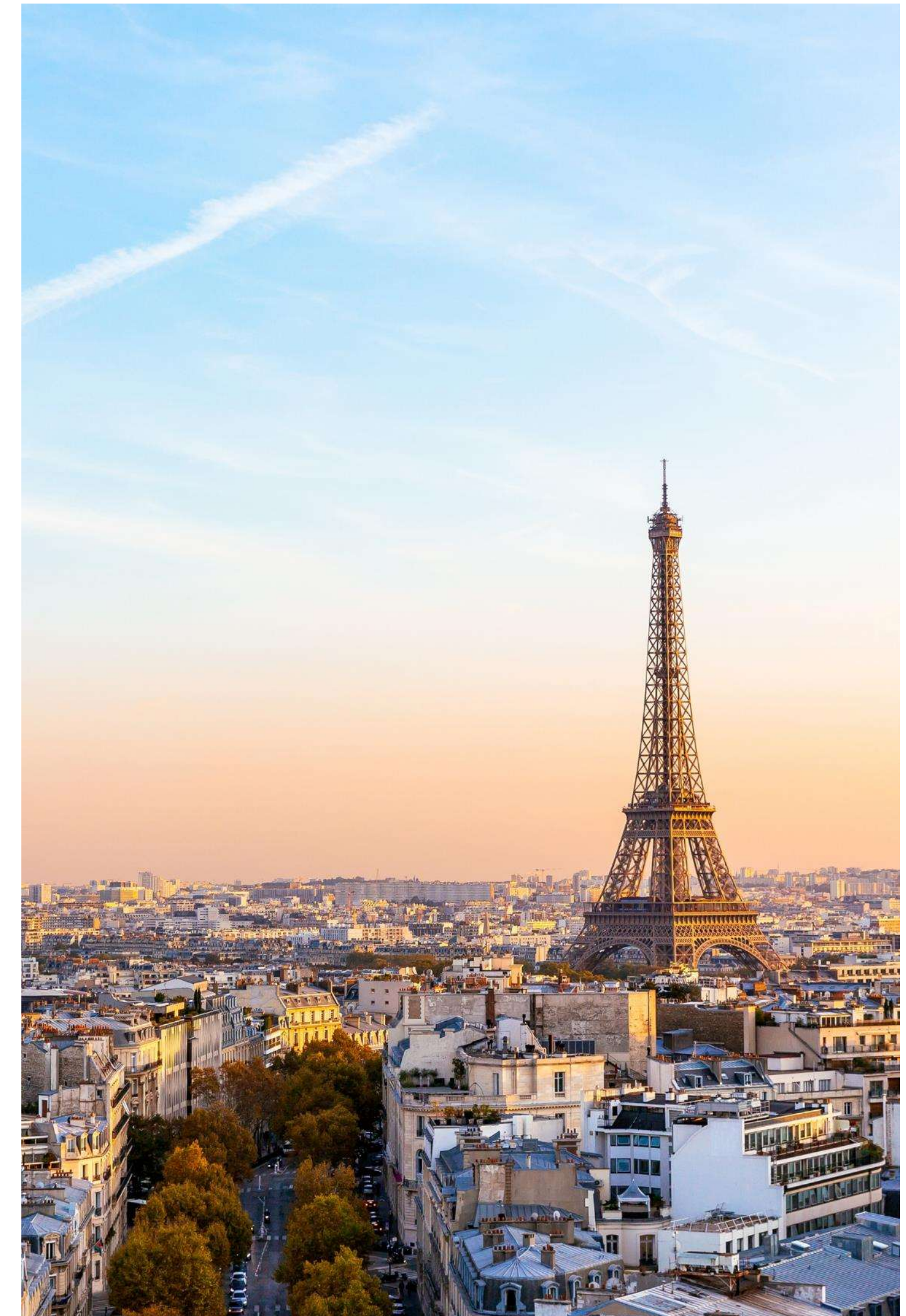
2024 >

- Investment in first portfolios
- Initiated the operational process managed by external partners

2025 >

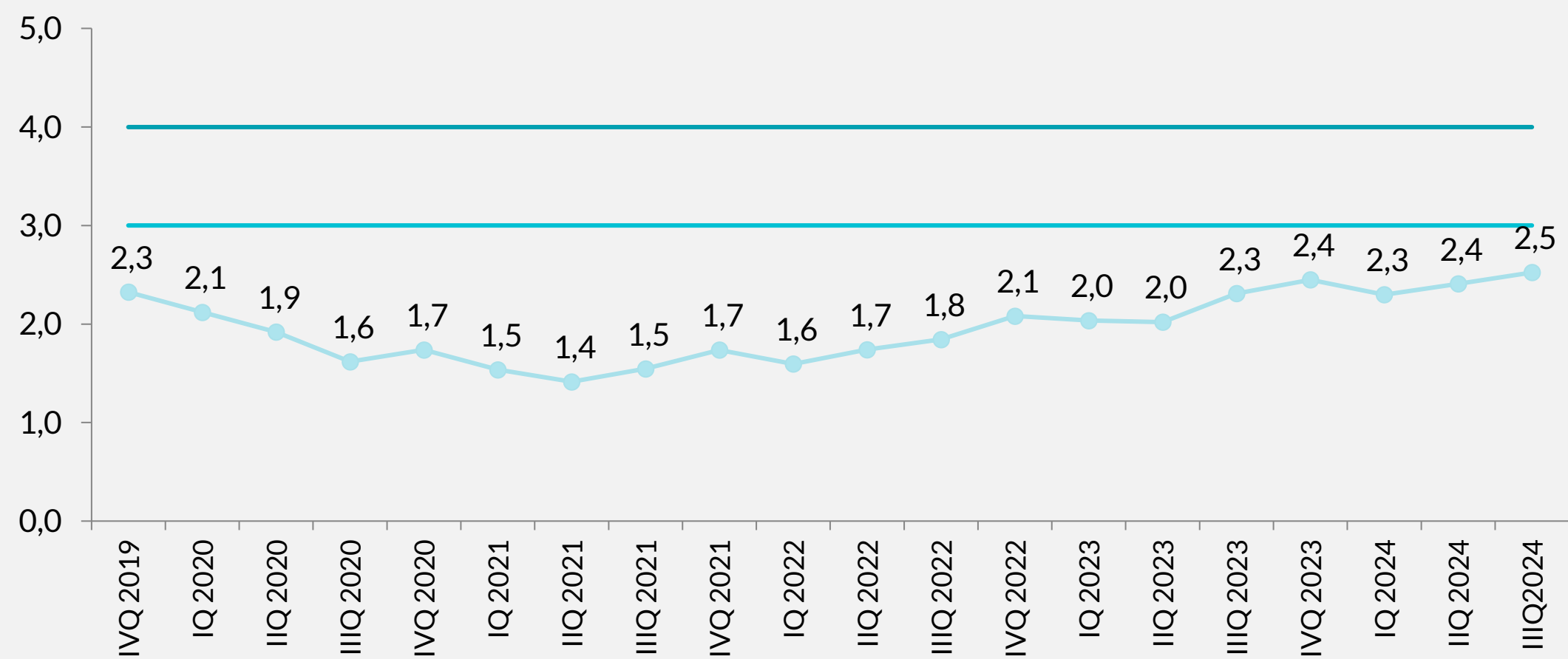
Continue to acquire portfolios in collaboration with local servicers

- ✓ We have invested PLN 83 million in 22,000 cases with a nominal value of PLN 362 million, including forward flow portfolios acquired in monthly tranches and a portfolio acquired through an auction. For 2025, the contribution of forward flow portfolios, acquired under an agreement signed in 2023, is expected to remain consistent with 2024 levels.
- ✓ Recoveries have exceeded initial valuation expectations, with portfolio management conducted in cooperation with local servicers.
- ✓ We actively participate in auctions and continue to deepen our operational expertise. Our growth strategy focuses on partnering with local banks, sharing knowledge, and adopting best practices to support market development and expand portfolio supply. In 2023, we saw a considerable growth in secured and unsecured transactions, driven by banks' internal targets, downsizing of in-house collections departments, regulatory pressures, and increasing levels of consolidated portfolio sales.

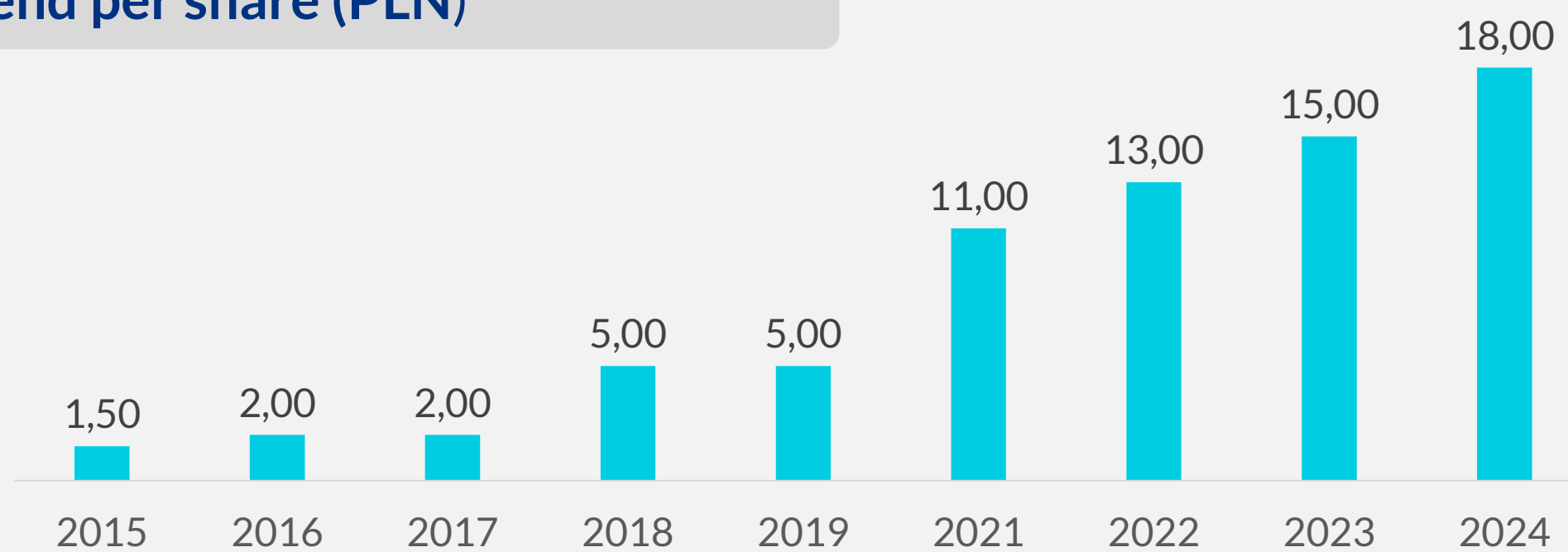


Leverage and profit sharing

Net debt to cash EBITDA



Dividend per share (PLN)



- ✓ We adhere to a financial liquidity management principle whereby KRUK increases debt with the intention of repaying it using existing assets, without relying on subsequent refinancing.
- ✓ We aim to maintain the net debt-to-cash EBITDA ratio below 3.0, allowing for a temporary exceedance if necessary.
- ✓ We expect the net debt-to-cash EBITDA ratio to peak in 2025 and decrease in the following years.
- ✓ Our goal is to sustain growth while continuing to distribute dividends in line with our dividend policy.

Summary of the base scenario

✓ ~PLN 15 billion → new investments in portfolios

✓ ~20% ROE

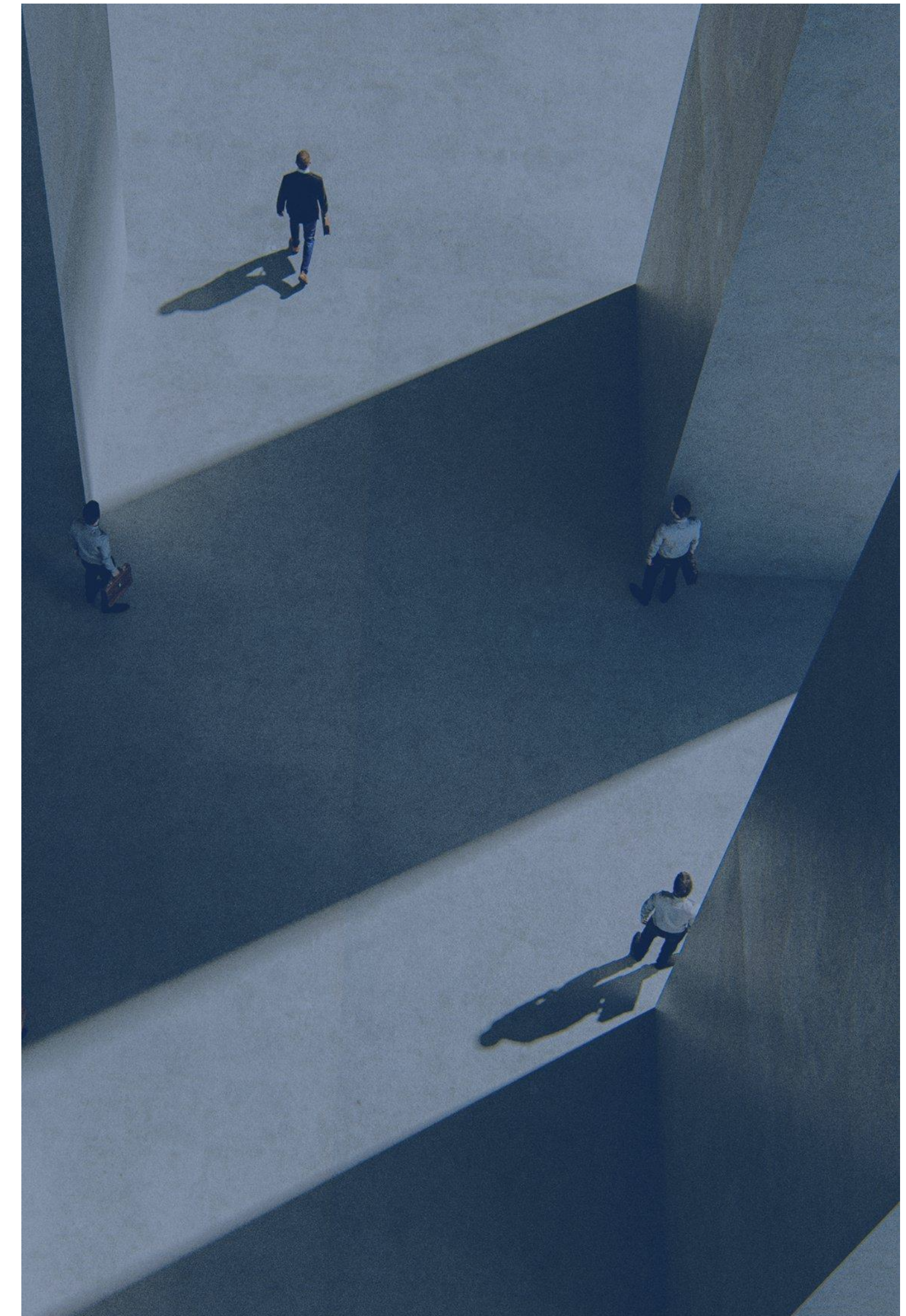
✓ PLN 20 billion → doubling the carrying amount of debt portfolios

✓ PLN 0.5 billion → investment in digital transformation

- ✓ We anticipate a market opportunity to invest approximately PLN 15 billion in debt portfolios over the next five years across our existing markets, including France. The actual investment level will depend on market competitiveness, our financial leverage, and operational efficiency.
- ✓ Over the course of the strategy, we plan to establish pathways to achieve a realistic target for recoveries from our existing debt portfolios, at PLN 29 billion over the next 20 years.
- ✓ Expected recoveries from the existing portfolios, combined with market opportunities for new investments, position us for profit growth both during the strategy period and over the long term. We expect the benefits of our planned digital transformation to materialise fully only after 2029.
- ✓ We expect ROE to approach 20% during the strategy period. However, should the KRUK Group become subject to the GloBE tax, ROE may fall below this level.
- ✓ Our ambition is to double the carrying amount of our portfolios, increasing from PLN 10 billion as at 30 September 2024 to PLN 20 billion by the end of 2029.
- ✓ Our preliminary plan includes an investment of PLN 500 million in digital transformation over five years, targeting a minimum 20% IRR, with the break-even point expected after the strategy period (post-2029).
- ✓ We aim to maintain the net debt-to-cash EBITDA ratio below 3.0, allowing for a temporary exceedance if necessary.
- ✓ By the end of the strategy period, we plan to keep employment below 4,000 FTEs, despite nearly doubling investments and a projected 50% increase in the number of cases.
- ✓ We will focus on reducing costs through continuous process improvements, economies of scale, and technological advancements. This approach will lower the ratio of operating costs of purchased portfolios to recoveries during the strategy period.

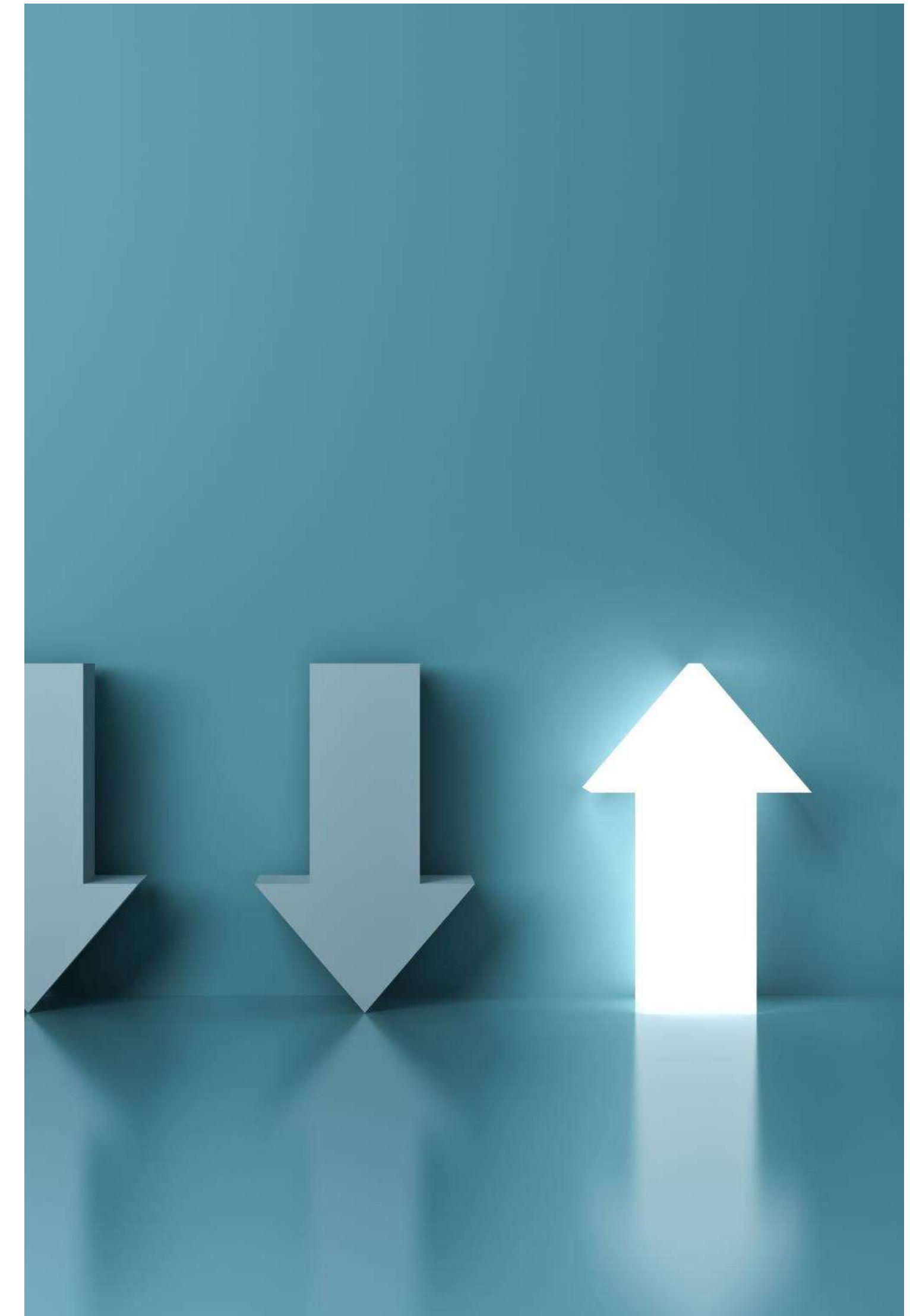
Selected key risks related to the strategy

- Lower investments and/or IRRs on planned portfolios.
- Recoveries falling short of management targets could limit the potential for positive revaluations or even result in write-offs.
- Negative impacts arising from changes in legislation.
- A deteriorating macroeconomic environment, particularly affecting consumers, could disrupt our operations and reduce recoveries.
- A higher-than-expected effect from tax regulation changes, including the GloBE tax.
- Delays in and/or higher-than-expected costs of implementing the digital transformation strategy.
- Failure to establish a strong presence in France.



Additional growth potential beyond the base scenario

- Higher recoveries from existing portfolios achieved through continuous process improvements or favourable macroeconomic developments.
- Accelerated benefits from digital transformation.
- The primary market for unsecured retail debt may expand at a faster pace than assumed in our conservative base scenario.
- Expansion of the secondary market for unsecured retail debt.
- Higher investments or higher-than-expected returns on unsecured retail portfolios, driven by ongoing consolidation within the sector.
- Increased investments in corporate, SME, and mortgage debt. Non-core debt will remain capped at 25% of the total portfolio value.
- While our base scenario assumes moderate growth in France, if operational efficiencies are confirmed and the market continues to expand, the market could contribute more significantly to our investment plans.
- Entry into new markets beyond France, with expansion driven by factors such as population size and the scale of local banking sectors.
- Further growth of the consumer lending business in Poland and other markets.



Potential new markets in the long term



UK

- With its population (68.4 million) and GDP (EUR 3.2 trillion), the UK has the potential to become KRUK's largest European market.
- The consumer lending segment has grown 11% since 2022, reaching a total of EUR 328 billion.
- The consumer NPL ratio in banks is 2.6%, translating to approximately EUR 7.2 billion, reflecting a well-developed NPL sales market. Investments in the unsecured retail market are estimated to be 1.5 to 2 times larger than in Western European markets such as Italy or Spain.
- IRRs are expected to be in the high teens.
- The UK is regarded as one of the most mature, competitive, and regulated NPL sales markets globally.



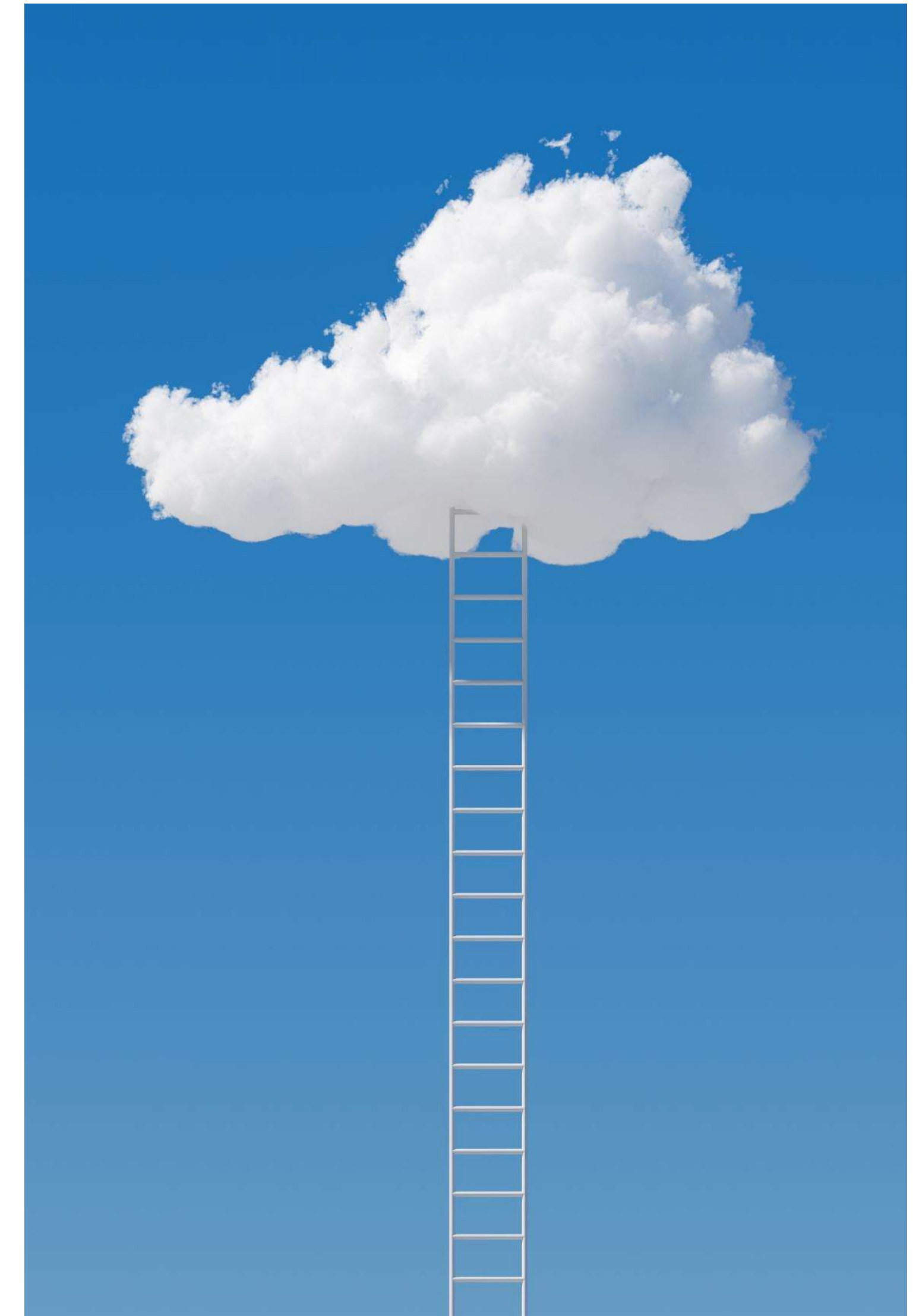
USA

- With 337 million inhabitants, the US market surpasses the combined population of all KRUK's current markets.
- The default rate for unsecured retail loans in banks (30–119 DPD) is 2.8%, representing EUR 48 billion in at-risk loans. Including the charge-off rate (120+ DPD) at 2.92%, total NPLs are estimated at EUR 50 billion.
- NPL sales have rebounded in 2023 to exceed pre-COVID levels, which coincided with a significant decline in prices.
- Returns are expected to be comparable to or higher than in Europe, with a shorter recovery period.
- The USA is regarded as one of the most mature, competitive, and regulated NPL sales markets globally.

Summary of key strategy elements

Strategic goal: Drive business growth through scaling operations, enhancing process efficiency, and digital transformation.

- ✓ ~PLN 15 billion → new investments in debt portfolios
- ✓ Ambition for recoveries from our existing debt portfolios at PLN 29 billion over the next 20 years
- ✓ Profit growth potential both during the strategy period and over the long term
- ✓ ~20% ROE
- ✓ PLN 20 billion → doubling the carrying amount of debt portfolios
- ✓ PLN 0.5 billion → investment in digital transformation
- ✓ Cost optimisation achieved through continuous process improvements, economies of scale, and technological advancements
- ✓ Maintaining the net debt / cash EBITDA ratio below 3.0, allowing for a temporary exceedance if necessary



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The information presented herein is based on consolidated data from the KRUK Group and, unless otherwise specified, focuses on the Group’s perspective.

This Presentation is intended for informational purposes only. It does not constitute a public offering as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, or any other offer or invitation to buy, or a solicitation of an offer to buy or subscribe for any of the Company’s securities.

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No information contained herein shall be construed as a recommendation or as investment, legal or tax advice, nor is it an indication that any investment or strategy is suitable for any institution or any other person to whom the Presentation is made available.

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The Presentation may include forward-looking statements and views concerning future and uncertain events, which are any statements other than those relating to historical data.

Such forward-looking statements may involve identified or unidentified risks, uncertainties and other material factors beyond the Company’s control, which may cause the Company’s actual results or achievements to differ materially from the expected results or achievements expressed or implied in such projections.

The objectives and assumptions regarding the Strategy for 2025–2029 outlined in this Presentation do not constitute, and should not be construed in particular as, profit forecasts or earnings estimates. Instead, they represent the intended directions for future actions.

The data contained in this Presentation may become outdated. The Company is under no obligation to notify of such changes or to update or revise the information provided unless expressly stated otherwise.

Thank you.