



BUILDING
BRIDGES
BETWEEN
PEOPLE

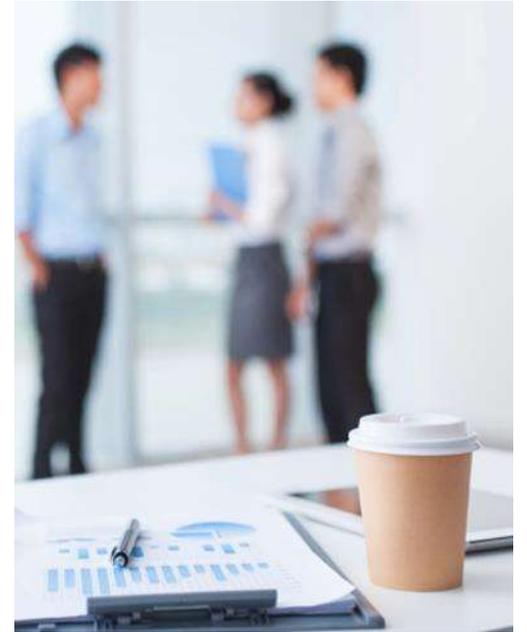
The KRUK Group

Wrocław, May 2019



Agenda

- Basic information
- The authorities and structure of the KRUK Group
- Financial results for 2018
- Our services
- Innovative solutions
- The KRUK Group in the media



ABOUT KRUK GROUP

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The KRUK Group is the leader of the debt management market in Central Europe

We started over 20 years ago as a small, Wrocław-based company employing a dozen or so people.

At the moment, the Group comprises a number of companies offering a comprehensive range of modern integrated services.

We are ready to adapt to the needs and expectations of our partners in seven European countries.

The Group's core business is management of debt purchased for the Group's own account as well as for banks, telecommunication operators, insurance companies, and other external entities



Milestones of KRUK Group

2000

Launch of debt collection activities

2001

Introduction of the success-only fee model in credit management

Beginning of debt portfolio market – decision to raise capital

2003

KRUK becomes a leader in credit management

Enterprise Investors invests USD 21m (PEF IV)

Purchase of the first debt portfolio

2005

First debt securitization in Poland, operations in Wałbrzych

Decision to replicate the business model abroad

2007

Entering the Romanian market

Innovative approach to debtors

2008

Implementation of a mass amicable settlement strategy (amicable or court settlement)

2010

Changes in legislation – ERIF BIG S.A. starts operations

Advertising in the media – a mass communication tool

Increased supply of non-performing debt

2011

KRUK shares floated on the Warsaw Stock Exchange

Entry into the Czech and Slovak markets

2014

Purchase of the first large mortgage-backed debt portfolio in Poland

Entry into the German market

2015

Purchase of the first debt portfolios in Germany

Entry into, and purchase of the first debt portfolio on the Italian market

Entry into the Spanish market

2016

Purchase of the first debt portfolio in Spain

Closing of the acquisition of a debt portfolio from P.R.E.S.C.O
Completion of a transaction pursued with the World Bank in Romania

2017

Execution of a EUR 250m revolving facility agreement with a syndicate of four banks to finance further growth in Europe

Completing the integration of the acquired Italian and Spanish companies within the KRUK Group

2018

Acquisition of Agrecredit, a company operating on the Italian credit management market

20th anniversary of KRUK's operations

2019

KRUK has concluded an agreement to acquire 100% shares in Wonga.pl sp. o.o.

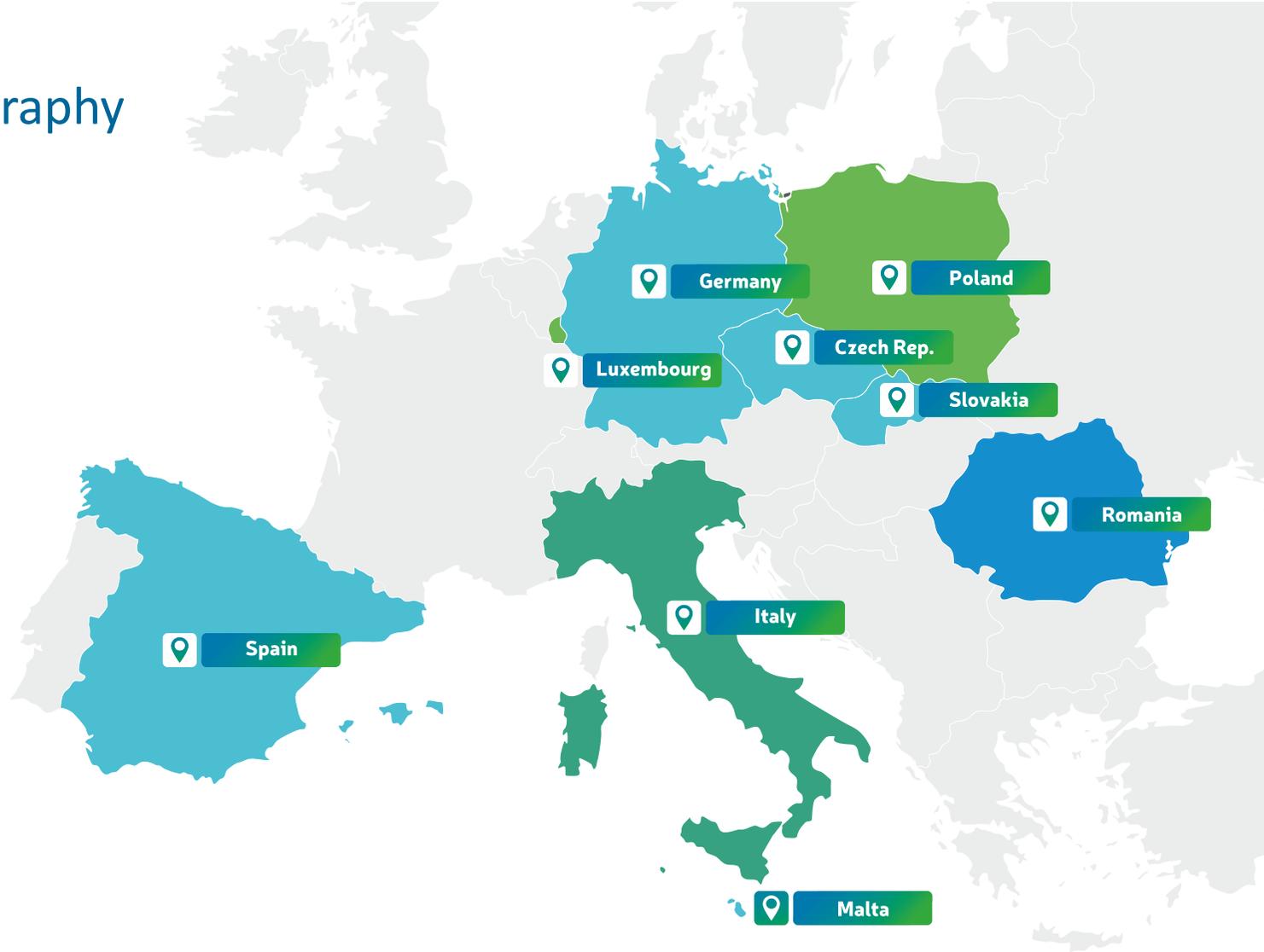


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KRUK's markets by geography



Poland	1795	3
Romania	585	1
The Czech Republic and Slovakia	202	1
Germany	*	*
Italy	336	2
Spain	254	1



* employees of the Polish-German organisation are included in total Poland FTE

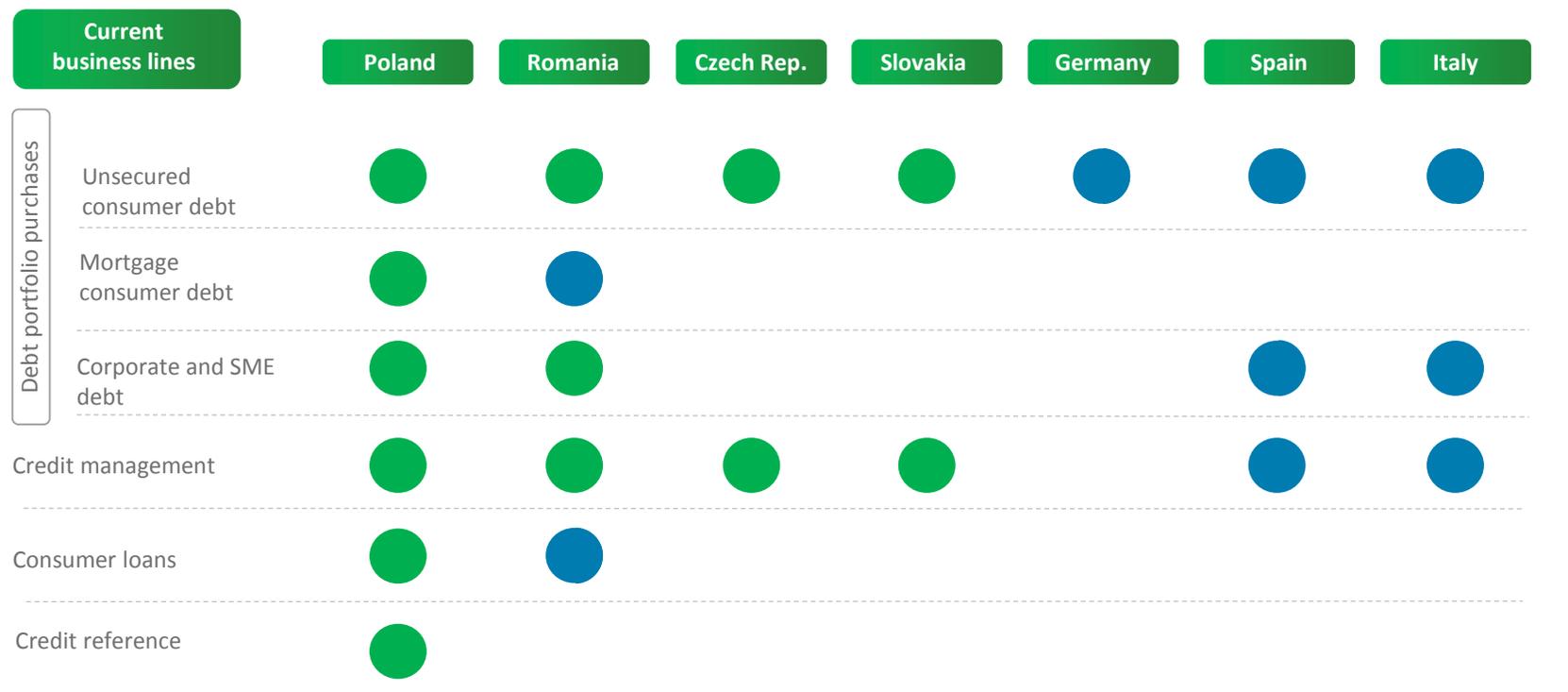
Structure of the KRUK Group

KRUK S.A.
 Out-of-court collection,
 Purchase of receivables and securitization,
 Detective services. Debt exchange market.




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KRUK's growth matrix – existing business lines



* With regard to credit management, the line was no active in 2018 in the Czech Republic and Slovakia.

** The Group decided to significantly scale down its operations in Germany.

● Business lines operating in 2014

● Business lines launched in 2015-2018



Mission and vision of KRUK Group



- **Mission**

Our client base includes individuals and businesses facing the problem of excessive debt. We build positive relations and help our clients regain creditworthiness. We safeguard compliance with social norms and legal rules requiring that liabilities incurred must be settled.



- **Vision**

KRUK strives to become a global leader among listed debt management companies in terms of market value.

We exceed the expectations of our clients and business partners, creating long-term, mutually beneficial relations.

Doing what we can do best, we set new directions on the financial market, which spurs us on and builds our value.

We create an excellent and effective working environment for positive and passionate people.

KRUK S.A. Management Board



**Piotr
Krupa**

CEO and President of
the Management
Board



**Agnieszka
Kułton**

Member of the
Management Board

Purchased debt
portfolios



**Iwona
Słomska**

Member of the
Management Board

Marketing, PR, HR, legal
services, compliance



**Urszula
Okarma**

Member of the
Management Board

Strategic Transactions
and Client Relations



**Michał
Zasępa**

Member of the
Management Board

Finances, Risk, Investor
Relations

Organization's Values

Clients

- We treat debtors with respect.
- We help them escape the debt trap.
- We ensure personal data protection.
- We render convoluted and incomprehensible legalese plain and readily understandable to all our customers

Trading partner

- We do not make promises we cannot keep.
- We approach our trading partners' needs on a case-by-case basis.
- We respect our competitors.
- We maintain the confidentiality of information.
- We avoid conflicts of interest.
- We work with transparency and integrity.
- We build long-term and lasting relationships.

Shareholder

In communication with shareholders, the following are critical to us:

- Truth
- Complete information
- Continuity
- Speed of operation
- Clarity

Employees

- We respect all our employees' opinions.
- We all take care to protect the Company's reputation.
- We build good rapport within the Group and listen to all our employees.
- We help each other.
- We are tolerant.
- We build relations on mutual respect and partnership.
- We provide our employees with ample opportunity to improve their qualifications.

Ownership structure and Supervisory Board

Supervisory Board

Piotr Stępiak



Chairman
of the Supervisory Board

Katarzyna Beuch



Member of the Supervisory Board

Tomasz Bieske



Member of the Supervisory Board

**Arkadiusz Orlin
Jastrzębski**



Member of the Supervisory Board

Krzysztof Kawalec



Member of the Supervisory Board

Robert Koński



Member of the Supervisory Board

Józef Wancer



Member of the Supervisory Board

Major holdings in KRUK S.A

Shareholder

Number of shares
/ voting rights

Ownership
interest (%)

Piotr Krupa

1 931 666

10,23

NN PTE

2 000 000

10,59

Aviva OFE

1 319 000

6,98



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Unique Business Model



TRADING PARTNERS

Banks | Insurance companies | Telecommunications operators | Cable TV | Other utilities



Credit Management

Debt Purchase

Debt collection process

Shared debt collection platform, tools and infrastructure (IT, telco, call center)

Consumer debts | Mortgage debt of natural persons | Corporate and SME debts



**We help our clients – people in debt
- pay their obligations**

2018 performance highlights



PLN 1,395m

Portfolio investments



PLN 1,577m

Recoveries



PLN 330m

Net profit



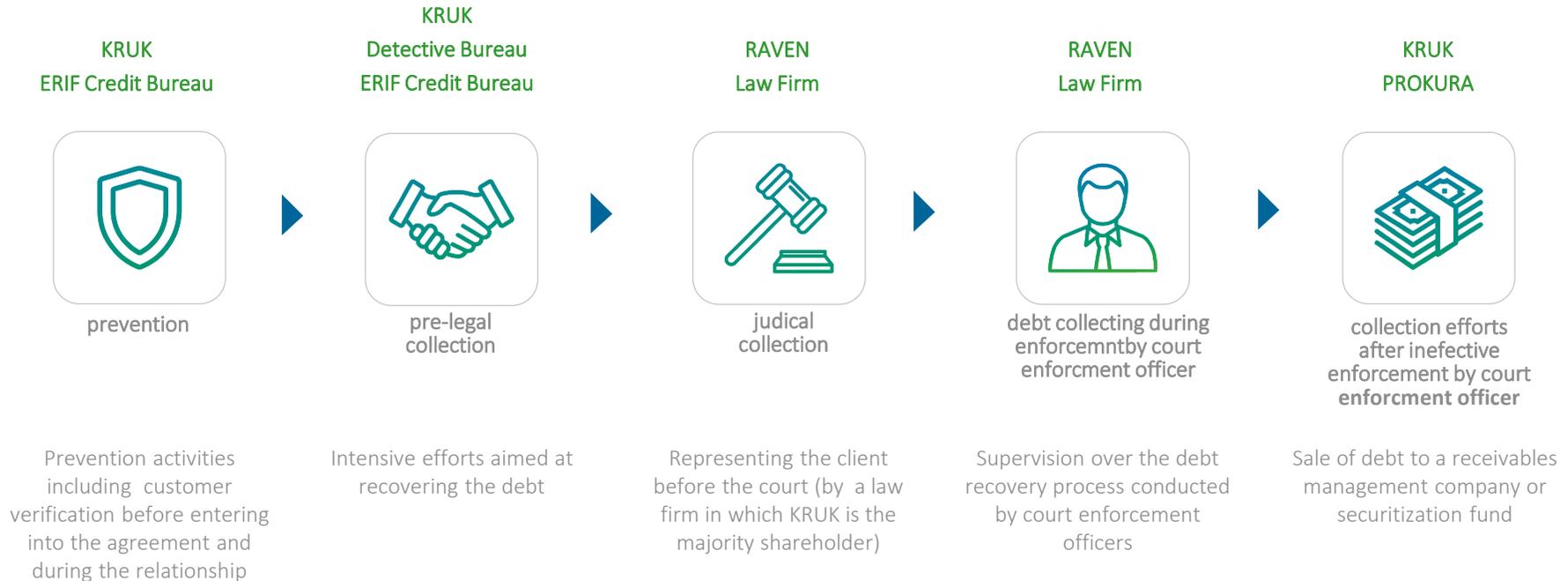
19%

ROE

(PLN '000)	2018	2017	2016	2015	2014	CARG '18/'14
Revenue	1 164 811	1 055 435	783 398	611 234	487 920	24%
EBITDA	498 194	439 449	362 561	261 919	219 519	23%
Operating profit	478 271	420 771	349 023	251 379	208 161	23%
Profit before tax	352 540	335 184	286 348	209 777	152 838	23%
Net profit	330 412	295 198	248 677	204 261	151 802	21%

Comprehensive operations

- KRUK handles its clients' receivables at all stages of delinquency



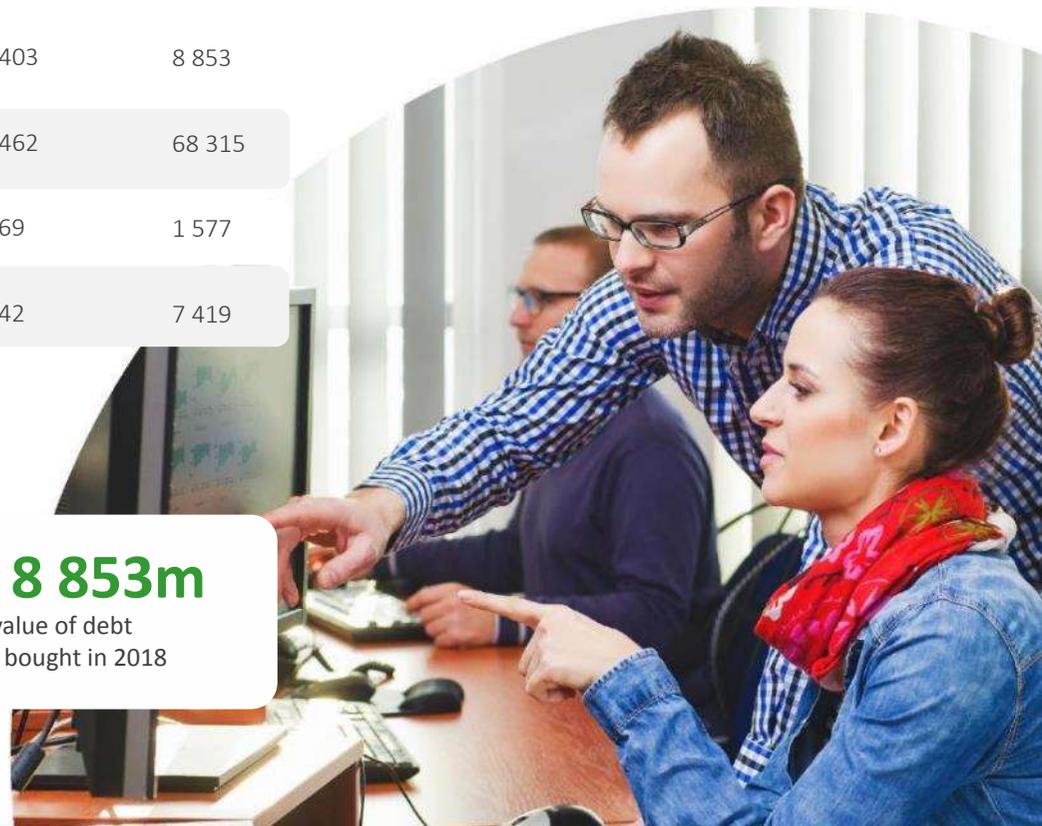
Debt portfolios purchased over last five years

PLNm	2014	2015	2016	2017	2018
Nominal value of purchased debt portfolios	3 776	4 926	16 440	16 403	8 853
Accumulated nominal value of purchased debt portfolios	21 693	26 619	43 059	59 462	68 315
Cash recoveries	712	826	992	1 369	1 577
Accumulated cash recoveries	2 655	3 481	4 473	5 842	7 419



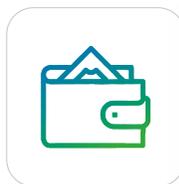
PLN 8 853m

Nominal value of debt portfolios bought in 2018



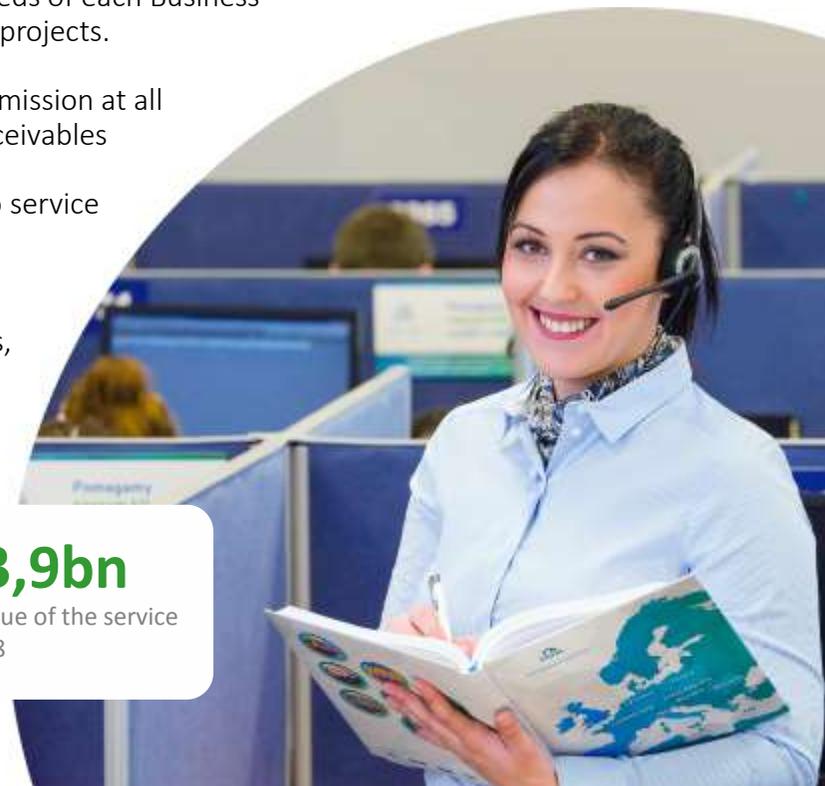
Credit management

- We implement modern and non-standard service processes. Services are tailored to the needs of each Business Partner and its capabilities. We specialize in introducing and implementing new, innovative projects.
- In the area of the service at the request of the KRUK Group, it manages receivables on commission at all stages of delinquency, using instruments adequate to the specifics of a given package of receivables
- Throughout 2018, the Group has accepted cases with a nominal value of PLN 13.9 billion to service on behalf of third parties, compared to PLN 14.7 billion in 2017.
- The KRUK Group manages receivables of banks, loan brokers, insurers, leasing companies, landline and mobile telecommunications operators, cable TV operators, digital TV operators, and companies from the FMCG sector.



PLN 13,9bn

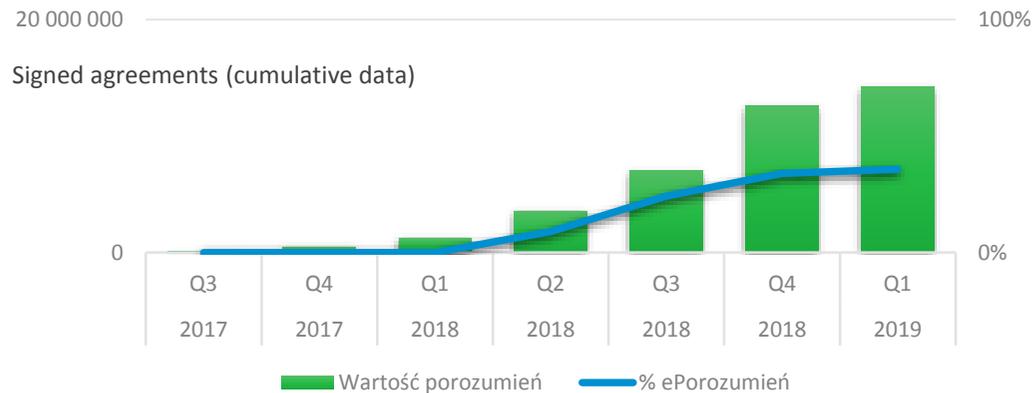
The nominal value of the service contract in 2018



Platforma internetowa e-kruk.pl

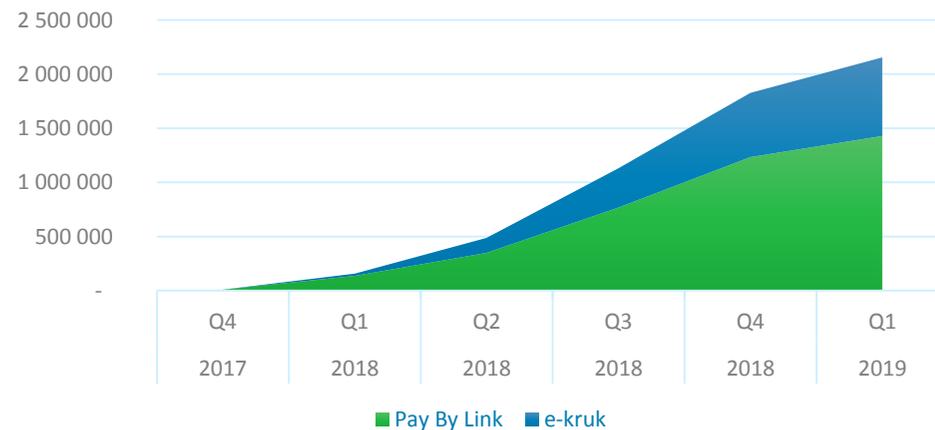
e-Agreement

- The process of concluding an agreement 100% carried out via the Internet.
- The implementation of the signature in the form of a verification transfer allowed for the entire process to be left online.
- Changing the method of signing documents significantly affected the number of signed documents.
- No need to collect and send correspondence by mail is primarily convenience and time savings for customers.



e-payment INKASO

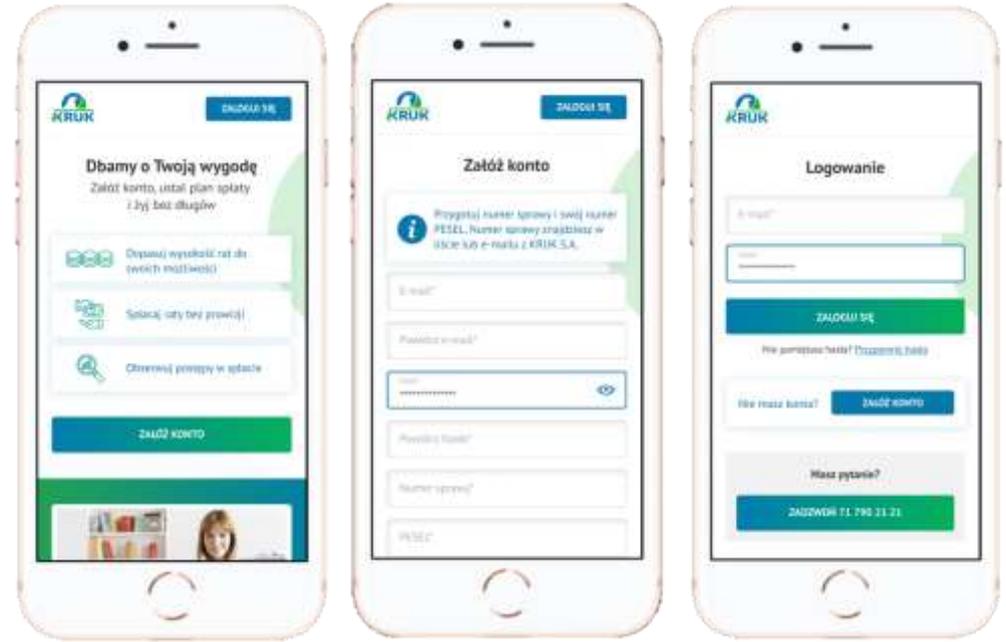
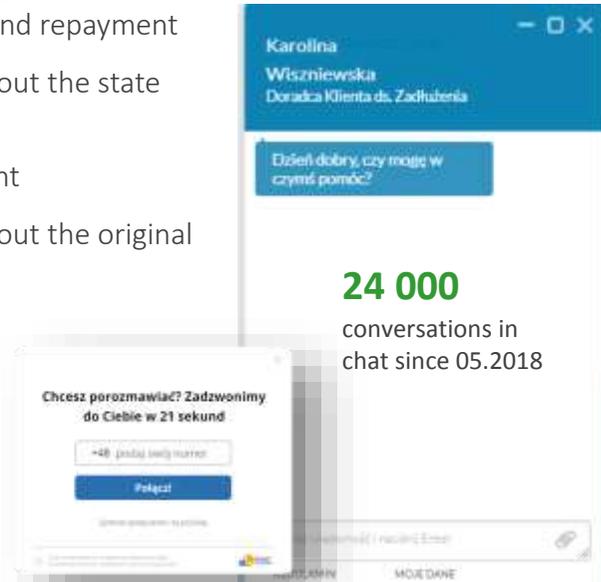
In the first quarter of 2018, cases on commissioned packages joined the e-kruk.pl service. Customers of Inkaso have gained access to information on debt, they can make payments and track repayment progress through the platform.



Platforma internetowa - rozwój

Chat shared on e-kruk.pl allows for comprehensive support of all customer inquiries in real time. Thanks to this solution, we are able to respond to the customer's need at the time of its creation.

- In the chat, customers have the opportunity to lead the conversation to the same extent as during the call, including:
- Negotiate the terms of the agreement and repayment
- Get information about the state of debt
- Declare the payment
- Get information about the original creditor
- Make a complaint



- Deployment e-kruk.it
- Completion of the offer of installment products on e-kruk.pl
- Implementation of a new front and content layer
- A qualified signature as a method of confirming the conclusion of an agreement



In-house law firm

The law firm Kancelaria Prawna RAVEN handles all aspects of court enforcement proceedings, from claim filing to enforcement by court bailiff. The services of Kancelaria Prawna RAVEN include:

- alternative dispute resolution focused on reaching amicable settlement;
- handling court proceedings: ordinary, warrant-of-execution and separate proceedings, including in particular the payment order, writ of payment, electronic proceedings by writ of payment and simplified procedures;
- legal representation of creditors in the course of insolvency and arrangement proceedings;
- handling the probate process, including in particular identification of the debtor's heirs and initiating proceedings to secure an enforcement order against an heir;
- enforcement of secured debt and debt in the SME sector;
- active monitoring of court proceedings;
- due diligence processes, including reviews of client records.



150 903

The number of cases
brought to court
by RAVEN in 2018



320 667

The number of requests
submitted to enforcement
officers by
RAVEN in 2018

ERIF Credit Information Bureau S.A.

The business information office incorporated into the KRUK Capital Group operates in the area of preventive services for the assessment of credit risk as well as in the area of effective recovery of receivables. ERIF BIG S.A. supports processes related to maintaining financial liquidity - and eliminating payment bottlenecks in all sectors of business transactions. The office accepts the storage and sharing of both negative information about debts and positive information about payments made on time.

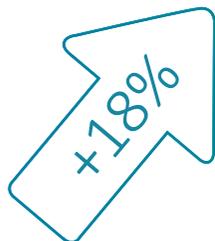


Source: Reports "Size and structure of the ERIF BIG SA database", 2019

ERIF Credit Information Bureau S.A. - cont.



Annual increase in number commitments in the database



Annual increase in the value of entries in the database



Annual increase in number positive commitments in the database



Annual increase in number shared reports



Annual increase in number negative cases in the database



Annual increase in the total number of entities in the base

	Number of cases	Value of cases	Number of positive commitments	Shared reports	Number of negative cases	Number of entities
4Q 2017	32 340 169	36 150 466 743,87	29 250 205	12 087 161	3 089 964	4 585 999
4Q 2018	53 114 164	42 607 518 074,40	49 619 262	13 751 339	3 494 902	5 011 144



Source: Reports "Size and structure of the ERIF BIG SA database", 2019

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Customer Experience Management

- The KRUK Group is the first debt management company that has a client experience management process and a dedicated customer experience team.
- The company has a process of collecting the customer's voice, which consists of everyday satisfaction surveys (NPS-index for recommendation), research on specific areas of customer service (key moments of truth) and analysis of other VOC sources.
- The company has the Close the loop process which consists in quick response when the customer reports a problem related to our service process (within two days the client gets feedback). The company quickly diagnoses gaps in the process



TV campaigns - as the first company in the industry

2010



For TV campaign "Neighbour " KRUK S.A. got an

EFFIE Award

in 2010 year

2011



In 2011 the viewership of "L for love" has reached

12 Mio

people

2013



Together with the product placement in the sitcom "Colors of happiness" KRUK S.A. launched

Loyalty program

called "A Dreams with a guarantee of fulfillment"

In 2014 KRUK ads were printed in over

6,7 mln

copies of newspapers

2014



Appearance on the sitcom "For good and bad" strengthened brand awareness of KRUK S.A. to

54%

and this was the highest result among debt collection companies in Poland

2016



Emitted ads: in major TV stations thematic channels radio stations on the air

The campaign supported by intense activities on the Internet

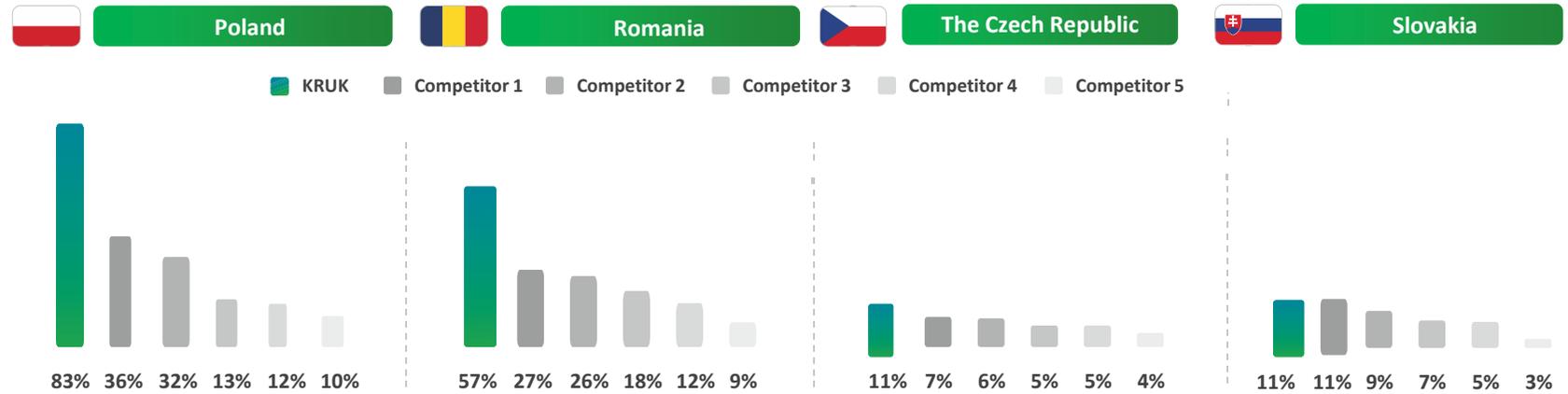
2018



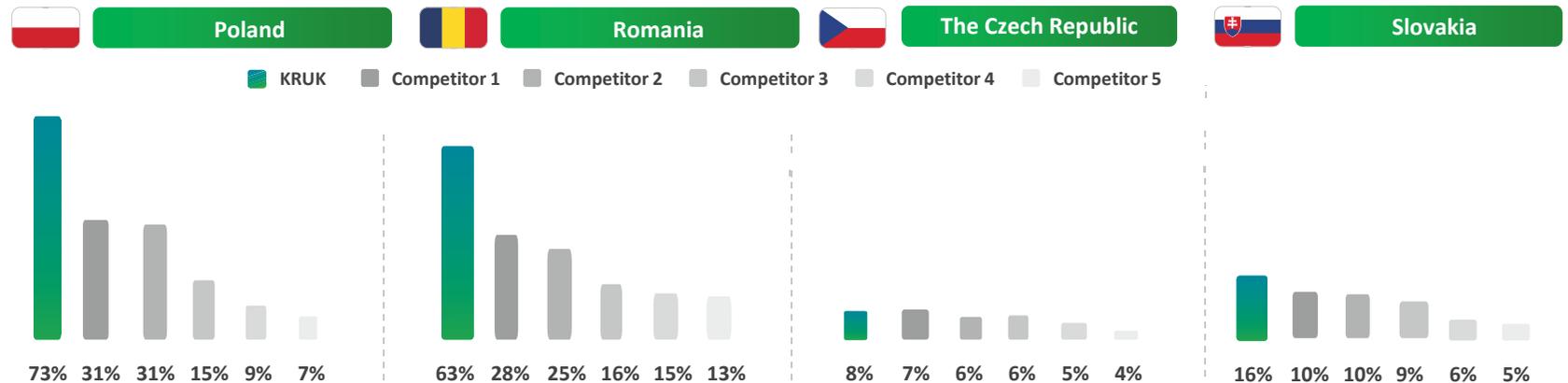
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Brand awareness

KRUK's prompted brand awareness vs debt management sector competitors

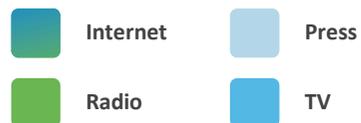


KRUK's logo awareness vs debt management sector competitors



Knowledge and education

2018 - Number of publications on various markets (excluding financial reports)



Total in Poland: **5288 publications***



Total in Italy: **274 publications**



Total in Romania: **244 publications**



Total in Slovakia: **303 publications**



Total in the Czech Rep.: **689 publications**



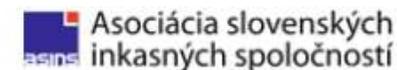
Total in Spain: **276 publications**



* Total for the Group (KRUK S.A. + ERIF BIG S.A.)

Associations and organizations

The KRUK Group actively contributes to best practices in the receivables management market. Membership in the most important industry organizations supports the exchange of experience, building relationships and setting the highest standards of customer service.



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Awards and recognition

- Etyczna Firma (Ethical Company) 2019 - by Puls Biznesu and PwC - to promote ethically active enterprises in relation to clients, employees and partners.
- Consumer's Golden Laurel 2017
- First prize in the Management Expertise category in the Listed Company of the Year 2016 ranking – in 2017
- Polish Company – International Champion – KRUK S.A. won the main prize in the “Investor” category.
- Book of Lists 2017 ranking – 1st place in the “Debt Management Companies” category.
- HR Innovator 2017 – an award granted to KRUK for the innovative training project “KRUK Ligon”
- Polish Project Excellence Award 2017 – KRUK won the silver award in the Organisation and IT Projects category, for the project “Make Ideas Happen”.
- Trusted Brand 2017 – an award from the My Company Poland monthly.
- EY Entrepreneur of the Year 2017. Piotr Krupa, President of the KRUK Management Board, was the winner of this competition in Poland in the “Production and Services” category.

Awards outside Poland:

- IPRA Golden World Award Competition – for KRUK Romania for the best PR campaign in the world "I'm More Than My Debt".
- Best Collection Contact Center – award for KRUK Romania
- Credit Management and Collection Awards – award for KRUK Italia



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Thank you for the attention

