



QUARTERLY REPORT – PART III









Additional information from the Management Board
of KRUK S.A.
on the operations of
the KRUK Group

Data for the period from 1 January to 30 September 2024

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Q1-Q3 2024 HIGHLIGHTS

 <p>Investments in debt portfolios PLN 1,643m -17%</p>	 <p>Recoveries PLN 2,602m +14%</p>	 <p>Cash EBITDA PLN 1,770m +9%</p>	 <p>Net profit PLN 959m +27%</p>
 <p>ROE 27% (24%)</p>	 <p>Net profit margin 41% (39%)</p>	 <p>Net debt/ cash EBITDA 2.5 (2.3)</p>	 <p>Net debt/ equity 1.3 (1.3)</p>

	30 Sep 2024 (PLN million)	30 Sep 2023 (PLN million)	change	30 Sep 2024 (EUR million)	30 Sep 2023 (EUR million)
Expenditure on debt portfolios	1,643	1,984	-17%	-382	-433
Gross recoveries	2,602	2,286	14%	605	499
Carrying amount of purchased portfolios	9,749	8,190	19%	2,278	1,840
Estimated remaining collections (ERC)	21,116	17,230	23%	4,935	3,872
Total revenue ¹	2,325	1,923	21%	540	420
Revenue from purchased portfolios	2,126	1,737	22%	494	380
EBIT	1,247	1,028	21%	290	225
EBITDA ²	1,294	1,071	21%	301	234
Cash EBITDA ³	1,770	1,620	9%	411	354
Net profit	959	757	27%	223	165
Basic EPS (PLN EUR)	49.62	39.18	27%	11.53	8.56
Diluted EPS (PLN EUR)	46.84	37.30	26%	10.89	8.15
ROE ⁴	27%	24%	-	-	-
Net profit margin ⁵	41%	39%			
Interest-bearing net debt to equity ratio	1.3	1.3	-	-	-
Interest-bearing net debt to cash EBITDA ratio	2.5	2.3	-	-	-
Cash EBITDA to interest on debt	5.9	8.0	-	-	-

¹ Operating income including gain or loss on expected credit losses, fair value measurement, and other income/expenses from purchased debt portfolios including other income.

² EBITDA = EBIT + depreciation and amortisation.

³ Cash EBITDA = EBITDA - revenue from purchased portfolios + purchased portfolio collections.

⁴ ROE = (net profit)/(equity) for the last twelve months.

⁵ Net profit margin = (net profit)/(total revenue). Source: Company



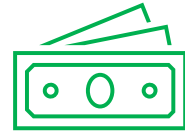
PLN 8.6bn

KRUK ranks as the world's largest debt collection company in terms of market capitalisation⁶



27%

One of the highest ROE among the world's largest listed debt collection companies



PLN 18 per share

Record-high dividend paid for 2023



International expansion

67% of investments and 58% of recoveries in markets outside Poland



Technological advances

digital transformation of the KRUK Group



The Best Annual Report 2023

second main award from the Institute of Accounting and Taxes



INVESTOR RELATIONS LEADER

award from the *Parkiet* daily



Employee turnover at 11.6%

one of the lowest turnover rates in the financial sector



at KRUK Group
women hold 56%
of senior managerial positions

⁶Source: stooq.pl, as at 30 September 2024.

1. THE GROUP'S MATERIAL ACHIEVEMENTS OR FAILURES IN THE REPORTING PERIOD, ALONG WITH THE MOST SIGNIFICANT EVENTS RELATED TO THOSE ACHIEVEMENTS OR FAILURES

1.1 RESULTS FOR THE NINE MONTHS TO 30 SEPTEMBER 2024

Net profit and return on equity (ROE)

Net profit earned in the nine months ended 30 September 2024 was PLN 959 million, up PLN 202 million (or 27%) year on year. This increase was largely driven by a PLN 402 million rise in revenue (up by 21% year on year).

Cash EBITDA as at 30 September 2024 came in at PLN 1,770 million, up PLN 150 million (or 9%) year on year.

Net profit earned in the three months to 30 September 2024 was PLN 356 million, up by PLN 127 million (or 56%) year on year, largely driven by a PLN 221 million rise in revenue, with operating expenses up PLN 65 million.

Cash EBITDA for the three-month period came in at PLN 579 million, up by PLN 35 million (or 6%) year on year.

As at 30 September 2024, return on equity for the twelve months ended on that date was 27%, compared with 24% the year before.

Revenue

In the nine months to 30 September 2024, the Group's total revenue reached PLN 2,325 million, having increased by PLN 402 million, or 21%, from PLN 1,923 million in the same period last year. Revenue from purchased debt portfolios in the nine months ended 30 September 2024 amounted to PLN 2,126 million, up by 22% (PLN 388 million) year on year. The largest year-on-year increase by far in the nine months to 30 September 2024 was recorded in revenue from purchased debt portfolios on the Polish market (up by PLN 167 million or 22%), with a significant increase achieved also in Italy (up by PLN 111 million, or 30%), Spain (up by PLN 55 million, or 26%), and Romania (up by 56 million or 13%).

In the nine months ended 30 September 2024, the Group booked a PLN 454 million revaluation of projected recoveries, up by PLN 135 million on the same period the year before.

In the three months to 30 September 2024, the Group's total revenue reached PLN 844 million, having increased by PLN 221 million, or 35%, from PLN 623 million in the third quarter of 2023. Revenue from purchased debt portfolios in the three months ended 30 September 2024 amounted to PLN 777 million, up by 35% (PLN 201 million) year on year. The largest year-on-year increase by far in the three months to 30 September 2024 was recorded in revenue from purchased debt portfolios on the Polish market (up by PLN 78 million or 31%), with a significant increase achieved also in Italy (up by PLN 47 million, or 50%) and Romania (up by PLN 46 million, or 33%).

In the three months ended 30 September 2024, the Group booked a PLN 196 million revaluation of projected recoveries, up by PLN 97 million on the same period the year before. 74% of the total revaluation of projected recoveries was attributable to the revaluation of projected recoveries over the next 10 months. The deviation between the Group's actual and projected recoveries⁷ was PLN 91 million.

Costs of operations

Costs of operations incurred in the nine months to 30 September 2024 (excluding depreciation and amortisation) amounted to PLN 1,031 million, having increased by PLN 179 million (21%) year on year, mainly due to an increase in court fees (up by PLN 77 million, or 30%), and a rise in salaries and employee benefits expense (up by PLN 33 million, or 9%).

⁷The line item 'Deviation between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor' in the financial statements. The percentage deviation between actual and projected recoveries is determined as the ratio of 'deviation between actual and projected recoveries' to the difference between 'actual recoveries' and 'deviation between actual and projected recoveries'.

Costs of operations incurred in the three months to 30 September 2024 (excluding depreciation and amortisation) amounted to PLN 352 million, having increased by PLN 64 million (22%) year on year, mainly due to an increase in court fees (up by PLN 24 million, or 27%) and a rise in salaries and employee benefits expense (up by PLN 9 million, or 7%).

Finance costs

In the nine months to 30 September 2024, net finance costs amounted to PLN 289 million, up by PLN 94 million year on year. The increase was driven by higher debt (up by PLN 904 million), as well as elevated 1M/3M EURIBOR rates (the average of quotations for the last day of each month in the period from January to September 2024 was 3.71%/3.72%, compared with 3.14%/3.34% the year before).

In the three months to 30 September 2024, net finance costs amounted to PLN 105 million, up by PLN 32 million year on year. The increase was driven by higher debt (up by PLN 904 million), as well as elevated 1M/3M EURIBOR rates (the average of quotations for the last day of each month in the period from July to September 2024 was 3.53%/3.47%, compared with 3.69%/3.82% in the comparative period of 2023).

The effect of interest rate increases on the Group's finance costs was partly offset by a positive effect of interest rate hedges, which amounted to PLN 69 million in the nine months to 30 September 2024. IRS and CIRS contracts used for hedging purposes and fixed-rate bonds (a total of PLN 3,863 million) represented 66% of the Group's total debt as at 30 September 2024. WIBOR-sensitive debt accounted for 12% (PLN 671 million) and EURIBOR-sensitive debt – for 22% (PLN 1,279 million) of the Group's total debt as at 30 September 2024.

Purchased debt portfolios

Recoveries from purchased portfolios

Amounts recovered in the nine months to 30 September 2024 from portfolios purchased by the KRUK Group reached PLN 2,602 million, marking an 14% increase year on year, with 58% of that amount collected in foreign markets. The year-on-year increase of PLN 316 million in the nine months to 30 September 2024 was attributable mainly to PLN 131 million growth in recoveries on the Spanish market (up 50% year on year), PLN 127 million growth in recoveries on the Italian market (up 30% year on year), and PLN 50 million growth in recoveries on the Polish market (up 5% year on year). In the reporting period, KRUK recorded its first recoveries in the French market, which are presented together with recoveries from the Czech Republic, Slovakia and Germany in the 'Other markets' segment.

In the three months to 30 September 2024, recoveries from purchased portfolios totalled PLN 864 million, rising 10% year on year. The increase of PLN 79 million was mainly attributable to a PLN 43 million growth in recoveries on the Italian market (up 32% year on year) and PLN 41 million growth in recoveries on the Spanish market (up 39% year on year). Most of these recoveries, 60%, came from foreign markets.

Table 1. Recoveries from purchased portfolios in the nine months to 30 September 2024, by market

	Recoveries in Q1–Q3 2024 PLN million	Share of total recoveries	Recoveries in Q1–Q3 2023 PLN million	Share of total recoveries	Change y/y
Poland	1,082	42%	1,032	45%	5%
Romania	506	19%	477	21%	6%
Italy	551	21%	423	19%	30%
Spain	391	15%	260	11%	50%
Other markets	72	3%	94	4%	-23%
KRUK Group	2,602	100%	2,286	100%	14%

Recoveries in the nine months to 30 September 2024 exceeded budgeted figures, with a positive ⁸deviation of PLN 105 million, or 14%, in the first quarter, PLN 103 million, or 13%, in the second quarter, and 12% in the third quarter alone.

Table 2. Actual vs projected recoveries from purchased debt portfolios

PLN million	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Actual recoveries	623	657	648	700	724	776	785	777	854	883	864
B. Deviation between actual and projected recoveries ²	79	109	82	84	111	143	91	83	105	103	91
C. Percentage deviation (B/(A-B)) ²	15%	20%	14%	14%	18%	23%	13%	12%	14%	13%	12%

Investments in new portfolios

In the nine months ended 30 September 2024, the KRUK Group invested PLN 1,643 million in debt portfolios with a nominal value of PLN 9.2 billion, compared with PLN 1,989 million of debt investments with a nominal value of PLN 10.1 billion the year before. The majority of these investments, 99%, were allocated to unsecured retail debt portfolios. Poland, Spain, and Italy accounted for the largest shares of total purchases in the period, representing 33%, 30%, and 23%, respectively. In January to September 2024, KRUK made its first investments in debt portfolios in the French market, included in the 'Other markets' segment.

In the three months ended 30 September 2024, the KRUK Group invested PLN 743 million in debt portfolios with a nominal value of PLN 3.4 billion, compared with PLN 812 million of debt investments with a nominal value of PLN 4.6 billion the year before, with unsecured retail debt representing 99% of the total. Spain (43%) and Poland (23%) accounted for the largest investments during the period.

Table 3. Expenditure on debt portfolios in the nine months to 30 September 2024, by market

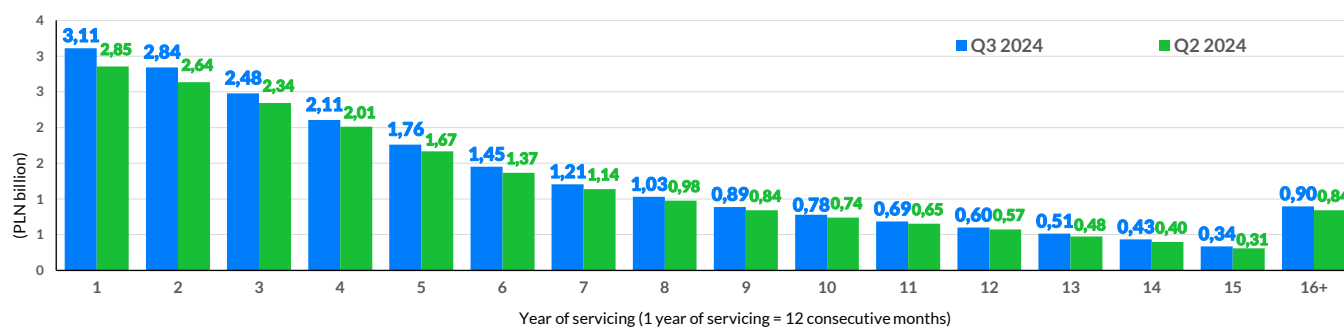
	Expenditure in Q1-Q3 2024 PLN million	Share of total expenditure	Expenditure in Q1-Q3 2023 PLN million	Share of total expenditure	Change y/y
Poland	535	33%	357	18%	50%
Romania	170	10%	193	10%	-12%
Italy	381	23%	660	33%	-42%
Spain	486	30%	712	36%	-32%
Other markets	71	4%	67	3%	6%
KRUK Group	1,643	100%	1,989	100%	-17%

⁸The line item 'Deviation between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor' in the financial statements. The percentage deviation between actual and projected recoveries is determined as the ratio of 'deviation between actual and projected recoveries'* to the difference between 'actual recoveries' and 'deviation between actual and projected recoveries'*.

Estimated remaining collections (ERC)

Estimated remaining collections (ERC) as at 30 September 2024 were PLN 21.1 billion, up PLN 1.3 billion on 30 June 2024. The increase was driven primarily by investments of PLN 743 million in debt portfolios with a nominal value of PLN 3.4 billion made in the third quarter of 2024, and a revaluation of projected recoveries as at 30 September 2024, with a discounted value of PLN 454 million. 74% of the total revaluation of projected recoveries from unsecured retail portfolios as at 30 September 2024 was attributable to the revaluation of projected recoveries over the next 10 months. The breakdown of ERC according to the collection period is presented in the charts below.

ESTIMATED REMAINING COLLECTIONS BY YEARS OF SERVICING AS AT THE END OF PERIOD



Credit management services

In the three months ended 30 September 2024, revenue from fee-based credit management services was PLN 13.6 million, up 3% year on year. Gross profit⁹ amounted to PLN 3.4 million, compared with PLN 2.5 million a year earlier.

In the nine months ended 30 September 2024, revenue from fee-based credit management services was PLN 42.5 million, down 3% year on year. Gross profit amounted to PLN 11.3 million, compared with PLN 10.6 million a year earlier.

Consumer loans (Novum and Wonga)

In the nine months to 30 September 2024, the KRUK Group companies advanced 174 thousand cash loans, compared with 168 thousand the year before. From January to September 2024, the principal amount of loans advanced was PLN 488 million (PLN 416 million the year before). The number of Novum cash loans advanced in Poland and Romania was 16.5 thousand, and their principal amount was PLN 103 million. Wonga.pl disbursed 158 thousand cash loans in Poland, with a net amount of PLN 385 million.

Wonga's revenue as at 30 September 2024 reached PLN 126 million, up 26% year on year, while Novum's revenue in Poland and Romania was PLN 23 million, up 11% year on year.

Wonga's EBITDA as at 30 September 2024 was PLN 72 million, up by 33% year on year.

⁹ Gross profit = revenue – direct and indirect costs

1.2 KRUK GROUP'S PERFORMANCE BY GEOGRAPHY

Discussed below are the Group's results by geography (presentation).

(PLN million)	Poland		Romania		Italy		Spain		Other markets		Unallocated		Head Office		KRUK Group	
	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023	Q1-Q3 2024	Q1-Q3 2023
Expenditure on debt portfolios	535	357	170	193	381	660	486	712	71	67	N/A	N/A			1,643	1,989
Recoveries	1,082	1,032	506	477	551	423	391	260	72	94	N/A	N/A			2,602	2,286
Carrying amount of purchased debt portfolios (PLNbn)	3.60	2.90	1.60	1.40	2.40	2.00	2.00	1.80	0.20	0.20	N/A	N/A			9,749	8,190
Percentage of total portfolio carrying amount	37%	35%	16%	17%	24%	24%	21%	22%	2%	2%	N/A	N/A			100%	100%
Revenue	1,087	896	488	432	424	312	278	223	40	41	6	18	N/A		2,325	1,923
Purchased debt portfolios	922	755	484	427	414	304	265	211	40	41	N/A	N/A			2,126	1,737
Credit management services	20	23	0	0	10	8	13	12	0	1	N/A	N/A			43	44
Wonga	126	100									N/A	N/A			126	100
Other activities	20	18	4	4							N/A	N/A			23	22
Gross profit	807	654	394	341	241	106	50	19	23	12	0.9	12	N/A		1,561	1,298
EBITDA	731	590	371	319	207	139	37	88	14	8	0.9	12	-105	-85	1,294	1,071
cash EBITDA	891	867	393	368	343	259	125	137	46	61	0.9	12	-105	-85	1,770	1,620

Poland

In the nine months to 30 September 2024, KRUK's investments in Poland amounted to PLN 535 million, representing 33% of the Group's total expenditure during the period, the highest share within the Group. The nominal value of purchased portfolios was PLN 3 billion. In the three months ended 30 September 2024, the KRUK Group's investments in portfolio purchases on the Polish market reached PLN 181 million, representing 24% of all funds invested by the Group in the period.

Recoveries in Poland amounted to PLN 1,082 million (up 5% year on year) and accounted for 42% of the Group's total recoveries in the reporting period.

The PLN 191 million (21%) year-on-year growth of revenue was due mainly to an increase in revenue from purchased portfolios (up by PLN 167 million year on year), including primarily higher revaluation of projected recoveries (up by PLN 110 million year on year) and improved interest income. In the three months to 30 September alone, revaluation of projected recoveries reached PLN 102 million. In Poland, KRUK also recorded an excess of actual cash recovered over projected recoveries.

Revenue from the credit management business was PLN 20 million for the nine months to 30 September 2024, marking a 16% decrease year on year.

Driven mainly by higher revenue, gross profit on the Polish market for the nine months to 30 September 2024 came in at PLN 807 million, relative to PLN 654 million in the same period last year, representing a 23% increase year on year.

In Poland, EBITDA stood at PLN 731 million, up by 24% year on year. Cash EBITDA totalled PLN 891 million, up 3% on the same period the year before, mainly on higher year-on-year recoveries.

The carrying amount of purchased debt portfolios as at 30 September 2024 was PLN 3.6 billion, up by 26% year on year. Polish portfolios accounted in total for 37% of the carrying amount of all debt portfolios held by the KRUK Group.

Romania

In the nine months to 30 September 2024, expenditure on new portfolio purchases in Romania amounted to PLN 170 million (down 12% year on year). The nominal value of debt purchased during the period was PLN 453 million. Investments in debt portfolios made in Romania accounted for 10% of the Group's total investments in the reporting period. In the three months ended 30 September 2024, the KRUK Group's investments in portfolio purchases in Romania reached PLN 77 million, representing 10% of all funds invested by the Group in the period.

Amounts recovered in Romania from purchased portfolios reached PLN 506 million (up 6% year on year), accounting for 19% of the Group's total recoveries.

Revenue increased by 13% to PLN 488 million, mainly on the back of higher interest income. Revaluation of projected recoveries was positive, amounting to PLN 167 million (up 15%), including PLN 75 million in the third quarter alone. Deviation between actual and projected recoveries in Romania was positive.

Gross profit came in at PLN 394 million, having increased from PLN 341 million a year earlier (up by 16% year on year).

EBITDA in Romania totalled PLN 371 million, up by 16% on 2023, with cash EBITDA at PLN 393 million, up 7% year on year.

As at 30 September 2024, the carrying amount of purchased debt portfolios was PLN 1.6 billion, up by 13% on the end of September 2023. The Romanian portfolios accounted in total for 16% of the carrying amount of all debt portfolios held by the KRUK Group.

Italy

In Italy in the nine months ended 30 September 2024, KRUK invested PLN 381 million in debt with a nominal value of PLN 2.9 billion, accounting for 23% of the Group's total investments. In the three months ended 30 September 2024, the KRUK Group's investments in portfolio purchases on the Italian market reached PLN 136 million, representing 18% of all funds invested by the Group in the period.

Recoveries in Italy represented 21% of the Group's total recoveries in the nine months ended 30 September 2024, amounting to PLN 551 million, up 30% year on year.

With higher positive revaluation of projected recoveries (up PLN 155% year on year) and higher interest income, revenue generated in Italy was PLN 424 million, compared with PLN 312 million in the same period of 2023, reflecting a 36% increase. Revenue from the purchased debt portfolio business contributed 98% of total revenue, rising to PLN 414 million from PLN 304 million the year before. In the third quarter of 2024 alone, revaluation of projected recoveries reached PLN 18 million. In Italy, KRUK also recorded an excess of actual recoveries over estimates.

Revenue from the credit management business was PLN 10 million in the nine months to 30 September 2024, marking a 20% increase year on year.

Gross profit amounted to PLN 241 million, up 45% from PLN 166 million a year earlier, on the back of year-on-year revenue growth.

In Italy, EBITDA for the nine months ended 30 September 2024 reached PLN 207 million, compared with PLN 139 million the previous year, representing a 49% increase. Higher recoveries also bolstered cash EBITDA, which amounted to PLN 343 million, reflecting a 33% increase year on year.

As at 30 September 2024, the carrying amount of purchased debt portfolios was PLN 2.4 billion, up by 18% on the end of September 2023. The Italian portfolios accounted for 24% of the total carrying amount of all debt portfolios held by the KRUK Group.

Spain

In Spain, KRUK invested PLN 486 million in the nine months to 30 September 2024 (30% of total expenditure), acquiring debts with a nominal value of PLN 2.5 billion. In the three months ended 30 September 2024, the KRUK Group's investments in portfolio purchases on the Polish market reached PLN 317 million, representing 43% of all funds invested by the Group in the period.

Recoveries in Spain reached PLN 391 million, marking a 50% increase year on year and representing 15% of total recoveries in the period.

Revenue from Spain amounted to PLN 278 million, reflecting a 25% year-on-year increase, with 95% or PLN 265 million of the revenue generated from purchased portfolios, compared with PLN 211 million in the previous year. The increase in revenue was attributable to higher interest income. In the nine months to 30 September 2024, the revaluation of projected recoveries totalled a negative PLN 29 million, comprising a negative revaluation in the second quarter (PLN 36 million) and positive revaluations in the first quarter (PLN 7 million) and the third quarter (PLN 0.2 million). KRUK also recorded an excess of actual cash recovered over projected recoveries.

Revenue from the credit management business in Spain came to PLN 13 million, up by 5% year on year.

Despite a 25% year-on-year increase in revenue, KRUK also saw higher court fee costs, which impacted the gross profit (PLN 95 million, down 10% year on year) and EBITDA (PLN 75 million, down 15% year on year).

Cash EBITDA for the first nine months of 2024 came in at PLN 201 million, up 46% year on year, mainly on higher year-on-year recoveries.

As at 30 September 2024, the carrying amount of debt portfolios in Spain was PLN 2 billion (up 15% year on year), representing 21% of the total carrying amount of the Group's debt portfolios.

Other markets (Czech Republic, Slovakia, Germany, and France)

In the reporting period, the Group initiated its first investments in debt portfolios in France. Starting from the first quarter of 2024, the performance in the French market is reported in the 'Other markets' segment. In the nine months to 30 September 2024, investments in the segment amounted to PLN 71 million, representing 4% of the Group's total investments. Most of the expenditure was incurred in France. In the three months ended 30 September 2024, the KRUK Group's investments in portfolio purchases in the 'other markets' segment reached PLN 32 million, representing 4% of all funds invested by the Group in the period.

As part of the review of strategic options for the Czech and Slovak markets, in early 2024 KRUK decided to suspend further investments in debt portfolios in these markets due to their relative small scale within the Group's operations. However, operations in these markets are continued, allowing for potential collaboration with local business partners and selective asset sales.

Recoveries from the 'other markets' segment totalled PLN 72 million, down 23% year on year, representing 2% of total recoveries posted for the period.

Revenue in the segment, generated entirely from purchased portfolios, totalled PLN 40 million in the first nine months of 2024, reflecting a 1% year-on-year decline. In the 'other markets' segment, KRUK reported an excess of actual cash recovered over projected recoveries.

In the first nine months of 2024, the KRUK Group recognised a PLN 2 million positive revaluation of projected recoveries, down 8% year on year.

Gross profit was PLN 23 million, up 21% year on year.

EBITDA was PLN 14 million, up 71% year on year, mainly on the back of lower operating expenses. Cash EBITDA came in at PLN 46 million, down 25% year on year.

As at 30 September 2024, the carrying amount of debt portfolios in the 'other markets' segment was close to PLN 0.2 billion, up 6% year on year, representing 2% of the total carrying amount of the Group's debt portfolios.

1.3 FINANCIAL AND LIQUIDITY POSITION

As at the end of the reporting period and the issue date of this report, the Group's financial and liquidity position remained stable.

As at 30 September 2024, the KRUK Group's cash and cash equivalents amounted to PLN 178 million, down PLN 15 million on 30 September 2023. As at 30 September 2024, the credit facilities available to the KRUK Group totalled PLN 3,876 million, with PLN 2,904 million already drawn, leaving PLN 972 million still available for utilisation (translated from EUR at the mid rate quoted by the National Bank of Poland for 30 September 2024). As at 30 September 2024, the carrying amount of the Group's investments in debt portfolios accounted for 90% of its assets, and equity accounted for 41% of its financing sources.

The KRUK Group's liquidity risk is managed by pursuing the following objectives:

- Protect the KRUK Group against the loss of ability to pay its liabilities
- Secure funds to finance the Group's day-to-day operations and growth
- Effectively manage the available financing sources.

As at 30 September 2024, the financial ratios defined below were as follows:

- 1.3x – Net Debt / Equity Ratio
- 2.5x – Net Debt / Cash EBITDA Ratio

where:

Net Debt represents the KRUK Group's Financial Liabilities less the KRUK Group's cash;

Financial Liabilities means total financial liabilities under:

- bonds or other similar debt securities; or
- non-bank borrowings; or
- bank borrowings; or
- finance leases; or
- promissory notes issued by way of security for liabilities of non-KRUK Group entities; or
- guarantees or sureties provided in respect of liabilities of non-KRUK Group entities under bank or non-bank borrowings, finance leases, bonds or other similar debt securities; or

- accession to debt owed by non-KRUK Group entities under bank non-bank borrowings, finance leases, bonds or other similar debt securities; or
- assumption of liabilities of non-KRUK Group entities under bank or non-bank borrowings, finance leases, bonds or other similar debt securities; or
- liabilities arising under derivatives contracts;

Equity means the KRUK Group's equity;

Cash EBITDA represents profit (loss) before tax plus finance costs, amortisation, depreciation and cash recoveries from purchased debt portfolios, less revenue from purchased debt portfolios and revaluation gains on assets other than purchased debt and consumer loans advanced, if their total amount in the last twelve months exceeds PLN 5 million. Cash EBITDA is computed for the KRUK Group for the last twelve months.

In the nine months ended 30 September 2024, the ratios changed only slightly and, in the Management Board's opinion, remained well below the maximum allowable levels. For instance, the debt ratios measured for the entire Group, specified in the terms and conditions of bonds issued on the Polish market, were as follows: the net debt to equity ratio stood at 1.3x (the maximum level being 3x in the case of issues for which financial debt limits have been defined), and the net debt to cash EBITDA ratio was 2.5x (the maximum level being 4.0x).

The Group is committed to sustaining a robust capital foundation to support business growth and to maintain the confidence of investors, creditors, bondholders, and other stakeholders. To effectively manage the exposure to financial debt, the Management Board of KRUK S.A. routinely monitors the Group's debt ratios. Following the Group's financial liquidity management strategy, KRUK aims to repay any new debt incurred with its own assets rather than seeking refinancing options.

The liquidity ratios are determined by the nature of assets related to purchased debt portfolios, which are presented under current assets but are operationally intended for use over periods exceeding 12 months.

1.4 RELATED-PARTY TRANSACTIONS CONCLUDED BY KRUK S.A.

In the period from 1 January to 30 September 2024, the Parent entered into related-party transactions. For details, see the interim condensed separate financial statements for the period from 1 January to 30 September 2024, section 12. *Related-party transactions.*

In the nine months to 30 September 2024, all intragroup transactions were concluded on an arm's length basis.

1.5 SURETIES FOR REPAYMENT OF LOANS AND GUARANTEES ISSUED BY KRUK S.A. OR ITS SUBSIDIARY

In the reporting period, KRUK S.A. and the Group companies issued sureties for repayment of loans and guarantees. For details, see the interim condensed separate financial statements for the period from 1 January to 30 September, section 17. *Information on changes in contingent liabilities or contingent assets subsequent to the end of the previous financial year.*

1.6 SIGNIFICANT AGREEMENTS EXECUTED BY COMPANIES OF THE KRUK GROUP

On 20 September 2024, the Company and its subsidiaries (the "Borrowers") entered into an amending annex (the "Annex") to a multi-currency revolving credit facility agreement (the "Credit Facility") with a syndicate of banks, with DNB Bank ASA of Oslo serving as the agent. The Annex increased the Credit Facility to a maximum amount of EUR 650 million and extended its availability until 3 July 2029. Prior to the Annex, the available credit amount was EUR 625 million, and the value of the surety for liabilities and declarations of voluntary submission to enforcement under the Credit Facility was approximately EUR 975 million. The Company announced the execution of the Annex in Current Report No. 51/2024.

1.7 TECHNOLOGICAL ADVANCES

In the first nine months ended 30 September 2024, the KRUK Group focused on an in-depth analysis of its technological ecosystem, data management, and ways of working. As a result, a development plan for these areas has been formulated, which will be integrated into the Group's strategy for the coming years.

As regards its online solutions, KRUK encourages clients across all markets to take up self-service and continues work to deliver new tools to facilitate the process.

In the first nine months of 2024, KRUK launched and expanded the e-kruk platform in Spain, enabling clients to access and manage their debts (split debt into instalments, make payments, etc.). In Romania, KRUK introduced and refined an instalment payment option with automatic payments made in line with the agreed payment plan, while in Poland the process of initiating and managing such payments was optimised. KRUK has been continuously enhancing the e-kruk platform and reviewing its settlement process to ensure it is user-friendly and meets customer needs. Based on the conclusions of the review, the process has been adequately modified in Poland and Italy. In Romania, access to the e-kruk platform was expanded for guarantors, co-debtors, and heirs. Clients in all markets can utilise the platform with enhanced usability features. To increase payment convenience and expedite customer service in Italy, KRUK introduced new payment methods, and in Spain, it began collaborating with new payment providers.

In the reporting period, KRUK saw an increase in the percentage of settlements made by clients using self-service tools, with Poland leading the way where over half of the total settlements are signed via self-service tools. Globally, as many as 37.5% of settlements are made by clients without assistance from KRUK consultants. The number of e-kruk users in Poland, Italy, Romania and Spain continues to grow steadily, with more than 334 thousand active users by the end of September 2024.

1.8 OPERATIONS – MILITARY CONFLICT IN UKRAINE

Russia's aggression against Ukraine started on 24 February 2022. The KRUK Group does not hold any assets in Ukraine or Russia, nor does it carry out any business activity in those countries.

With no operations conducted in Ukraine or Russia, the Company expects the implications of the conflict for the Group's operations to be indirect and limited.

The situation in Ukraine does not affect the financial statements as at the reporting date or the recognition and measurement of individual items of the statements after the reporting date.

2. ASSESSMENT OF FINANCIAL RESOURCES MANAGEMENT

2.1 FINANCIAL FORECASTS

KRUK S.A. does not issue any performance forecasts.

2.2 ASSESSMENT OF FUTURE FINANCIAL CONDITION

The Group mitigates risks associated with management of financial resources through a continuous debt portfolio management process, which ensures an uninterrupted inflow of cash. The Group partly relies on external financing, but it monitors and ensures proper performance under its credit facility agreements and fulfilment of its other financial liabilities.

In the opinion of the Management Board, given the Group's current and projected financial position there are no significant risks related to its management of financial resources. The Company is able to control and service its debt and manages its financial resources in a prudent manner.

3. RISK FACTORS AND RISK MANAGEMENT

The risk management policies followed by the KRUK Group are designed to:

- identify and analyse the Group's risk exposures;
- identify appropriate controls, including limits and procedures;
- enable control and monitoring of risk levels and the progress on implementing the risk management strategy.

The risk management policies in place at the Group are regularly reviewed to ensure that they reflect the market trends and developments at a given time, as well as changes in the Group's legal and regulatory environment. The Management Board is responsible for defining risk management procedures and overseeing their implementation.

Using such tools as training, management standards and procedures, and well-defined internal controls, the Group seeks to build a stimulating and constructive control environment, in which all employees understand their respective roles and responsibilities.

In the period from 1 January to 30 September 2024, there were no material changes to the risk management approach, therefore the Management Board of KRUK S.A. identified the same risks as those specified in the full-year KRUK S.A. Directors' Report on the operations of KRUK S.A. and the KRUK Group in 2023, in: *7 Risk factors and their management*. The report is available in at: <https://en.kruk.eu/media/article/file/cgkrukdro2023p3.pdf>

4. SHAREHOLDERS

4.1 SHAREHOLDING STRUCTURE (MAJOR HOLDINGS)

Table 4 lists the shareholders holding directly or indirectly major holdings of KRUK S.A. shares as at the date of issue of the previous periodic report, i.e. 27 August 2024.

Table 4. Major holdings of KRUK S.A. shares as at the issue date of the previous periodic report

Shareholder	Number of shares/voting rights	Percentage of share capital/total voting rights at GM
NN OFE*	2,470,391	12.79
Allianz OFE and Allianz DFE are managed by PTE Allianz Polska S.A.**	1,933,667	10.01
Piotr Krupa directly and indirectly through Krupa Fundacja Rodzinna***	1,725,373	8.93
Generali OFE****	1,624,510	8.41
PZU OFE*	1,154,000	5.97
VIENNA OFE*/*****	1,044,523	5.41

(*) Data based on the list of shareholders eligible to attend the Annual General Meeting on 10 May 2024.

(**) Data based on the Shareholder's Notification of 29 February 2024 (see Current Report No. 21/2024)

(***) Data based on the Shareholder's Notification of 29 July 2024 (see Current Report No. 47/2024).

(****) Data based on the Shareholder's Notification of 25 July 2023 (see Current Report No. 60/2023).

(*****) Renamed from Aegon OFE.

Source: Company.

On 23 September 2024, the Company's share capital was increased from PLN 19,318,790.00 to PLN 19,381,668.00, representing an increase of PLN 62,878.00. The share capital was increased pursuant to Art. 452.1 of the Commercial Companies Code, effective from the date of registration of a total of 62,878 Series H shares of the Company in the securities

accounts. The shares were subscribed for in exchange for subscription warrants as part of the incentive scheme adopted by Resolution No. 22/2021 of the Annual General Meeting on 16 June 2021.

The Company announced the share capital increase in Current Report No. 52/2024 of 23 September 2024.

The shareholders holding major holdings of KRUK shares, either directly or indirectly, as at the reporting date of 30 September 2024, is presented in Table 5 and remains valid as at the issue date of this report.

Table 5. Major holdings of KRUK shares as at the issue date of this report

Shareholder	Number of shares/voting rights	Percentage of share capital/total voting rights at GM
NN OFE	2,470,391*	12.75
Allianz OFE	1,931,790*	9.97
Piotr Krupa directly and indirectly through Krupa Fundacja Rodzinna	1,725,373**	8.90
Generali OFE	1,624,510*	8.38
PZU OFE	1,154,000*	5.95
VIENNA OFE	1,044,523*	5.39

(*) Data based on the list of shareholders eligible to attend the Annual General Meeting on 10 May 2024.

(**) Data based on the Shareholder's Notification of 29 July 2024 (see Current Report No. 47/2024).

Source: Company.

Events subsequent to the reporting date

None.

4.2 MANAGEMENT OR SUPERVISORY BOARD MEMBERS HOLDING SHARES OR RIGHTS TO SHARES

Table 6 below presents the holdings of Company shares or rights to Company shares by members of KRUK S.A.'s management and supervisory personnel as at the issue date of the previous period report, i.e. 27 August 2024.

Table 6. KRUK shares held by management and supervisory personnel as at 27 August 2024

Full name	Position	Number of shares held	Total par value (PLN)
Piotr Krupa directly and indirectly through Krupa Fundacja Rodzinna	President of the Management Board	1,725,373	1,725,373
Piotr Kowalewski	Member of the Management Board	22,263	22,263
Adam Łodygowski	Member of the Management Board	-	-
Urszula Okarma	Member of the Management Board	113,718	113,718
Michał Zasępa	Member of the Management Board	49,000	49,000

Source: Company

There were no changes in the shareholdings in the period from the issue date of the previous interim report to the issue date of this report.

As at 29 October 2024, members of the Management Board of the Company held no rights to KRUK S.A. shares other than those under the subscription warrants presented in detail in Section 4.4 Incentive Scheme.

Events subsequent to the reporting date

None.

4.3 TREASURY SHARES

The Company holds no treasury shares.

4.4 INCENTIVE SCHEME

Incentive scheme for 2021–2024

On 16 June 2021, the Annual General Meeting of KRUK S.A. passed a resolution on setting the rules of an incentive scheme for 2021–2024, conditional increase in the Company’s share capital and issue of subscription warrants with the Company existing shareholders’ pre-emptive rights waived in whole with respect to the shares to be issued as part of the conditional share capital increase and subscription warrants, and amendments to the Articles of Association.

For the purposes of the 2021–2024 Incentive Scheme, the General Meeting approved a conditional increase of the Company’s share capital by up to PLN 950,550.00, through an issue of up to 950,550 Series H ordinary bearer shares.

The subscription warrants are issued free of charge, may be inherited, but may not be encumbered and are not transferable. In accordance with the terms of the Scheme, the number of warrants to be allotted and offered to members of the Management Board throughout the term of the Scheme is 40% of all warrants.

Conditions for offering Warrants under the 2021–2024 Scheme, by Tranche

Target 15.00% or higher average annual increase in EPS in the fiscal year immediately preceding the year in which the Warrants are offered.

EPS growth is calculated according to the following formula:

$$\text{increase in } EPS_{2019+n} = \sqrt[n]{\frac{EPS_{2019+n}}{EPS_{2019}}} - 1 \text{ for } n = 2,3,4,5,6$$

Table 7. Time horizon for calculating the average annual EPS growth under the 2021–2024 Scheme

Time horizon for the 2021–2024 Incentive Scheme										
Tranche	Period included in the calculation of the average annual EPS growth in the fiscal year immediately preceding the year in which the Warrants are offered									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Tranche 1 for 2021		x	x							
Tranche 2 for 2022		x	x	x						
Tranche 3 for 2023		x	x	x	x					
Tranche 4 for 2024		x	x	x	x	x				

	Reference year
	EPS growth measurement period
	Satisfaction of the grant conditions is assessed, and Warranted are allotted
	Lock-up
	Exercise period

Source: Company

For details of the 2021–2024 Incentive Scheme, see the Directors’ Reports on the operations of the KRUK Group for 2021, 2022 and 2023.

Table 8. Execution of the 2021–2024 Scheme as at the issue date of issue of this periodic report

2021–2024 Incentive Scheme					
Tranche	Target: EPS growth	EPS growth rate	Number of Warrants awarded to and subscribed for by Management Board members	Number of Warrants awarded to and subscribed for by other eligible persons	Total number of Warrants awarded and subscribed
1	✓	58.34%	76,044	96,094	172,138
2	✓	42.27%	76,044	109,292	185,336
3	✓	36.64%	76,044	113,765	189,809

Source: Company

The table below shows the number of Tranche 1, 2 and 3 Warrants awarded to and subscribed for by each Management Board member.

Table 9. Number of Tranche 1, 2 and 3 Warrants awarded to and subscribed for by Management Board members under the 2021–2024 Incentive Scheme, held as at the issue date of this periodic report

Full name	Number of Tranche 1 warrants awarded and subscribed	Number of Tranche 2 warrants awarded and subscribed	Number of Tranche 3 warrants awarded and subscribed
Piotr Krupa	22,812	22,812	22,812
Piotr Kowalewski	13,308	13,308	13,308
Adam Łodygowski	13,308	13,308	13,308
Urszula Okarma	13,308	13,308	13,308
Michał Zasepa	13,308	13,308	13,308

Source: Company

In the reporting period and as at the date of issue of this report, members of the Management Board of the Company held no rights to KRUK S.A. shares other than the rights under the subscription warrants issued under the 2021–2024 Incentive Scheme, as shown in Table 12. Members of the Supervisory Board do not hold any subscription warrants issued under the 2021–2024 Incentive Scheme.

As at the issue date of this report, 62,878 subscription warrants had been converted into Series H shares in the Company.

4.5 DIVIDENDS PAID (OR DECLARED)

According to the Dividend Policy in place (Current Report No. 55/2021), the overriding objective of KRUK S.A. is to ensure sustainable growth of the Company and increase its value through profit growth and dividend payment while maintaining appropriate liquidity and observing the principles of sustainable development (ESG). The Management Board’s intention is for KRUK to concurrently drive its value growth and make regular profit distributions to shareholders. The objective behind adopting the Dividend Policy is to carry into effect the Management Board’s intention and take account of KRUK’s status as a growth company paying out dividend based on clear and consistent criteria for distribution of generated profits. The Company’s Management Board expects that it will submit to the Annual General Meeting a recommendation to pay out dividend amounting to 30% or more of the KRUK Group’s consolidated net profit for a previous financial year, attributable to shareholders of the parent.

The Dividend Policy is available on the Company’s website at: https://en.kruk.eu/media/file/file/dividendpolicyofkruksa_appres194_2021_02122021.pdf

On 27 March 2024, the Company passed a resolution on a proposal for the Supervisory Board regarding the allocation of the 2023 net profit and a recommendation for the Annual General Meeting to approve a dividend payment of PLN 18.00 per share. The remaining balance of the Company's net profit for 2023 is recommended to be transferred to statutory reserve funds.

On 27 March 2024, the Supervisory Board endorsed the Management Board's recommendation for the Annual General Meeting to allocate the Company's net profit for 2023 of PLN 983,933,614.88 as follows:

1. Distribute PLN 347,738,220.00 as a dividend of PLN 18.00 per share. 2. Transfer the balance of PLN 636,195,394.88 to statutory reserve funds.

On 10 May 2024, the Annual General Meeting resolved to allocate the Company's net profit for 2023 as proposed and recommended by the Management Board and the Supervisory Board. The dividend record date was set for 15 May 2024, and the dividend payment date for 20 May 2024.

Accordingly, on 20 May 2024, the Company paid a total of PLN 347,738,220.00 as dividends.

4.6 PERFORMANCE OF COMPANY SHARES ON THE WARSAW STOCK EXCHANGE

4.6.1 Share price

Over the nine months to 30 September 2024, the KRUK share price on the stock exchange dropped by 7%, to PLN 443.8 per share. The share performance lagged behind the WIG and WIG20 indices, which achieved rates of returns of 6.1% and -0.8%, respectively. On the last trading day of the third quarter of 2024, the Company's market capitalisation stood at PLN 8.6 billion (compared with PLN 8 billion the year before). KRUK ranked 20th in terms of market capitalisation on the WSE.

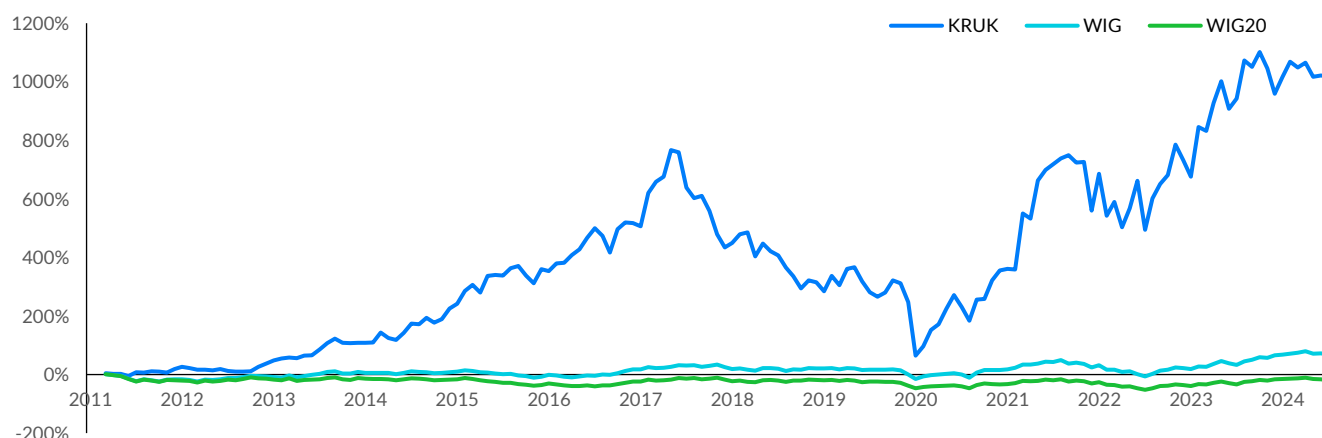
Table 10. Rates of return on KRUK stock, WIG and WIG20 in the nine months to 30 September 2024 – at close

Date	KRUK	WIG	WIG20
Rate of return (%)	-7	6.1	-0.8

Source: GPW.pl

From its IPO on the Warsaw Stock Exchange in May 2011 to 30 September 2024, KRUK shares have delivered a cumulative rate of return of 1,018%. Over the same period, the all-cap WIG index rose 69%, while the blue-chip WIG20 index dropped -19%.

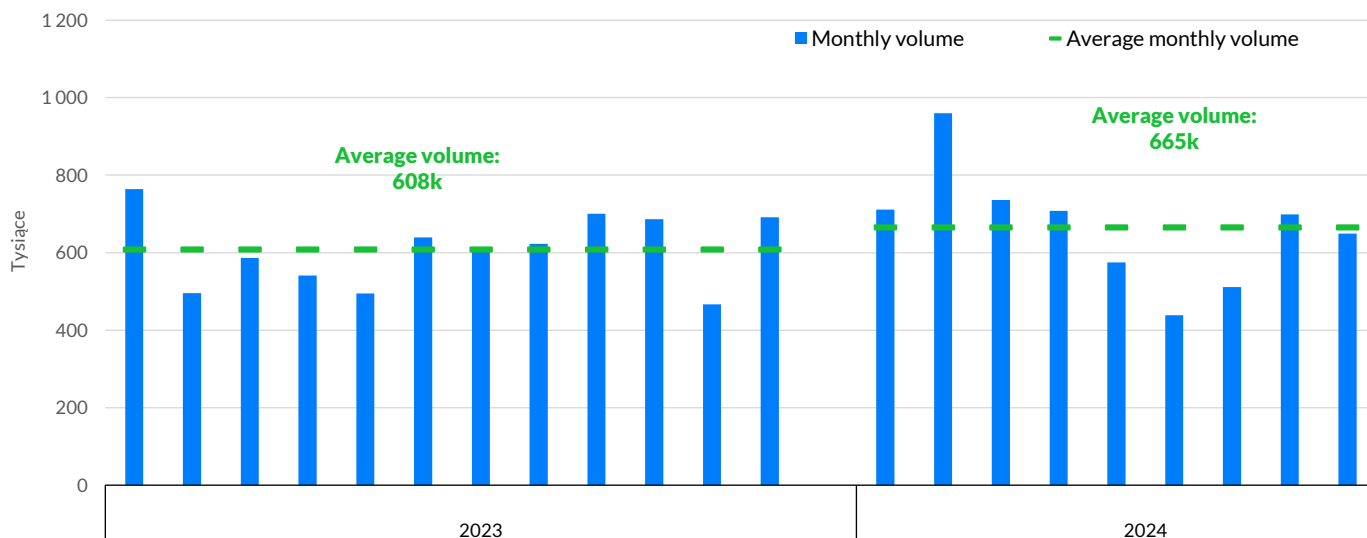
PERFORMANCE OF KRUK STOCK AGAINST WIG AND WIG20 FROM THE COMPANY'S IPO ON THE WSE IN MAY 2011 TO 30 SEPTEMBER 2024



4.6.2 Stock liquidity

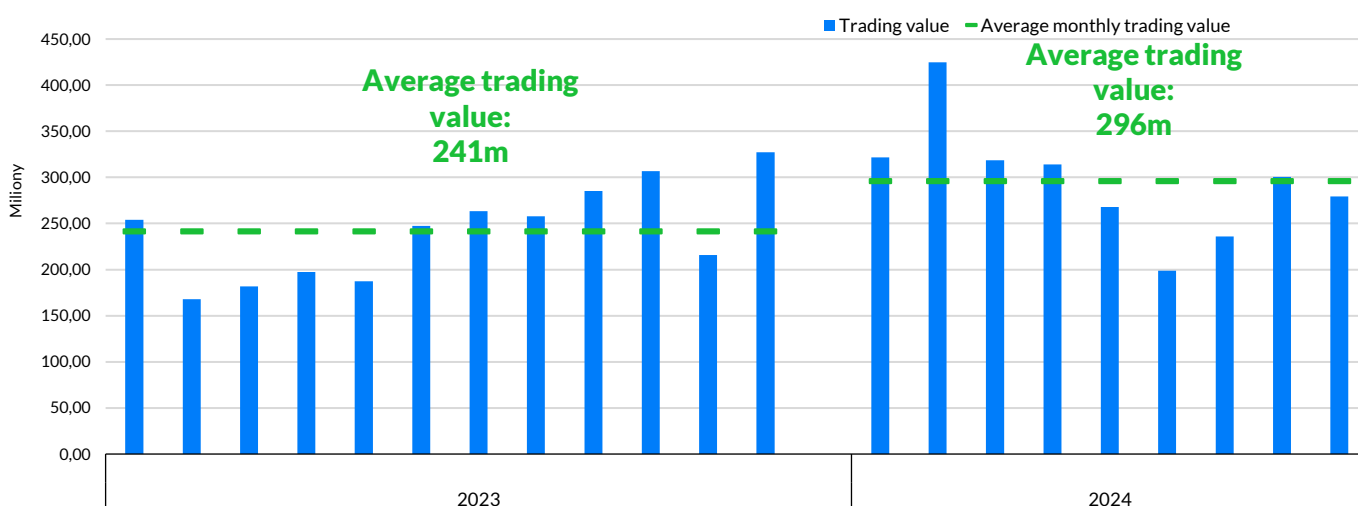
The total volume of KRUK S.A. shares traded in the nine months to 30 September 2024 was 6 million, and the total value of trading reached PLN 2.7 billion. The total volume of KRUK S.A. shares traded in the same period of the previous year was 5.5 million, and the total trading value was PLN 2 billion. The average daily trading volume of KRUK shares in the reporting period was 32 thousand shares, and the average daily trading value stood at PLN 14.1 million. KRUK was the 19th most liquid stock on the WSE (in terms of the total annual trading value of trades) in the nine months ended 30 September 2024.

MONTHLY TRADING VOLUME AND THE AVERAGE MONTHLY TRADING VOLUME OF KRUK SHARES IN 2023 AND THE NINE MONTHS TO 30 SEPTEMBER 2024



Source: in-house analysis based on www.stoog.pl

MONTHLY TRADING VALUE AND THE AVERAGE MONTHLY TRADING VALUE OF KRUK SHARES IN 2023 AND THE NINE MONTHS TO 30 SEPTEMBER 2024



Source: in-house analysis based on www.gpw.pl

5. COMPANY BONDS

5.1 BOND ISSUE

In the nine months ended 30 September 2024, under the prospectus-based 10th Bond Issue Programme, the Company issued Series AO5EUR bonds with a total nominal value of EUR 10 million and Series AO6EUR bonds with a total nominal value of EUR 14 million, with a price per bond equal to its nominal value of EUR 100, as well as Series AO7 bonds with a total nominal value of PLN 70 million and a price per bond equal to its nominal value of PLN 100. The bonds were offered to retail investors.

Table 11. Bond issues in the nine months to 30 September 2024

Series	Nominal value	Issued in	Maturing in	Interest rate	Interest payment
AO5EUR	EUR 10 million	February 2024	February 2029	floating 3M EURIBOR + margin of 4.00pp	every 3 months
AO6EUR	EUR 14 million	February 2024	February 2029	floating 3M EURIBOR + margin of 4.00pp	every 3 months
AO7	PLN 70 million	February 2024	February 2029	floating 3M WIBOR + margin of 4.00pp	every 3 months

Source: Company

Subsequent to the reporting date, in October 2024, the Company issued Series AP1 bonds with a total nominal value of PLN 75 million and a price per bond equal to its nominal value of PLN 100. The bonds were issued under the prospectus-based 11th Bond Issue Programme. The bonds were offered to retail investors.

Table 12. Bond issues after 30 September 2024 until the issue date of this report

Series	Nominal value	Issued in	Maturing in	Interest rate	Interest payment
AP1	PLN 75 million	October 2024	October 2029	floating 3M WIBOR + margin of 3.00pp	every 3 months

5.2 BOND REDEMPTION

In the nine months ended 30 September 2024, the Company redeemed, in accordance with the relevant terms and conditions, a part of Series AL2 bonds through amortisation of their nominal value, which was PLN 150 per bond. In the same period, the Company redeemed at maturity Series AG2 bonds with a total nominal value of PLN 25 million and Series AJ1 bonds with a total nominal value of PLN 25 million.

Table 13. Bond amortisation in the nine months to 30 September 2024

Series	Redemption date	Amortisation value
AL2	February 2024	PLN 52.5 million

Table 14. Bond redemptions in the nine months to 30 September 2024

Series	Redemption date	Number of bonds	Nominal value
AG2	February 2024	250,000	PLN 25 million
AJ1	September 2024	250,000	PLN 25 million

5.3 LIABILITIES UNDER BONDS

As at 30 September 2024, the nominal value of outstanding bonds issued by the Company was PLN 2,910 million (amounts in EUR translated into PLN at the mid exchange rate quoted by the NBP for 30 September 2024).

Financial ratios monitored pursuant to the terms and conditions of the bonds

As at 30 September 2024:

- Debt Ratio stood at 1.3x
- Net Debt to Cash EBITDA ratio was 2.5x

where:

- **Cash EBITDA** is defined in the Glossary of terms;
- **Equity** means the KRUK Group's equity;
- **Debt Ratio** means: Net Debt to Equity;
- **Net Debt** represents the KRUK Group's Financial Liabilities less the KRUK Group's cash;
- **Financial Liabilities** are defined in the Glossary of terms.

5.4 CORPORATE RATING

On 13 March 2023, the KRUK Group was assigned a corporate rating of Ba1, with a stable outlook, by Moody's Investors (Moody's), and a rating of BB-, with a stable outlook, by Standard & Poor's (S&P). On 26 April 2024, Standard & Poor's (S&P) reaffirmed its rating of BB-, with a stable outlook.

Agency	Corporate rating	Outlook	Link to information
Moody's	Ba1	Stable	Moody's rating
S&P	BB-	stable	S&P rating

5.5 BOND RATING

On 17 April 2023, the planned issue of the Company's bonds in EUR was assigned ratings of Ba2 and BB-, respectively, by Moody's and S&P.

Agency	Bond rating	Link to information
Moody's	Ba2	Moody's rating
S&P	BB-	S&P rating

6. GOVERNING BODIES

6.1 MANAGEMENT BOARD: COMPOSITION, CHANGES, AND PROCEDURES FOR APPOINTING MEMBERS

The Management Board is the Company's management body. Rules governing appointment and removal of members of the Management Board and their powers are set forth in the Company's Articles of Association. Pursuant to Art. 8.1 and 8.2, the Management Board is composed of three to eight members, and the number of members is defined each time by the Supervisory Board upon request by the President of the Management Board. The President of the Management Board is appointed and removed by the Supervisory Board. The other members of the Management Board are also appointed and removed by the Supervisory Board, with appointments made upon request by the President of the Management Board. Members of the Management Board are appointed for a joint three-year term of office. The mandate of a member of the Management Board expires on the date of the General Meeting approving the financial statements for the last full financial year in which the member holds the office.

In the reporting period and as at the issue date of this report, the composition of the Management Board of KRUK S.A. did not change and was as presented in the table below.

Table 15. Roles and remits of members of the Management Board of KRUK S.A.

Roles and remits of members of the Management Board of KRUK S.A.	
Role	Remit
Piotr Krupa President of the Management Board, Chief Executive Officer	Internal Audit, Corporate Governance, Strategy and Transformation, Chief Executive Officer Area for Poland
Adam Łodygowski Member of the Management Board, Chief Data&Technology Officer	IT, Cybersecurity, IT Procurement, Debt Portfolio Valuation, Statistical Methods, Data Governance
Piotr Kowalewski Member of the Management Board, Chief Operating Officer	Analytical and Operational Strategy, Brand Marketing and Communications, Customer Service, E-Commerce, Digital Transformation
Urszula Okarma Member of the Management Board, Chief Investment Officer	Legal, Data Protection, Operational Risk and ESG, NPL Investment Strategy, Compliance, HR
Michał Zasepa Member of the Management Board, Chief Financial Officer	Controlling and Liquidity, Investor Relations and Development, Accounting and Taxation.
Gender representation on the governing body: 20% women and 80% men	

6.2 SUPERVISORY BOARD: COMPOSITION, CHANGES, AND PROCEDURES FOR APPOINTING MEMBERS

The Supervisory Board consists of five or seven Members. The number of Supervisory Board Members is each time determined by the General Meeting. Members of the Supervisory Board are appointed for a joint term of office of three years. As at the date of authorisation of this report, the Company's Supervisory Board is composed of seven members. The Supervisory Board is appointed and removed by the General Meeting, with the proviso that if Piotr Krupa holds shares in the Company representing 8% or more of the total vote at its General Meeting, he has the right to appoint and remove: one member of a five-member Supervisory Board, including the Deputy Chair of the Supervisory Board; two members of a seven-member Supervisory Board, including the Deputy Chair of the Supervisory Board. Piotr Krupa's rights to appoint and remove members of the Supervisory Board are exercised by delivery to the Company of a written statement on the appointment or removal of a Supervisory Board member.

On 27 August 2024, following Piotr Stępnik's resignation as Chair of the Supervisory Board, the Supervisory Board appointed Ewa Radkowska-Świętoń to the role.

In the reporting period and as at the issue date of this report, the composition of the Supervisory Board of KRUK S.A. did not change and was as presented in the table below.

Table 16 Composition of the Supervisory Board, satisfaction of the independence criteria by the Supervisory Board members, and their experience, expertise, and diversity.

Composition of the Supervisory Board, satisfaction of the independence criteria by the Supervisory Board members, and their experience, expertise, and diversity					
Full name	Position on the Supervisory Board	Independent*	Finance/accounting**	Accounting/ financial reporting***	Industry expertise****
Ewa Radkowska-Świętoń	Chair	✓	✓	✓	✓
Krzysztof Kawalec	Deputy Chair	x	✓	✓	✓
Katarzyna Beuch	Member	✓	✓	✓	✓
Izabela Felczak-Poturnicka	Member	✓	✓	✓	✓
Ewa Radkowska-Świętoń	Member	✓	✓	✓	✓
Beata Stelmach	Member	✓	✓	✓	✓
Piotr Stępnik	Member	x	✓	✓	✓
Piotr Szczepiórkowski	Member	✓	✓	✓	✓
Gender representation on the governing body: 57% women and 43% men					

* Satisfaction of independence criteria under the Statutory Auditors Act

** Experience in finance and accounting of listed companies

*** Knowledge and skills in financial accounting or auditing

**** Expertise specific to the industry

6.3 GENERAL MEETING

The General Meeting is the highest governing body of the Company. Rules governing the convening and operation of the General Meeting as well as its powers are set out in the Commercial Companies Code and in the Company's Articles of Association.

The Company's Articles of Association are available under 'Corporate documents' in the 'About the Company' section of KRUK S.A.'s website at <https://en.kruk.eu/media/file/file/statutesofkruksa-10.pdf>

No Rules of Procedure for the General Meeting are in place at the Company.

On 10 May 2024, the Annual General Meeting of KRUK S.A. was held at its registered office, with the agenda including matters provided for in Art. 395 of the Commercial Companies Code. In addition, the agenda included: voting on a resolution to give an opinion on the Report on Remuneration of Members of the Management Board and Supervisory Board of KRUK S.A. of Wrocław for 2023, in accordance with Art. 90g.6 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (Dz.U. of 2022, item 2554, as amended); Voting on a resolution concerning the Remuneration Policy for Members of the Management Board and Supervisory Board of KRUK S.A. of Wrocław in accordance with Art. 90e.4 of the Public Offering Act; and voting on a resolution to grant consent to the acquisition by Members of the Supervisory Board and Members of the Management Board of bonds issued by KRUK S.A.

The Company offered its shareholders the option to attend the General Meeting using electronic means of communication, enabling real-time two-way communication, exercise of voting rights at the General Meeting by a Shareholder or the Shareholder's Proxy, and real-time transmission of the General Meeting.

The resolutions passed by the Annual General Meeting were published in Current Report No. 37/2024.

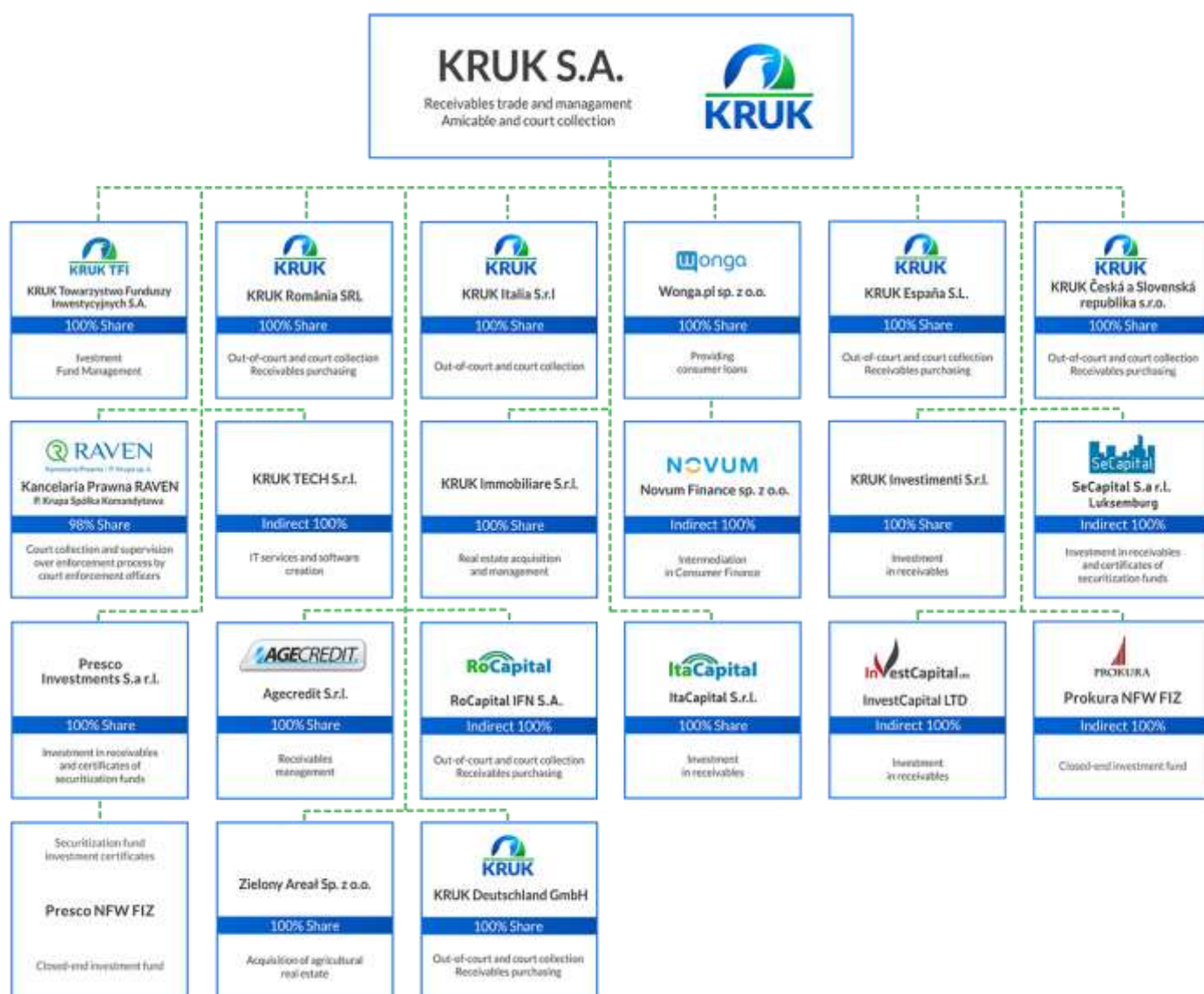
All the documents are available in the Investor Relations/Current Reports section of the Company's website at <https://en.kruk.eu/investor-relations/reports/current-reports>.

6.4 CHANGES IN THE KRUK GROUP'S STRUCTURE

In the reporting period, there was a change in the KRUK Group's structure.

On 6 June 2024, the Extraordinary General Meetings of Prokura Niestandaryzowany Fundusz Inwestycyjny Zamknięty (as the Acquirer) and Bison Niestandaryzowany Fundusz Inwestycyjny Zamknięty (as the Acquiree) passed resolutions to merge the two funds. The merger was effected on 30 July 2024.

As at the issue date of the previous report on 27 August 2024 and as at the issue date of this report, the KRUK Group's structure was as follows:



7. MATERIAL COURT, ARBITRATION OR ADMINISTRATIVE PROCEEDINGS

No material court, arbitration or administrative proceedings are pending against the Company or its subsidiaries in relation to their liabilities or claims.

8. CHANGES IN THE EXTERNAL ENVIRONMENT – CHANGES IN LAW

The KRUK Group constantly monitors changes in its external environment, including changes in law. Section 5.3 of the Directors' Report on the Group's operations in 2023 outlines significant changes in the laws applicable to its operations, both those already in effect and those planned for the future.

In the reporting period, no material changes occurred in KRUK's legal or regulatory environment. One of the most crucial recent legislative changes remains the implementation of the NPL Directive (Directive of the European Parliament and of the Council (UE) 2021/2167 of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU) in the EU Member States where the Group operates. The Directive has already been implemented in Romania, Germany, the Czech Republic, Slovakia, France, and Malta, with its impact assessed as neutral.

Legislative processes are ongoing in other markets, and the draft implementing acts are undergoing numerous modifications. In Italy, Spain and Poland, bills to implement the Directive are still undergoing consultation. It is anticipated that in Poland, the NPL Directive will be implemented in the third quarter of 2024 through the act on credit servicers and credit purchasers. The Group has assessed the existing bills and determined their impact on KRUK to be neutral.

The published draft bill on top-up taxation of constituent entities of multinational and domestic groups, which implements Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, is expected to be enacted by the end of 2024. The Directive provides that the effective tax rate for multinational corporate groups with consolidated revenue exceeding EUR 750 million that operate in more than six jurisdictions should not be lower than 15% (with the possibility of deferring the application of these regulations for a period of five years for certain income).

As at the issue date of this consolidated report, this requirement does not apply to the KRUK Group as it does not meet the revenue criterion. The KRUK Group expects these new regulations to impact its reporting in the future. However, due to the absence of final provisions, the Group is currently unable to assess their potential effect on its financial statements.

9. NON-FINANCIAL STATEMENT

In the three months to 30 September 2024, the KRUK Group was engaged in projects based on the core pillars of responsibility encompassing corporate governance, social and environmental aspects, set out in its ESG strategy.

Implementation of the KRUK Group's ESG Strategy in Q3 2024

EMPLOYEES



- Maintaining gender equality
- 62% proportion of women in the total workforce, with 56% proportion of women in top managerial positions (target: at least 50%)
- Employee turnover
 - 11.6% annually (target: no more than 16% annually)
- Employees with disabilities
 - 2.3% employees with disabilities (target: 4% by 2025)
- Share of women on corporate boards
 - 42% proportion of women on the Supervisory and Management Boards (target: at least 40%)
- As part of the Diversity, Equity, Inclusion programme:
 - KRUK S.A. has joined the Career Cycle initiative, aimed at creating comfortable and inclusive working conditions, including education on menstruation and menopause, as well as providing hygiene products for female employees.
 - KRUK has partnered with the TENT organisation, which supports the integration of individuals with refugee backgrounds into the labour market, particularly in Poland and Spain.
 - Piotr Krupa, KRUK CEO, has joined the international 30% Club campaign on behalf of the entire organisation, which advocates for achieving gender equality on the boards of the largest publicly listed companies.

SOCIETY



- KRUK S.A. supports public benefit organisations focused on human rights protection, environmental preservation, anti-discrimination efforts, women's rights advocacy, education to foster civil society, and respect for human rights, including the Nationwide Education Operator Foundation, Campus Poland Foundation, BloomPro Foundation, Arterytorium Foundation and the H2H Summit.
- In response to the floods in Poland in September 2024, KRUK S.A. contributed to relief efforts by donating a total of PLN 100 thousand to assist those affected.



- **PRIVACY**
 - In the three months to 30 September 2024, efforts continued to establish a process for implementing the principles of Privacy by Design and Privacy by Default within the KRUK Group. This included preparing training sessions and an information campaign for employees, developing new internal regulations, and ensuring compliance with the guidelines of relevant authorities.
 - Additionally, members of the data protection team joined the AI Governance project group, working to prepare the KRUK Group for compliance with the Artificial Intelligence Act.

Responsible governance

The KRUK Group is committed to ensuring compliance and data security in accordance with the highest standards of ethics, as these factors are key to building a sustainable business. The Group operates transparently and with integrity, adhering to all applicable laws and regulations.

As part of the privacy and GDPR compliance agenda, in the three months to 30 September 2024, efforts continued to establish a process for implementing the principles of Privacy by Design and Privacy by Default within the KRUK Group. This included preparing training sessions and an information campaign for employees, developing new internal regulations, and ensuring compliance with the guidelines of relevant authorities.

Additionally, members of the data protection team joined the AI Governance project group, working to prepare the KRUK Group for compliance with the Artificial Intelligence Act (Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence).

Members of the personal data protection team took part in several industry meetings, and representatives of KRUK S.A. also participate in the AI Task Force established by the Association of Financial Companies in Poland, focusing on the responsible use of AI in operations, especially regarding data security and the protection of personal data subjects.

In the three months to 30 September 2024, no incidents of corruption or violations of the Code of Ethics or other ethics regulations were recorded at KRUK. The Consultation and Mediation Committee received two reports, which were thoroughly analysed and addressed. Following these investigations, recommendations were issued to enhance existing internal controls and policies.

Regarding conflict of interest management, information was received that identified one potential conflict of interest in Poland.

Seven incidents were recorded involving non-compliance in product or process communication (not related to typical marketing or advertising activities) where customers could have been misled regarding product or service terms, the associated processes and the status of their cases and actions taken. Each case was duly investigated, and none was found to affect the operations of any KRUK Group companies.

In the three months to 30 September 2024, efforts continued to promote awareness of ethical conduct and to foster a culture of compliance, including addressing practices associated with dark patterns. On 31 July 2024, a summary statement was released regarding UOKIK's leadership in ICPEN, along with a report summarising these practices in subscription services. On 29 August 2024, a statement was issued regarding the use of AI and initiatives aimed at enhancing positive consumer choices. On 23 September 2024, we launched the first Compliance & Ethics Month – a series of publications, meetings, and social media communications dedicated to compliance and ethics in KRUK's operations.

Social responsibility

A socially responsible business entails establishing transparent, easily understandable, and ethical standards for clients. The KRUK Group promotes financial and digital literacy, sharing best knowledge, raising awareness and educating the public on new, safe financial habits. To support its mission of financial education, KRUK sponsored the Summer Business

University in Romania, where students shared knowledge on financial and business education. In the third quarter of 2024, KRUK S.A. collaborated with the Nationwide Education Operator Foundation to provide expert support for initiatives aimed at teaching good financial habits in preschool and early school groups in Poland. Through a donation of PLN 65 thousand to the Foundation's statutory goals, it was able to acquire ten educational robots known as photons. This initiative will enable ten preschool and early school facilities across Poland to organise interactive sessions for over 900 children, including activities that support the learning of good financial habits such as borrowing and repaying money, saving, and financial planning. The collaborative partnership is planned to continue throughout the 2024/2025 school year.

The KRUK Group also supports initiatives from independent expert and analytical institutions that represent the interests of society and citizens and actively participate in public debates on economic and financial topics. Consequently, KRUK S.A. supported the Institute of Public Finance led by Professor Jerzy Hausner in preparing the third edition of the report 'Poland's Economic Credibility Index'. The Company donated PLN 20 thousand for this purpose. The report will include findings from research on several areas, including the rule of law, economic transaction security, financial system stability, workplace safety, and compliance with international obligations. The thematic scope of the report also relates to the role of entities like KRUK in the financial system. The findings will be presented at the 9th Open Eyes Economy Summit.

Building a responsible and engaged civil society also contributes to fostering financial morality. This year, the KRUK Management Board donated PLN 100 thousand in support of the statutory goals of the Campus Polska Foundation, which focuses on civic education, changing social attitudes, advocating for individuals with disabilities, and supporting marginalised and forgotten social groups while combating social divisions. This year's event attracted approximately 1,000 participants aged 18 to 35.

Education about responsibility for our surrounding world, along with promoting justice and respect for human dignity, are key objectives of the Garden of the Righteous Foundation. In the third quarter of 2024, KRUK donated PLN 50 thousand to support the Foundation's statutory activities in celebration of its 10th anniversary. The donation reflects KRUK's commitment to promoting human rights and the values upheld within our organisation.

The KRUK Group also supports initiatives that contribute to the health and quality of life of local communities. Therefore, it engages in preventive measures for mental health for both its clients and younger generations, as well as their parents, including its employees. According to the World Health Organisation, depression is expected to be the most common disease worldwide by 2030. To ensure the well-being and health of local communities, including employees and their children, KRUK has decided to support the BloomPro Foundation's programmes *MotyLOVE - Empowering Teenagers* and *Parent eMOTIONs* with a donation of PLN 100 thousand. The first programme aims to help students in grades 4-6 build mental resilience, while the second targets parents and adults to assist them in recognising symptoms that may lead to depression and managing their emotions.

As a promoter of diversity and an inclusive culture, KRUK S.A. was one of the sponsors of this year's H2H Summit, which aimed to raise awareness about the employment of individuals with non-visible disabilities. Increasing business awareness regarding the employment of persons with disabilities presents a significant challenge in the labour market. Approximately 400 participants from various companies and foundations attended the event. Additionally, KRUK S.A. donated PLN 101 thousand to the Arteritorium Foundation, which conducts projects for individuals with intellectual disabilities. The Foundation supports individuals with disabilities in their personal development and in acquiring skills for independent living.

KRUK has also committed to providing assistance to local communities affected by the September 2024 floods, donating PLN 100 thousand to aid flood victims and joining the *Entrepreneurs for Flood Victims* initiative. The funds were transferred to the Entrepreneurship Support Foundation, which, in cooperation with the Siepomaga Foundation, is conducting an official fundraiser for the affected individuals. The collected funds will be used to purchase essential items, such as water, food, sleeping mattresses, and medical supplies; finance repair work in homes damaged by the floods; rebuild the destroyed infrastructure in flood-affected areas. The KRUK Group is thereby contributing to SDG 11.5 of reducing the negative impacts of natural disasters.

Responsibility for the workplace

The KRUK Group is committed to integrating people processes, strengthening its organisational culture and growing leaders to be an employer of choice.

KRUK actively promotes diversity management and supports inclusive practices in the workplace. Since the first quarter of 2024, these efforts have been coordinated by the Group Diversity, Equity & Inclusion Lead, who oversees DEI initiatives across the entire Group. In the three months ended 30 September 2024, the KRUK Group introduced a new Diversity and Inclusion Policy, updated to reflect the Group's current activities and structure. This revised policy was implemented across the Group's companies in Poland, Italy, Spain, Romania, the Czech Republic, Slovakia, and Malta.

KRUK educates its employees on the importance of diversity and inclusion not only in the workplace but also in customer relations. In the third quarter of 2024, the Group continued training in these topics for employees in Poland, Romania, Spain, the Czech Republic, and Slovakia. During this period, employees in Italy and Malta also received training. As at the end of the third quarter, with the inclusion of these new markets, the overall completion rate of the training stood at 76%.

In July, which was dedicated to raising awareness about disabilities, tailored communication was sent to employees in Poland, Romania, Spain, Italy, and Malta, outlining the benefits and rights available to employees with certified disabilities in accordance with local regulations. Supporting efforts to increase employment for people with disabilities in the Polish market, KRUK S.A. became a partner of the H2H Summit in Karpacz. The summit aims to raise awareness and encourage collaboration within the Polish business community on the professional inclusion of people with various disabilities.

In the third quarter of 2024, KRUK joined the ranks of companies supporting the employment and integration of refugees as part of the international TENT programme, which operates in countries including Poland and Spain. To further support employee health, KRUK S.A. also joined the Career Cycle programme, organised by the Kulczyk Foundation, which focuses on educating workplaces about menopause and menstrual health. Additionally, Piotr Krupa, KRUK CEO, joined a group of leaders from Polish companies in the 30% Club Poland campaign. The initiative, which is part of an international campaign, promotes gender equality and balanced representation in publicly listed companies. KRUK S.A. has long been one of the few companies to meet this target, with women making up 42% of the Management Board and Supervisory Board combined.

KRUK S.A. continues to support the well-being of its employees and their families. In addition to existing psychological support programmes, the Company organised workshops in Poland during the third quarter focused on stress management, and in Italy, advisory sessions were held to help employees transition into new roles or adapt after recently joining the organisation. In Romania, KRUK organised financial responsibility workshops for employees' children, including lessons on managing personal finances.

Between May and June 2024, the Group conducted a confidential and voluntary employee engagement survey across its companies in Poland, Romania, Spain, Italy, and Malta. A total of 92% of employees participated in the survey, with an overall engagement score of 89%. Positive feedback highlighted several key strengths (with a score of 80% or more), including goal cascading, managerial support, work organisation, collaboration, innovation and technology, feedback, a sense of impact and autonomy, DEI, work-life balance, communication and transparency, and senior leadership. Results in these areas, as well as overall engagement, exceeded benchmarks for companies in the financial sector, high-performance companies, and national norms across all our markets. Managers whose teams achieved the required minimum participation rate were given access to a platform with aggregated results, received training on how to interpret the data, and are supported by HR BP teams. Action plans to address lower-scoring areas will be developed and implemented starting in the first quarter of 2025.

Following the severe floods in southern Poland in September, which affected areas where some KRUK Group employees live, the KRUK Management Board decided to provide emergency financial assistance to employees impacted by the floods, through the Company Social Benefits Fund. Additionally, a special fund was created to provide one-time financial support to associates or the parents of employees or associates affected by the disaster. The total amount allocated for additional support, beyond the Company Social Benefits Fund, is PLN 50 thousand.

Awards and distinctions

Investors have recognised the quality of KRUK's investor relations efforts. The Polish Association of Retail Investors awarded the Company the title of 'Capital Market Hero' in the category of 'Publicly Listed Company with the Best Investor Relations for Retail Investors.' Additionally, in the annual corporate communications survey conducted by the *Parkiet* magazine, KRUK was named the leader in investor relations according to fund managers and analysts.

The KRUK Group was awarded by WNP.pl in the 'Expansion in Debt Management' category. The accolade highlights KRUK as a regional leader and one of the largest debt managers in Europe. The KRUK Group encompasses companies

offering a complete, up-to-date, and integrated portfolio of debt management services tailored to the diverse needs and dynamics of different countries and markets.

KRUK S.A. has for the second time been included in the Diversity IN Check list, which recognises companies in Poland that are leaders in diversity and inclusion management. The Diversity IN Check study is conducted based on international organisational management guidelines, such as the Sustainable Development Goals, ISO 26000 and ISO 30415 standards, including 30415:2021 Human Resource Management – Diversity and Inclusion, GRI, and the OECD Guidelines for Multinational Enterprises. The list is prepared by the Responsible Business Forum, the Polish coordinator of the Diversity Charter, which KRUK signed in 2013. This year, KRUK participated in the study again to measure progress and evaluate its ongoing initiatives to foster an inclusive workplace.

KRUK also continues to be recognised among the Super Ethical Companies by the *Puls Biznesu* daily and actively participates in the Super Ethical Companies Forum.

KRUK won the top prize in the 8th edition of the Power of Attraction competition organised by *Puls Biznesu* in the category of Modern Tools and Technologies in Human Resource Management. The award was given for the development of an innovative, proprietary HR solution that optimised and automated a range of HR processes across the KRUK Group. The recognised tool, the KRUK HR Dashboard, enables the monitoring of key HR indicators and allows for even more effective forecasting of future actions.

The Association of Financial Companies in Poland (ZPF) honoured KRUK S.A. with the title of ZPF Ambassador for the second time. This recognition was granted for the way the Company presents information on its website about its membership in the ZPF, its adoption and application of the Principles of Good Practice, the option to file a complaint with the Ethics Commission and Ethics Ombudsman, as well as information about the ethical audits required for ZPF members and the awarding of the ZPF ethical certificate. Following the successful completion of the ethical audit survey verification process, the ZPF Ethics Commission awarded KRUK S.A. a certificate confirming that the Group's business practices align with the ZPF Principles of Good Practice. The certificate is valid until 31 March 2025.

KRUK S.A. was ranked among the 50 Best Polish Employers by the *WPROST* magazine, securing the 37th position. We were recognised not only for our record financial results but also for our long-standing efforts to foster an inclusive organisational culture based on gender equality and diversity.

KRUK's efforts to excel in all areas of its operations were also acknowledged with several awards. The Company received the Polish Contact Center Award from the Polish Marketing Association SMB in the category of Best Supporting Technology for the Emilia bot, and the 2024 Service Quality Star, based on customer service and satisfaction surveys conducted by the VSC Group.

In Poland, the *Gazeta Finansowa* daily recognised KRUK's contribution to sustainable development and social responsibility by awarding the Company the title of the ESG Company of the Year 2024 in the debt collection category. *Gazeta Finansowa* commended KRUK for its commitment to gender equality in terms of access to promotions and equal pay, its efforts to deepen financial and digital inclusion, as well as its ongoing work to build dialogue with local communities and support financial and digital education for customers and individuals facing financial hardship.

KRUK was recognised as a finalist in the *Balance* competition, which promotes best practices for achieving gender balance in the workplace.

In the 2023 Best Annual Report competition, organised by the Institute of Accounting and Taxes, KRUK received second place in the 'Banks and Financial Institutions' category and earned a special distinction for the most significant progress in the corporate governance statement category within the same group.

10. GLOSSARY OF TERMS

Auditor	PricewaterhouseCoopers Polska sp. z o.o. Audyt sp.k. of Warsaw
CAGR	Compound Annual Growth Rate
Catalyst	Bond market operated by the Warsaw Stock Exchange
EBIT	Operating profit
EBITDA	Operating profit before depreciation and amortisation
Cash EBITDA	Profit (/loss) before tax plus finance costs, amortisation, depreciation and cash recoveries from purchased debt portfolios, less revenue from purchased debt portfolios and revaluation gains on assets other than purchased debt and consumer loans advanced, if their total amount in the last 12 months exceeds PLN 5 million; cash EBITDA is computed for the KRUK Group for the last twelve months
Issuer; KRUK; Company	KRUK S.A. of Wrocław
EPS	Earnings per share
EUR	Euro
WSE	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)
Group KRUK Group	The Company as the Parent along with its subsidiaries and Non-Standardised Debt Closed-End Investment Funds
ItaCapital	ItaCapital S.r.l of Milan, Italy
Kancelaria Prawna RAVEN	Kancelaria Prawna RAVEN P. Krupa Spółka komandytowa of Wrocław
CSDP	Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A. of Warsaw)
PFSA	Polish Financial Supervision Authority (Komisja Nadzoru Finansowego)
KRS	Polish National Court Register (Krajowy Rejestr Sądowy)
KRUK; Issuer; Company	KRUK S.A. of Wrocław
KRUK Česká Slovenská republika	a KRUK Česká a Slovenská republika s.r.o. of Hradec Králové
KRUK España	KRUK España S.L. of Madrid, Spain
KRUK Italia	KRUK Italia S.r.l of Milan, Italy
KRUK ROMANIA	KRUK Romania s.r.l of Bucharest, Romania
KRUK TFI	KRUK Towarzystwo Funduszy Inwestycyjnych S.A. of Wrocław
IAS	International Accounting Standards as endorsed by the European Union
IFRS	International Financial Reporting Standards as endorsed by the European Union, including International Accounting Standards, International Financial Reporting Standards and related Interpretations endorsed by the European Union
Nasdaq Stockholm	Stockholmsbörsen; Securities trading market in Stockholm, Sweden
NBP	National Bank of Poland
Non-Standardised Debt Closed-End Investment Funds	Prokura Niestandaryzowany Fundusz Wierzytelności Fundusz Inwestycyjny Zamknięty, Presco Niestandaryzowany Fundusz Wierzytelności Fundusz Inwestycyjny Zamknięty, and Bison Niestandaryzowany Fundusz Wierzytelności Fundusz Inwestycyjny Zamknięty* (* until 30 July 2024 when it was merged with Prokura NFI FIZ as the acquiring fund),

Deviation between actual and projected recoveries	The line item deviation includes: 'Deviation between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor' in the financial statements. The percentage deviation between actual and projected recoveries is determined as the ratio of 'deviation between actual and projected recoveries' to the difference between 'actual recoveries' and 'deviation between actual and projected recoveries.'
GDP	Gross Domestic Product
PLN	Polish złoty
UOKiK President	President of the Office of Competition and Consumer Protection
2021–2024 Scheme	An incentive scheme for 2021–2024 implemented by the Company for the Management Board members, selected employees of the Company and selected members of the management boards and employees of the subsidiaries, comprising the issue of up to 950,550 registered subscription warrants conferring the right to subscribe for a total of 950,550 ordinary bearer shares issued as part of a conditional share capital increase
Prokura NFW FIZ	Non-Standardised Debt Closed-End Investment Fund
Total revenue	Operating income including gain or loss on expected credit losses, fair value measurement, and other income/expenses from purchased debt portfolios including other income
Supervisory Board	The Company's Supervisory Board
ROE	Return on equity, computed as the ratio of consolidated net profit to equity as at the end of period
RON	Romanian leu
Regulation on current and periodic information	Polish Minister of Finance's Regulation of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Dz.U. of 2018, item 757, as amended)
SeCapital Luksemburg	SeCapital S.à.r.l. (Luxembourg)
Consolidated financial statements	The Group's consolidated financial statements for the reporting period ended 30 June 2024, prepared in accordance with the IFRS
Company; KRUK; Issuer	KRUK S.A. of Wrocław
Subsidiaries	The Company's subsidiaries, as defined in the Polish Accounting Act, and Kancelaria Prawna RAVEN P. Krupa Spółka komandytowa
Articles of Association	The Company's Articles of Association
UOKiK	The Polish Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów)
USD	US dollar
Bonds Act	Polish Act on Bonds of 15 January 2015 (Dz.U. of 2022, item 2244)
General Meeting	General Meeting of the Company
Wonga	Wonga.pl Sp. z o.o. of Warsaw
Management Board	The Management Board of KRUK S.A.
Financial Liabilities	Total financial liabilities under: <ul style="list-style-type: none"> • bonds or other similar debt securities; or • non-bank borrowings; or • bank borrowings; or • finance leases; or

- promissory notes issued by way of security for liabilities of non-KRUK Group entities; or
 - guarantees or sureties provided in respect of liabilities of non-KRUK Group entities under bank or non-bank borrowings, finance leases, bonds or other similar debt securities; or
 - accession to debt owed by non-KRUK Group entities under bank non-bank borrowings, finance leases, bonds or other similar debt securities; or
 - assumption of liabilities of non-KRUK Group entities under bank or non-bank borrowings, finance leases, bonds or other similar debt securities; or
 - liabilities arising under derivatives contracts;
-

Piotr Krupa	Michał Zasępa	Urszula Okarma	Piotr Kowalewski	Adam Łodygowski
President of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

Wrocław, 29 October 2024