



FINANCIAL HIGHLIGHTS

OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF KRUK S.A.

for the period 1 January 2024–
31 December 2024

Financial highlights

Financial highlights	PLN '000		EUR '000	
	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023
For the period				
Revenue	451,572	259,989	104,914	57,413
Profit/(loss) before tax	954,371	1,026,011	221,730	226,573
Net profit/(loss)	1,043,380	983,934	242,410	217,281
Net cash from operating activities	24,764	(56,976)	5,753	(12,582)
Cash recoveries	28,987	32,988	6,735	7,285
Net cash from investing activities	(121,461)	(739,145)	(28,219)	(163,224)
Net cash from financing activities	(121,836)	1,001,756	(28,306)	221,216
Net change in cash	(218,533)	205,635	(50,772)	45,410
Diluted earnings per share (PLN/EUR)	50.94	48.37	11.83	10.68
Average number of shares ('000)	19,338	19,319	19,338	19,319
Earnings per share (PLN/EUR)	53.95	50.93	12.53	11.25
As at	31 Dec 2024 unaudited	31 Dec 2023	31 Dec 2024 unaudited	31 Dec 2023
Total assets	8,422,746	7,394,513	1,971,155	1,700,670
Non-current liabilities	3,609,449	3,188,557	844,711	733,338
Current liabilities	314,971	414,563	73,712	95,346
Equity	4,498,326	3,791,393	1,052,732	871,986
Share capital	19,382	19,319	4,536	4,443
Book value per ordinary share (PLN/EUR)	232.09	196.25	54.31	45.14

The financial highlights have been translated into the euro as follows:

items of or related to the statement of profit or loss and the statement of cash flows have been translated using the arithmetic mean of mid rates quoted by the National Bank of Poland for the last day of each month in the period; the exchange rates thus calculated are:

for the reporting period **4.3042**
for the comparative period **4.5284**

items of or related to the statement of financial position have been translated using the mid rate quoted by the National Bank of Poland for the end of the reporting period; the exchange rates thus calculated are:

at the end of the reporting period **4.2730**
at the end of the comparative period **4.3480**



INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF KRUK S.A.

for the period 1 January 2024–
31 December 2024

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I. Separate statement of financial position

PLN '000	Note	31 Dec 2024 unaudited	30 Sep 2024 unaudited	31 Dec 2023
Assets				
Cash and cash equivalents	8.12.	9,110	8,603	227,643
Hedging instruments	8.9.	114,326	109,843	98,428
Trade receivables from related entities	8.11.	98,666	93,349	33,932
Trade receivables from other entities	8.11.	2,991	1,818	2,582
Other receivables	8.11.	7,687	6,126	11,664
Income tax receivable		2,716	6,038	16,232
Inventories	7.	9,979	10,512	14,562
Investments	7.	1,617,901	1,308,577	1,432,518
Equity-accounted investments in subsidiaries	8.10.	6,496,565	6,438,074	5,483,390
Property, plant and equipment		31,049	27,819	35,348
Intangible assets		22,639	22,416	29,427
Other assets		9,117	7,007	8,787
Total assets		8,422,746	8,040,182	7,394,513
Equity and liabilities				
Liabilities				
Trade and other payables	8.13.	36,477	33,359	35,452
Derivatives		105	-	-
Hedging instruments	8.9.	21,352	21,988	20,883
Employee benefit liabilities	8.14.	42,746	32,006	38,196
Borrowings, other debt securities and leases	8.8.	3,706,354	3,351,056	3,265,472
Provisions	8.15.	3,522	29,939	40,810
Deferred tax liabilities	8.7.	113,864	179,811	202,307
Total liabilities		3,924,420	3,648,159	3,603,120
Equity				
Share capital		19,382	19,382	19,319
Share premium		374,097	374,097	358,506
Hedge reserve	8.9.	80,170	74,942	62,774
Translation reserve		(130,734)	(127,289)	(95,871)
Share of other comprehensive income of subsidiaries accounted for using the equity method		(12,103)	(12,417)	(8,400)
Other reserves		188,654	185,133	171,847
Retained earnings		3,978,860	3,878,175	3,283,218
Total equity		4,498,326	4,392,023	3,791,393
Total equity and liabilities		8,422,746	8,040,182	7,394,513

The separate statement of financial position should be read in conjunction with the notes to the separate financial statements, which form their integral part.

II. Separate statement of profit or loss

PLN '000	Note	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Revenue from services	8.1.	417,923	167,238	226,461	59,954
Gain/(loss) on expected credit losses	8.1.	12,755	2,081	17,699	4,542
Interest income on debt portfolios measured at amortised cost	8.1.	17,419	4,513	16,620	4,241
Other operating income	8.1.	3,915	800	1,130	392
Other income/(expenses) from purchased debt portfolios	8.1.	(440)	(22)	(1,921)	(1,629)
Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios		451,572	174,610	259,989	67,500
Share of profit/(loss) of subsidiaries accounted for using the equity method	8.10.	1,011,127	3,098	1,192,612	269,668
Employee benefits expense	8.2.	(242,046)	(69,322)	(222,350)	(63,628)
Depreciation and amortisation		(27,767)	(6,849)	(25,965)	(6,712)
Services expense	8.3.	(102,447)	(28,453)	(74,596)	(22,099)
Other expenses	8.4.	(33,240)	(10,325)	(32,728)	(15,599)
		(405,500)	(114,949)	(355,639)	(108,038)
Finance income	8.5.	145,333	35,315	101,195	31,379
<i>including interest income on loans measured at amortised cost</i>		<i>140,130</i>	<i>35,309</i>	<i>100,913</i>	<i>31,342</i>
Finance costs	8.6.	(248,161)	(64,994)	(172,146)	(56,710)
<i>including interest expense relating to lease liabilities</i>		<i>(1,174)</i>	<i>(271)</i>	<i>(1,996)</i>	<i>(397)</i>
Net finance costs		(102,828)	(29,679)	(70,951)	(25,331)
Profit/(loss) before tax		954,371	33,080	1,026,011	203,799
Income tax	8.7.	89,009	67,605	(42,077)	23,302
Net profit/(loss) for period		1,043,380	100,685	983,934	227,101
Earnings/(loss) per share					
Basic (PLN)	8.16.	53.95	5.16	50.93	11.75
Diluted (PLN)	8.16.	50.94	4.88	48.37	11.07

The separate statement of profit or loss should be read in conjunction with the notes to these separate financial statements, which form an integral part of the financial statements.

III. Separate statement of comprehensive income

PLN '000	Note	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Net profit/(loss) for period		1,043,380	100,685	983,934	227,101
Other comprehensive income, gross					
Items that may be reclassified subsequently to profit or loss					
Instruments hedging cash flows and net investment in a foreign operation	8.9.	21,477	6,455	56,376	38,067
Exchange differences on translating of foreign operations	8.10.	(34,863)	(3,445)	(196,319)	(163,239)
Share of other comprehensive income of subsidiaries accounted for using the equity method	8.10.	(3,746)	271	(27,487)	(31,833)
		(17,132)	3,281	(167,430)	(157,005)
Items that will not be reclassified to profit or loss					
Share of other comprehensive income of equity-accounted investees	8.10.	43	43	(824)	(824)
		43	43	(824)	(824)
Other comprehensive income for period, gross		(17,089)	3,324	(168,254)	(157,829)
Income tax on instruments hedging cash flows and net investment in a foreign operation	8.7.	(4,081)	(1,227)	(10,473)	(7,233)
Other comprehensive income for period, net		(21,170)	2,097	(178,727)	(165,062)
Total comprehensive income for period		1,022,210	102,782	805,207	62,039

The separate statement of comprehensive income should be read in conjunction with the notes to these separate financial statements, which form an integral part of the financial statements.

IV. Separate statement of changes in equity

		Share capital	Share premium	Hedge reserve	Translation reserve	Share of other comprehensive income of subsidiaries accounted for using the equity method	Other reserves	retained earnings	Total equity
<i>PLN '000</i>									
Equity as at 1 Jan 2024		19,319	358,506	62,774	(95,871)	(8,400)	171,847	3,283,218	3,791,393
Comprehensive income for period									
Net profit/(loss) for period		-	-	-	-	-	-	1,043,380	1,043,380
Other comprehensive income									
- Exchange differences on translating of foreign operations	8.10.	-	-	-	(34,863)	-	-	-	(34,863)
- Share of other comprehensive income of subsidiaries accounted for using the equity method	8.10.	-	-	-	-	(3,703)	-	-	(3,703)
- Measurement of hedging instruments	8.9.	-	-	17,396	-	-	-	-	17,396
Total other comprehensive income		-	-	17,396	(34,863)	(3,703)	-	-	(21,170)
Total comprehensive income for period		-	-	17,396	(34,863)	(3,703)	-	1,043,380	1,022,210
Contributions from and distributions to owners									
- Payment of dividends		-	-	-	-	-	-	(347,738)	(347,738)
- Share-based payments	8.2.	-	-	-	-	-	16,807	-	16,807
- Issue of shares		63	15,591	-	-	-	-	-	15,654
Total contributions from and distributions to owners		63	15,591	-	-	-	16,807	(347,738)	(315,277)
Total equity as at 31 Dec 2024, unaudited		19,382	374,097	80,170	(130,734)	(12,103)	188,654	3,978,860	4,498,326

The separate statement of changes in equity should be read in conjunction with the notes to these separate financial statements, which form their integral part.

PLN '000

	Share capital	Share premium	Hedge reserve	Translation reserve	Share of other comprehensive income of subsidiaries accounted for using the equity method	Other reserves	retained earnings	Total equity
Equity as at 1 Jan 2023	19,319	358,506	16,871	100,448	19,911	149,896	2,589,066	3,254,017
Comprehensive income for period								
Net profit/(loss) for period	-	-	-	-	-	-	983,934	983,934
Other comprehensive income								
- Exchange differences on translating of foreign operations	8.10.	-	-	(196,319)	-	-	-	(196,319)
- Share of other comprehensive income of subsidiaries accounted for using the equity method	8.10.	-	-	-	(28,311)	-	-	(28,311)
- Measurement of hedging instruments	8.9.	-	45,903	-	-	-	-	45,903
Total other comprehensive income		-	45,903	(196,319)	(28,311)	-	-	(178,727)
Total comprehensive income for period		-	45,903	(196,319)	(28,311)	-	983,934	805,207
Contributions from and distributions to owners								
- Payment of dividends		-	-	-	-	-	(289,782)	(289,782)
- Share-based payments	8.2.	-	-	-	-	21,951	-	21,951
Total contributions from and distributions to owners		-	-	-	-	21,951	(289,782)	(267,831)
Total equity as at 31 Dec 2023	19,319	358,506	62,774	(95,871)	(8,400)	171,847	3,283,218	3,791,393

The separate statement of changes in equity should be read in conjunction with the notes to these separate financial statements, which form their integral part.

V. Separate statement of cash flows

PLN '000	Note	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Cash flows from operating activities					
Net profit/(loss) for period		1,043,380	100,685	983,934	227,101
<i>Adjustments</i>					
Depreciation of property, plant and equipment		16,686	4,010	15,191	3,988
Amortisation of intangible assets		11,081	2,839	10,774	2,724
Net finance costs		102,272	29,512	68,690	23,715
Share of (profit)/loss of subsidiaries accounted for using the equity method	8.10.	(1,011,127)	(3,098)	(1,192,612)	(269,668)
(Gain)/loss on retirement/sale of property, plant and equipment	8.1.	284	162	(805)	285
Write-off of development work	8.4.	1,055	-	-	-
Equity-settled share-based payments	8.2.	16,807	3,521	21,951	3,762
Interest income	8.1.	(17,419)	(4,513)	(16,620)	(4,241)
Income tax	8.7.	(89,009)	(67,605)	42,077	(23,302)
Change in debt portfolios purchased	7.	(747)	438	(556)	732
Change in inventories	7.	4,583	533	612	1,946
Change in trade and other receivables	8.11.	(48,346)	(3,408)	5,585	(86)
Change in other assets		(330)	(2,110)	175	(1,012)
Change in trade and other payables, excluding financial liabilities	8.13.	911	3,086	9,232	(159)
Change in employee benefit liabilities	8.14.	4,550	10,740	9,222	10,387
Change in provisions	8.15.	(10,341)	530	(397)	(92)
Interest received	8.1.	17,419	4,513	16,620	4,241
Tax paid/refunded		(16,945)	(23,194)	(30,049)	(7,710)
Net cash from (used in) operating activities		24,764	56,641	(56,976)	(27,389)
Cash flows from investing activities					
Interest received		100,865	24,956	46,658	20,600
Loans granted	7.	(540,808)	(338,555)	(1,034,534)	(270,114)
Proceeds from disposal of intangible assets and property, plant and equipment		5,788	344	743	(181)
Dividends received	8.10.	17,363	1,352	29,695	10,681
Proceeds from investments in subsidiaries	8.10.	141,420	4,397	364,612	10,927
Purchase of intangible assets and property, plant and equipment		(19,335)	(9,624)	(18,444)	(5,897)
Acquisition of shares in subsidiaries	8.10.	(190,296)	(60,230)	(236,358)	(60,070)
Repayments of loans granted	7.	363,542	27,315	108,483	32,645
Net cash from (used in) investing activities		(121,461)	(350,045)	(739,145)	(261,409)
Cash flows from financing activities					
Proceeds from issue of debt securities	8.8.	373,724	200,000	1,560,639	583,319
Proceeds from issue of shares		15,654	-	-	-
Increase in borrowings	8.8.	1,656,231	659,719	1,422,851	511,512
Repayment of borrowings	8.8.	(1,457,707)	(493,930)	(1,439,452)	(466,055)
Payments under finance lease contracts (principal)	8.8.	(19,097)	(4,546)	(18,931)	(4,995)
Dividends paid	8.16.	(347,738)	-	(289,782)	-
Redemption of debt securities	8.8.	(102,500)	-	(65,000)	(65,000)
Interest paid and received on hedging instruments		83,565	18,983	69,801	18,483
Interest paid		(323,968)	(86,315)	(238,370)	(69,680)
Net cash from (used in) financing activities		(121,836)	293,911	1,001,756	507,584
Total net cash flows		(218,533)	507	205,635	218,786

Quarterly report – Interim condensed separate financial statements

Cash and cash equivalents at beginning of period	227,643	8,603	22,008	8,857
Cash and cash equivalents at end of period	<u>9,110</u>	<u>9,110</u>	<u>227,643</u>	<u>227,643</u>
- effect of exchange rate fluctuations on cash held	(556)	(167)	(2,261)	(265)

The separate statement of cash flows should be read in conjunction with the notes to these separate financial statements, which form their integral part.

VI. Notes to the interim condensed separate financial statements

1. Company details

Name

KRUK Spółka Akcyjna (“KRUK S.A.” or “the Company”)

Registered office

ul. Wołowska 8
51-116 Wrocław, Poland

Registration in the National Court Register:

District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, ul. Poznańska 16-17, 53-230 Wrocław, Poland

Date of registration: 7 September 2005

Registration number: KRS No. 0000240829

Principal business activity

The Company’s principal business consists in debt collection, including collection of receivables from purchased debt portfolios, fee-based credit management services, and investing in subsidiaries.

The Company is the parent of the KRUK Group (the “Group”) and in addition to these separate financial statements it prepares consolidated financial statements containing the data of the Company and its subsidiaries. The consolidated financial statements were approved on the same day as these separate financial statements.

As at 31 December 2024, the composition of KRUK S.A.’s Management Board was as follows:

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

In the three months ended 31 December 2024 and by the issue date of this interim report, the composition of the Management Board of KRUK S.A. did not change.

As at 31 December 2024, the composition of the KRUK S.A. Supervisory Board was as follows:

Ewa Radkowska-Świętoń	Chair of the Supervisory Board
Krzysztof Kawalec	Deputy Chair of the Supervisory Board
Katarzyna Beuch	Member of the Supervisory Board
Izabela Felczak-Poturnicka	Member of the Supervisory Board
Beata Stelmach	Member of the Supervisory Board
Piotr Stępnik	Member of the Supervisory Board
Piotr Szczepiórkowski	Member of the Supervisory Board

In the three months to 31 December 2024, the composition of the KRUK S.A. Supervisory Board did not change.

Following the end of the reporting period until the date of issue of this interim report, the following changes occurred in the Supervisory Board:

- On 22 January 2025, Beata Stelmach resigned as a member of the Supervisory Board effective 29 January 2025;
- On 30 January 2025, the Extraordinary General Meeting of KRUK S.A. appointed Dominika Bettman as a member of the KRUK S.A. Supervisory Board, effective from the same date.

2. Reporting period

The reporting period is the period from 1 January 2024 to 31 December 2024 and the comparative period is the period from 1 January 2023 to 31 December 2023. The separate statement of financial position has been prepared as at 31 December 2024 and the comparative data is presented as at 30 September 2024 and 31 December 2023. The separate statement of changes in equity has been prepared for the period from 1 January 2024 to 31 December 2024, and the comparative period is from 1 January 2023 to 31 December 2023.

The quarterly financial data is presented for the periods from 1 October 2024 to 31 December 2024 and from 1 October 2023 to 31 December 2023.

The data presented is currently being audited by an audit firm.

KRUK S.A.'s separate financial statements for 2024, together with the auditor's report, will be published on 27 March 2025.

3. Statement of compliance

These interim condensed separate financial statements of the Company have been prepared in a condensed form in accordance with IAS 34 applicable to interim financial statements, as endorsed by the European Union, and should be read in conjunction with the consolidated financial statements of the Group as at 31 December 2024 and for the period from 1 January 2024 to 31 December 2024.

These financial statements do not contain all the information required to be included when preparing full-year financial statements and should therefore be read in conjunction with the separate financial statements of KRUK S.A. and the consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards as at and for the year ended 31 December 2023. The separate and consolidated financial statements are available at: [Interim reports / KRUK S.A.](#)

In the opinion of the Management Board, there are no facts or circumstances which could pose a significant threat to the Company continuing as a going concern. Therefore, these interim condensed financial statements have been prepared under the assumption that the Company will continue as a going concern in the foreseeable future.

These interim condensed financial statements were authorised for issue by the Company's Management Board (the "Management Board") on 26 February 2025.

All amounts in these interim condensed separate financial statements are presented in the Polish złoty, rounded to the nearest thousand. Therefore, mathematical inconsistencies may occur in summations or between notes.

The Polish złoty is the functional currency of the Company.

4. Significant accounting policies

These interim condensed separate financial statements have been prepared based on the following valuation concepts:

- measurement with the equity method – for investments in subsidiaries;
- measurement at amortised cost calculated using the effective interest rate method:
 - including allowance for expected credit losses – for credit-impaired assets (investments in debt portfolios);
 - for financial assets held as part of the business model whose objective is to hold financial assets in order to collect contractual cash flows (loans advanced); and
 - for other financial liabilities;
- measurement at fair value – for derivatives;
- measurement at historical cost for other non-financial assets and liabilities.

Changes in accounting policies

The accounting policies applied to prepare these interim condensed separate financial statements are consistent with those applied in the most recent full-year separate financial statements as at and for the year ended 31 December 2023.

The Company also applied the following amendments to standards and interpretations approved for use in the European Union as of 1 January 2024:

- The amendments to IAS 1 *Presentation of Financial Statements* concern the presentation of liabilities in the statement of financial position.

- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments – Disclosures: Supplier Finance Arrangements*
- The amendments to IFRS 16 *Leases* concern the measurement of lease liabilities in sale and leaseback transactions.

The amendments had no significant effect on the interim condensed separate financial statements.

These financial statements comply with the requirements of International Accounting Standards, International Financial Reporting Standards and related interpretations endorsed by the European Union, which have been issued and are effective for annual periods beginning on or after 1 January 2024.

Amendments to existing standards and interpretations approved by the European Union but not yet effective and not yet applied by the Company

Standards and interpretations endorsed by the EU	Type of expected change in accounting policies	Possible effect on the financial statements	Effective for periods beginning on and after
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rate – Lack of Exchangeability</i>	The amendments clarify how an entity should assess whether a currency is exchangeable and determine the exchange rate when it is not as well as require certain additional disclosures in such cases.	The Company does not expect the amendments to have any significant effect on its separate financial statements.	1 January 2025

Standards and interpretations issued but not yet adopted by the European Union

Standards and interpretations not yet endorsed by the EU	Type of expected change in accounting policies	Possible effect on the financial statements	Effective for periods beginning on or after
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	The new standard specifies reduced disclosure requirements that an eligible entity may apply instead of the disclosure requirements in other IFRSs.	The Company does not expect the amendments to have any significant effect on its separate financial statements.	1 January 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	The standard is to replace IAS 1 <i>Presentation of Financial Statements</i> .	The Company is analysing the impact of the standard on the presentation of its financial statements.	1 January 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	These annual improvements introduce minor amendments to IFRS 1 <i>First-time Adoption of IFRSs</i> , IFRS 7 <i>Financial Instruments – Disclosures</i> , IFRS 9 <i>Financial Instruments</i> , IFRS 10 <i>Consolidated Financial Statements</i> , IAS 41 <i>Agriculture</i> , and IAS 7 <i>Statement of Cash Flows</i> .	The Company is assessing the potential impact of the amendments on its separate financial statements.	1 January 2026
Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)	The amendments will address diversity in accounting practice by making the requirements more understandable and consistent.	The Company is assessing the potential impact of the amendments on its separate financial statements.	1 January 2026
Contracts Referencing Nature-dependent Electricity—Amendments to IFRS 9 and IFRS 7	The objective of the Amendments is to better reflect the effects of physical and virtual nature-dependent electricity contracts in financial statements.	The Company does not expect the amendments to have any significant effect on its separate financial statements.	1 January 2026

5. Accounting estimates and judgements

In order to prepare interim separate financial statements, the Management Board is required to make judgements, estimates and assumptions which affect the application of adopted accounting policies and the reported amounts of assets, liabilities, revenue and expenses, whose actual values may differ from estimates.

The estimates and assumptions are reviewed by the Company on an ongoing basis, based on past experience and other factors, including expectations as to future events, which seem justified in given circumstances. Any changes in accounting estimates are introduced prospectively, starting from the reporting period in which the estimate is revised.

Information on estimates and judgements concerning the application of accounting policies which most significantly affect the amounts presented in the financial statements:

Item	Amount estimated		Note	Assumptions and estimate calculation
	31 Dec 2024 (PLN '000)	31 Dec 2023 (PLN '000)		
Investments in subsidiaries accounted for using the equity method	6,496,565	5,483,390	8.10.	Investments in subsidiaries accounted for using the equity method are subject to impairment testing. Investments in subsidiaries for which impairment indications were identified are tested for impairment at least annually. As part of the tests, the Company estimates the recoverable amount of the investments based on the value in use of the respective cash-generating units, using the discounted cash flow method. The valuation of investments in subsidiaries is based on a number of assumptions and estimates, in particular with respect to the amount of future cash flows and the adopted discount rate. The projected cash flows of subsidiaries investing in debt portfolios or debt-related assets depend primarily on the assumed expenditure on new portfolios and amount of recoveries. The correctness of the underlying assumptions involves a considerable risk given the significant uncertainty as to the effectiveness of debt collection activities in the future. The discount rate used to test investments in subsidiaries for impairment reflects the current market assessment of the asset risk for the debt collection industry.
Investments in debt portfolios	32,494	31,747	7.	The value of purchased debt portfolios as at the valuation date is determined using an estimation model relying on expected discounted cash flows. The expected cash flows were estimated with the use of analytical methods (portfolio analysis) or based on a legal and economic analysis of individual claims or indebted persons (case-by-case analysis). The method of estimating cash flows from a debt portfolio is selected based on the available data on the portfolio, debt profiles as well as historical data collected in the course of managing the portfolio. KRUK S.A. prepares projections of recoveries from debt portfolios separately for individual markets. The projections account for historical performance of the process of debt portfolio recovery, legal regulations currently in force and planned, type and nature of debt and security, current collection strategy and macroeconomic considerations, among other factors. Initial projections of expected cash flows that take into account the initial value (purchase price) are the basis for calculating the effective interest rate, equal to the internal rate of return including an element that reflects credit risk, which is used for discounting estimated cash flows, and which, as a rule, remains unchanged throughout the life of a portfolio.

Item	Amount subject to judgement		Note	Assumptions and estimate calculation
	31 Dec 2024 (PLN '000)	31 Dec 2023 (PLN '000)		
Deferred tax liability	113,864	202,307	8.7.	<p>The Company exercises control over the timing of temporary differences regarding subsidiaries, and thus recognises deferred tax liabilities. These liabilities are based on estimates of future income tax payments, which are derived from three-year plans. The Company assesses the recoverability of the deferred tax asset based on its approved projection of profits for the following years.</p> <p>The amount of deferred tax liabilities is affected by changes in expected future cash flows from investment companies to KRUK S.A. in the foreseeable future. The level of the cash flows depends on such factors as:</p> <ul style="list-style-type: none"> • KRUK S.A.'s liquidity needs and the amount of raised and projected new debt financing available to KRUK S.A., • raised and projected new debt financing available to the investment companies, • the planned expenditure on debt portfolios – its amount determines the projected liquidity position of the investment companies, • planned recoveries from purchased debt portfolios at the investment companies. <p>Therefore, the amount of deferred tax liability for expected future cash flows from subsidiaries may be subject to material changes in individual reporting periods.</p>

6. Financial risk management

The principles of financial risk management are presented in the most recent separate full-year financial statements prepared as at and for the financial year ended 31 December 2023. In the period from 1 January 2024 to 31 December 2024, there were no significant changes in the approach to financial risk management.

7. Type and amounts of changes in estimates adopted in previous financial years with a material effect on the reporting period

Investments measured at amortised cost

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
Investments measured at amortised cost		
Loans to related parties	1,585,407	1,400,771
Investments in debt portfolios	32,494	31,747
	<u>1,617,901</u>	<u>1,432,518</u>

Investments in debt portfolios

As part of its investments in debt portfolios, the Company holds unsecured portfolios. For information on the assumptions made in the valuation of debt portfolios and the adopted schedule of collections (undiscounted value), see Note 8.1.

Changes in carrying amounts of investments in debt portfolios

In the reporting period, the Company did not invest in debt portfolios, while recoveries from indebted persons were PLN 28,987 thousand (as at 31 December 2023: PLN 32,988 thousand). Below are presented changes in the net carrying amount of investments in debt portfolios:

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
Carrying amount of investments in debt portfolios at beginning of period	31,747	31,191
Cash recoveries	(28,987)	(32,988)
Carrying amount of property sold*	-	1,146
Revenue from purchased debt portfolios*	29,734	32,398
Carrying amount of investments in debt portfolios at end of period	<u>32,494</u>	<u>31,747</u>

* As of 1 January 2024, gain/(loss) on the sale of property was reclassified from Revenue from purchased debt portfolios to Other operating income. The change has no effect on the carrying amount of investments in debt portfolios.

For a description of revenue from purchased debt portfolios, including interest income and allowance for expected credit losses, see Note 8.1.

Changes in expected credit losses

Below are presented changes in expected credit losses on purchased debt portfolios:

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Cumulative expected credit losses on purchased debt portfolios at beginning of period	289,597	270,745
Revaluation of projected recoveries	9,089	11,359
Deviations from actual recoveries, decreases on early collections in collateralised cases	3,666	7,493
Cumulative expected credit losses on purchased debt portfolios at end of period	302,352	289,597

Changes in expected credit losses are reflected in the value of the debt portfolio.

Loans to related parties

As at 31 December 2024, the gross carrying amount of loans advanced to related parties was PLN 1,604,727 thousand, and the loss allowance was PLN 19,320 thousand (31 December 2023: PLN 1,404,666 thousand and PLN 3,895 thousand, respectively).

Loans to related parties are provided on the following terms:

- 3M WIBOR + margin of 2.09–6.4pp,
- 3M EURIBOR + margin of 2.09–2.95pp,
- 3M PRIBOR + margin of 2–2.09pp,
- 3M ROBOR + margin of 2.09–3pp,
- fixed interest rate – 6.56–9.76pp.

For information on the balance of loans to related parties, see Note 12.

For information on the Company's exposure to credit, currency and interest rate risks associated with its investments, see Note 10.

Inventories (including property foreclosed as part of investments in debt portfolios)

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Property	9,779	14,418
Other inventories	200	144
	<u>9,979</u>	<u>14,562</u>

The Company forecloses property securing acquired debt. A portion of the recoveries derives from the sale of such property on the open market.

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Carrying amount of property held at beginning of period	14,418	15,049
Carrying amount of property foreclosed	2,651	6,438
Carrying amount of property sold	(5,708)	(3,630)
Impairment loss on property	(1,582)	(3,439)
Carrying amount of property held at end of period	<u>9,779</u>	<u>14,418</u>

As at 31 December 2024, the inventory write-down was PLN 1,582 thousand (as at 31 December 2023: PLN 3,439 thousand).

8. Type and amounts of items affecting the assets, liabilities, capital, net profit/loss or cash flows, which are material due to their type, size or effect

8.1. Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios

Revenue from services

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Revenue from debt collection and credit management services	314,384	136,495	148,168	35,589
Revenue from other services	103,439	30,735	78,225	24,332
Revenue from sale of merchandise and materials	100	8	68	33
	417,923	167,238	226,461	59,954

The increase in revenue from debt collection and credit management services is due to settlements made following change of the methodology for determining the transfer price between related parties for the debt collection and credit management service. Previously, the comparable uncontrolled price (CUP) method, where the price is expressed as a percentage fee on recoveries, was used. However, based on tax audit results received from the Customs and Revenue Office, it was changed to the cost-plus method, which ensures that the reasonable costs associated with providing the service are covered.

In view of the tax audit results, KRUK adjusted its settlements with related parties regarding debt collection and credit management services provided in 2018-2023, which resulted in a PLN 133,896 thousand increase in revenue from the provision of services (debt collection and credit management). As at 31 December 2024, the Company had outstanding receivables of PLN 61,747 thousand for the settlement of adjustments concerning the provision of debt collection and credit management services.

The amount was settled on 19 February 2025.

Revenue from purchased debt portfolios

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Interest income on debt portfolios measured at amortised cost	17,419	4,513	16,620	4,241
Gain/(loss) on expected credit losses	12,755	2,081	17,699	4,542
Other income/(expenses) from purchased debt portfolios	(440)	(22)	(1,921)	(1,629)
	29,734	6,572	32,398	7,154

Gain/(loss) on expected credit losses from purchased debt portfolios

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Revaluation of projected recoveries	9,089	1,730	11,359	2,696
Deviations from actual recoveries, decreases on early collections in collateralised cases	3,666	351	6,340	1,846
	12,755	2,081	17,699	4,542

If necessary, as at the end of each quarter the Company updates the following parameters which are used to estimate future cash flows from debt portfolios measured at amortised cost:

- discount rate in case of change in the amount of the purchased debt portfolio;
- cash flows estimation period;
- expected future cash flows estimated using the current data and debt collection processes.

The Company analyses the impact of macroeconomic factors on projected recoveries; historically, no correlation between recoveries from purchased debt portfolios and the macroeconomic situation has been found.

Assumptions adopted in the valuation of debt portfolios

	31 Dec 2024 unaudited	31 Dec 2023
Discount rate*	28.11%–170.19%	28.11%–170.19%
Cash flows estimation period	Jan 2025–Dec 2039	Jan 2024–Dec 2038
Undiscounted value of future recoveries PLN '000	122,129	112,069

* Interest rate range applicable to 99% of debt portfolios.

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
discount rate:		
< 25%	19	33
25% - 50%	16,793	13,489
> 50%	105,317	98,547
	122,129	112,069

Projected estimated schedule of recoveries from debt portfolios (undiscounted value)

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Period		
Up to 12 months	22,349	22,523
From 1 to 2 years	18,223	17,342
From 2 to 3 years	15,194	14,184
From 3 to 4 years	12,744	11,696
From 4 to 5 years	10,478	9,655
From 5 to 6 years	8,425	7,819
From 6 to 7 years	6,921	6,197
From 7 to 8 years	5,852	5,009
From 8 to 9 years	4,971	4,193
From 9 to 10 years	4,242	3,519
From 10 to 11 years	3,616	2,970
From 11 to 12 years	3,182	2,518
From 12 to 13 years	2,630	2,125
From 13 to 14 years	1,838	1,558
From 14 to 15 years	1,464	761
Over 15 years	-	-
	122,129	112,069

The amounts of estimated remaining collections on debt portfolios as presented above for different discount rate ranges is subject to change for the comparative periods as a result of:

- acquisition of new debt portfolios,
- actual collections on existing debt portfolios,
- revision of estimated remaining collections.

Other income/(expenses) from purchased debt portfolios

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Foreign exchange gains/(losses)	(440)	(22)	(1,921)	(1,629)
	(440)	(22)	(1,921)	(1,629)

Other operating income

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Gain (loss) on sale of property*	3,376	181	-	-
Re-billing income/(expense)	624	716	260	645
Other markets	131	32	65	32
Compensation for motor damage	68	33	-	-
Gain/(loss) on retirement/sale of property, plant and equipment	(284)	(162)	805	(285)
	3,915	800	1,130	392

*From 1 January 2024, Gain/(loss) on the sale of property, previously presented under Revenue from purchased debt portfolios, is disclosed as a separate line item.

8.2. Employee benefits expense

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Salaries and wages	(180,661)	(54,637)	(161,836)	(49,129)
Pension and disability insurance contributions (defined contribution plans)	(27,250)	(7,427)	(23,245)	(5,670)
Equity-settled cost of stock option plan*	(16,807)	(3,521)	(21,951)	(3,762)
Other employee expenses	(9,739)	(2,595)	(8,592)	(3,120)
Other social security contributions	(6,208)	(781)	(5,404)	(1,628)
Contribution to the State Fund for the Disabled	(1,381)	(361)	(1,322)	(319)
	(242,046)	(69,322)	(222,350)	(63,628)

8.3. Services expense

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
IT services	(46,679)	(13,163)	(33,221)	(10,095)
Administrative and accounting support services	(18,199)	(4,641)	(7,669)	(3,100)
Credit management services	(13,349)	(3,814)	(12,693)	(3,247)
Postal and courier services	(7,422)	(1,907)	(6,198)	(1,241)
Communications services	(3,867)	(1,055)	(3,120)	(827)
Space rental and service charges	(3,557)	(955)	(3,685)	(951)
Legal assistance services	(2,531)	(727)	(2,081)	(420)
Banking services	(1,087)	(339)	(942)	(150)
Security	(986)	(265)	(895)	(230)
Recruitment services	(965)	(292)	(920)	(336)
Other auxiliary services	(804)	(195)	(1,196)	(708)
Repair of vehicles	(722)	(246)	(543)	(200)
Other rental	(678)	(144)	(436)	(229)
Printing services	(480)	(134)	(341)	(115)
Marketing and management services	(449)	(412)	(70)	(18)
Repair and maintenance services	(400)	(82)	(289)	(140)
Transport services	(154)	(53)	(187)	(65)
Packing services	(118)	(29)	(110)	(27)
	<u>(102,447)</u>	<u>(28,453)</u>	<u>(74,596)</u>	<u>(22,099)</u>

The increase in the cost of IT, administrative and accounting support services in 2024 was mainly driven by the procurement of services related to the development of KRUK S.A.'s digital transformation strategy.

8.4. Other expenses

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Raw materials and consumables used	(7,000)	(2,597)	(6,287)	(1,795)
Staff training	(6,859)	(2,379)	(3,726)	(1,735)
Advertising	(3,935)	(1,484)	(5,405)	(2,553)
Business trips	(2,615)	(936)	(1,916)	(719)
Representation expenses	(2,324)	(699)	(6,260)	(5,276)
Taxes and charges	(2,134)	(417)	(1,873)	(1,355)
VAT on rental payments (leases and rents)	(1,915)	(323)	(2,484)	(667)
Write-off of development work	(1,055)	-	-	-
Court fees	(905)	(220)	(974)	(323)
Refund of litigation costs	(894)	(238)	(631)	(118)
Donations	(814)	(168)	(636)	(27)
Motor insurance	(811)	(275)	(850)	(298)
Losses due to traffic damage	(667)	(247)	(96)	(27)
Property insurance	(510)	(133)	(405)	(106)
Other	(304)	(74)	(653)	(354)
Non-competition	(280)	(72)	(362)	(91)
Membership fees	(218)	(63)	(170)	(155)
	(33,240)	(10,325)	(32,728)	(15,599)

8.5. Finance income

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Interest income on loans advanced	140,130	35,309	100,913	31,342
Interest income on bank deposits	5,203	6	282	37
	145,333	35,315	101,195	31,379

8.6. Finance costs

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Interest and commission expense on financial liabilities measured at amortised cost	(323,311)	(82,086)	(241,525)	(73,835)
<i>including interest</i>	(312,052)	(80,458)	(232,966)	(71,078)
Net exchange rate differences	(2,260)	(448)	(1,080)	(826)
Expense/income from measurement of derivatives – FORWARD	(105)	(105)	-	-
Interest income/expense on hedging instruments – CIRS	1,546	294	995	(1,349)
Interest income/expense on hedging instruments – IRS	11,691	1,345	15,185	4,270
Hedging income/expense	64,278	16,006	54,279	15,030
	(248,161)	(64,994)	(172,146)	(56,710)

In 2024, there was a significant increase in interest expense compared with 2023, primarily due to higher debt (bonds and bank borrowings).

Effect of exchange rate movements on statement of profit or loss

PLN '000	Note	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Realised exchange gains/(losses)		(5,559)	(1,119)	3,452	8,012
Remeasurement of debt portfolios due to exchange rate movements	8.1.	(440)	(22)	(1,921)	(1,629)
Expense/income from measurement of derivatives – FORWARD		(105)	(105)	-	-
Unrealised exchange gains/(losses)		3,299	671	(4,532)	(8,838)
		(2,805)	(575)	(3,001)	(2,455)

8.7. Income tax

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Current income tax recognised in profit or loss				
Current income tax payable*	(3,513)	432	(51,663)	(26,770)
Deferred income tax recognised in profit or loss				
Related to temporary differences and their reversal**	92,522	67,173	9,586	50,072
Income tax recognised in profit or loss	89,009	67,605	(42,077)	23,302
Deferred income tax recognised in other comprehensive income				
Related to temporary differences and their reversal	(4,081)	(1,227)	(10,473)	(7,233)
Income tax recognised in other comprehensive income	(4,081)	(1,227)	(10,473)	(7,233)
Income tax recognised in comprehensive income	84,928	66,378	(52,550)	16,069

* The amount of income tax disclosed in these financial statements includes income tax and CFC tax, and for 2023 it also includes a provision for tax audit results.

**The decrease in deferred tax liabilities in the reporting period was attributable to a drop in expected cash inflows from subsidiaries and higher cost of revenue related to forecast proceeds from investments in subsidiaries.

Reconciliation of effective income tax rate

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023
Profit/(loss) before tax	954,371	1,026,011
Income tax recognised in profit or loss	89,009	(42,077)
Tax calculated at the tax rate applicable in Poland (19%)	(181,330)	(194,942)
Differences resulting from ability to control the timing of reversal of temporary differences in the valuation of net assets of subsidiaries and the probability of their realization in the foreseeable future, and other non-deductible expenses/non-taxable income	270,339	181,419
Provision for tax audit results	-	(28,554)
	89,009	(42,077)
Effective tax rate	(9.33%)	4.10%

The Company does not recognise CIT based on an estimated average annual effective rate as this would not eliminate tax fluctuations over a financial year.

Deferred tax assets and liabilities

Deferred tax assets and liabilities have been recognised in respect of the following items of assets and liabilities:

PLN '000	Assets		Liabilities		Net carrying amount	
	31 Dec 2024 unaudited	31 Dec 2023	31 Dec 2024 unaudited	31 Dec 2023	31 Dec 2024 unaudited	31 Dec 2023
Property, plant and equipment	2,403	5,222	(2,961)	(4,234)	(558)	988
Intangible assets	-	-	(3,470)	(5,000)	(3,470)	(5,000)
Trade and other receivables	-	-	(180)	(241)	(180)	(241)
Borrowings and other debt instruments, leases	21,413	21,776	-	-	21,413	21,776
Employee benefit liabilities	2,686	4,582	-	-	2,686	4,582
Provisions and liabilities	224	186	-	-	224	186
Investments in debt portfolios	-	-	(7,682)	(7,411)	(7,682)	(7,411)
Equity-accounted investments in subsidiaries	-	-	(108,449)	(203,420)	(108,449)	(203,420)
Derivative hedging instruments	-	-	(17,848)	(13,767)	(17,848)	(13,767)
Deferred tax assets/liability	26,726	31,766	(140,590)	(234,073)	(113,864)	(202,307)
Deferred tax assets offset against liabilities	(26,726)	(31,766)	26,726	31,766	-	-
Deferred tax assets/liabilities in the statement of financial position	-	-	(113,864)	(202,307)	(113,864)	(202,307)

Change in temporary differences in the period

PLN '000

	Net amount of deferred tax at 1 Jan 2024	Change in temporary differences recognised in profit or loss for the period	Net amount of deferred tax at 31 Dec 2024 unaudited	Net amount of deferred tax at 1 Jan 2023	Change in temporary differences recognised in profit or loss for the period	Net amount of deferred tax at 31 Dec 2023
Property, plant and equipment	988	(1,546)	(558)	3,742	(2,754)	988
Intangible assets	(5,000)	1,530	(3,470)	(5,051)	51	(5,000)
Trade and other receivables	(241)	61	(180)	(413)	172	(241)
Borrowings and other debt instruments, leases	21,776	(363)	21,413	16,633	5,143	21,776
Employee benefit liabilities	4,582	(1,896)	2,686	2,416	2,166	4,582
Provisions and liabilities	186	38	224	(109)	295	186
Investments in debt portfolios	(7,411)	(271)	(7,682)	(7,058)	(353)	(7,411)
Equity-accounted investments in subsidiaries	(203,420)	94,971	(108,449)	(208,285)	4,866	(203,420)
	(188,540)	92,522	(96,016)	(198,125)	9,586	(188,540)

PLN '000

	Net amount of deferred tax at 1 Jan 2024	Change in temporary differences recognised in profit or loss for the period	Net amount of deferred tax at 31 Dec 2024 unaudited	Net amount of deferred tax at 1 Jan 2023	Change in temporary differences recognised in profit or loss for the period	Net amount of deferred tax at 31 Dec 2023
Derivative hedging instruments	(13 767)	(4 081)	(17 848)	(3 294)	(10 473)	(13 767)
	(13 767)	(4 081)	(17 848)	(3 294)	(10 473)	(13 767)

The Company assesses the recoverability of the deferred tax asset based on its approved projection of profits for the following years.

The amount of deferred tax liabilities is affected by changes in expected future cash flows from investment companies to KRUK S.A. in the foreseeable future.

The level of the cash flows depends on such factors as:

- KRUK S.A.'s liquidity needs and the amount of raised and projected new debt financing available to KRUK S.A.,
- raised and projected new debt financing available to the investment companies,
- the planned expenditure on debt portfolios – its amount determines the projected liquidity position of the investment companies,
- planned recoveries from purchased debt portfolios at the investment companies.

Therefore, the amount of deferred tax liability for expected future cash flows from subsidiaries may be subject to material changes in individual reporting periods.

The decrease in deferred tax liability for the current period is due to:

- reduction in expected cash inflows from subsidiaries,
- higher cost of revenue related to forecast proceeds from investments in subsidiaries.

The Company benefits from the exemption provided in IAS 12 and does not recognise a deferred tax liability in respect of retained earnings in its related entities where it is able to control the timing of the reversal of temporary differences in the foreseeable future and it is probable that the temporary differences will not reverse in the next 36 months. The total amount of temporary differences underlying the unrecognised deferred tax liability on retained earnings as at 31 December 2024 was PLN 5,081,798 thousand (as at 31 December 2023: PLN 3,727,864 thousand).

The Group is subject to OECD's Pillar Two Model Rules. The Pillar Two regulations have been enacted in Poland, the jurisdiction in which Kruk S.A. is registered, and took effect on 1 January 2025 (the Act on Top-up Tax Levied on Constituent Entities of Multinational and Domestic Groups of 6 November 2024). Since the Pillar Two regulations were not in effect as at the reporting date, the Group has no current tax expense. The Group takes advantage of the IAS 12 exception regarding the recognition and disclosure of information about deferred tax assets and liabilities related to the Pillar Two income taxes.

In accordance with the regulations, the Group will be required to pay a top-up tax representing the difference between the effective tax rate calculated for a given jurisdiction and the minimum rate of 15% after meeting the revenue condition set out therein, i.e., after its consolidated revenue in any two of the four consecutive fiscal years immediately preceding the tested fiscal year reaches EUR 750 million or more. The Company estimates that the KRUK Group's consolidated revenue may reach the EUR 750 million threshold in 2025 and 2026 at the earliest. In this case, the KRUK Group may be required to pay the top-up tax for the first time for 2027.

If other statutory conditions are met, the KRUK Group may benefit from the 'safe harbour' rules provided for in the Act, which would mean exemption from the obligation to compute and pay top-up

tax in the Polish jurisdiction for up to five years (starting from the first year for which the revenue condition was met, i.e., not earlier than from 2027).

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment indicates that the KRUK Group has subsidiaries that operate in jurisdictions (Poland, Malta and Luxembourg) for which the estimated weighted average effective tax rate based on accounting profit for the reporting period ended 31 December 2024 is less than 15%. However, although the average effective tax rate is below 15%, the Group's exposure to paying Pillar Two income taxes may not take into account the full difference in tax rates for the aforementioned jurisdictions. This is due to the ability to apply the safe harbours provided for by the law, as well as the impact of the specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12.

Based on the current assessment, the application of Pillar Two regulations is not expected to increase the Group's effective annual tax rate before 2027, and their financial impact remains difficult to estimate as at the issue date of these financial statements. The Group is working with tax specialists to ensure the correct application of the Pillar Two regulations and to assess their impact on the Group's financial data.

8.8. Borrowings, other debt securities and leases

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Non-current liabilities		
Secured borrowings	577,239	170,239
Liabilities under debt securities (unsecured)	2,892,970	2,773,264
Lease liabilities	2,264	9,759
	<u>3,472,473</u>	<u>2,953,262</u>
Current liabilities		
Secured borrowings	6,763	216,548
Liabilities under debt securities (unsecured)	216,732	77,938
Lease liabilities	10,386	17,724
	<u>233,881</u>	<u>312,210</u>
	<u>3,706,354</u>	<u>3,265,472</u>

Liabilities repayment schedule

PLN '000	Currency	Nominal interest rate	Maturity periods*	31 Dec 2024	31 Dec 2023
Borrowings secured over the Company's assets	PLN/EUR	1M WIBOR + margin of 1.9–2.5pp 3M WIBOR + margin of 2.0–2.7pp 1M EURIBOR + margin of 2.3–2.5pp 3M EURIBOR + margin of 2.0pp	2025-2029	584,002	386,787
Liabilities under debt securities (unsecured)	PLN/EUR	3M WIBOR + margin of 3.0–4.65pp; 4.00%–4.80%*; 3M EURIBOR + margin of 4.0–6.5pp	2025-2030	3,109,702	2,851,202
Lease liabilities	PLN/EUR	3M WIBOR or 1M EURIBOR + margin of 3.65–4.29pp 4.74%–9.64%	2024-2028	12,650	27,483
				3,706,354	3,265,472

* Maturity of the last liability.

** Fixed interest rate.

Published Projections

Pursuant to Article 35, paragraphs 1a and 1b of the Bonds Act, in December 2023 KRUK S.A. published on its [website](#) a projection of the financial liabilities and financing structure of KRUK S.A. and the KRUK Group as at 31 December 2024 ("the Bonds Act Projection"). The Company informs that the financial liabilities of KRUK S.A. and the KRUK Group as at 31 December 2024 were as follows:

- Financial liabilities of KRUK S.A.: PLN 3,706 million (17% above the Bonds Act Projection),
- Financial liabilities of the KRUK Group: PLN 6,627 million (11% above the Bonds Act Projection),
- Financing structure of KRUK S.A. (percentage share of liabilities under borrowings, issue of debt securities and leases in the total equity and liabilities of KRUK S.A.): 44% (1 percentage point above the Bonds Act Projection),
- Financing structure of the KRUK Group (percentage share of liabilities under borrowings, issuance of debt securities and leases in the total equity and liabilities of the Group): 57% (1 percentage point below the Bonds Act Projection).

The fact that the Company's and the Group's financial liabilities as at the end of 2024 were above the projections was attributable to significant expenditure on debt portfolios incurred by the Group in 2024 (PLN 2.8 billion). The percentage share of the Company's and the Group's financial liabilities in total equity and liabilities as at the end of 2024 was close to the estimated level (with deviations of +1pp and -1pp, respectively).

Impact of IBOR reform

In June 2024, the National Working Group (NWG) initiated a public consultation regarding the review and evaluation of alternative interest rate benchmarks. The purpose of the consultation was to reassess the NWG's September 2022 decision to select WIRON as the optimal replacement for the WIBOR reference rate. The consultation covered the WIRON, WIRON+, WIRF, WIRF+, and WRR benchmark, which the participants were invited to evaluate based on criteria such as benchmark quality, characteristics, and their potential for the development of the financial and banking products markets. The participants also had the opportunity to comment on current market and regulatory environment and related initiatives that could help strengthen the new benchmark, the market it represents, and the instruments based on it. On 9 July 2024, the NWG announced that it had concluded the public consultation process as of 1 July 2024. The results of the consultation will be considered in the decision-making process regarding the selection of an alternative reference rate for WIBOR and the development of an updated Roadmap for the reform of reference rates in Poland, including the necessary steps for further development of the domestic money market.

At its meetings on 21 November 2024 and 6 December 2024, the Steering Committee of the NWG held discussions and decided to adopt the proposed index technically named WIRF– as the ultimate interest rate benchmark to replace the WIBOR benchmark. On 24 January 2025, the Steering Committee of the NWG decided to adopt the target name POLSTR (Polish Short Term Rate) for the proposed index technically named WIRF–.

The Company does not anticipate a material impact from IBOR reform on its financial obligations, but cannot conclusively determine its effect as not all systemic and regulatory solutions have been finalised. The Company takes measures to prepare for a change in the benchmarks underlying concluded financial instruments in the event WIBOR ceases to be published.

The Company continuously monitors regulatory changes in benchmarks, and negotiates amendments to the Master and Credit Agreements governing the hedging instruments and bank loans, to ensure optimal transition to an alternative benchmark when the WIBOR is replaced.

The individual items for which WIBOR is used as the benchmark are presented below:

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Carrying amount of financial liabilities for which WIBOR is used as the benchmark		
Borrowings secured over the Company's assets	235,913	179,048
Liabilities under debt securities (unsecured)	2,326,523	2,159,898
Lease liabilities	2,958	7,922
Notional amount of hedging instruments for which WIBOR is used as the benchmark		
CIRS	1,957,500	1,750,000
IRS	-	190,000

8.9. Hedging instruments

Interest rate risk hedges

In the three months ended 31 December 2024, the Company entered into a currency interest rate swap (CIRS) with a notional amount of PLN 125,000 thousand. The Company pays a coupon based on a fixed interest rate on debt determined in EUR under the transaction terms and receives a coupon based on a variable interest rate plus a margin, calculated on PLN-denominated debt covered by the transaction.

As at 31 December 2024, the Company held the following open outstanding CIRS contracts with a total notional amount of PLN 1,957,500 thousand:

Bank	Type of transaction	Volume	Fixed rate [EUR]	Variable rate [PLN]	Transaction date	Transaction maturity date
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 330,000,000	2.13%	3M WIBOR	14 Jun 2022	24 May 2027
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 140,000,000	1.90%	3M WIBOR	23 Jun 2022	24 Mar 2027
Santander Bank Polska S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 50,000,000	1.72%	3M WIBOR	20 Jun 2022	16 Mar 2026
Santander Bank Polska S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 50,000,000	1.56%	3M WIBOR	21 Jun 2022	16 Mar 2026
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 105,000,000	1.21%	3M WIBOR	15 Jul 2022	23 Jan 2026
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 52,500,000	0.96%	3M WIBOR	15 Jul 2022	22 Jan 2025
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	50,000,000	1.40%	3M WIBOR	20 Jul 2022	2 Mar 2026
DNB Bank ASA	CCIRS (Cross-Currency Interest Rate Swap)	PLN 60,000,000	1.96%	3M WIBOR	12 Dec 2022	27 Jul 2027
DNB Bank ASA	CCIRS (Cross-Currency Interest Rate Swap)	PLN 25,000,000	2.05%	3M WIBOR	21 Dec 2022	27 Nov 2026

DNB Bank ASA	CCIRS (Cross-Currency Interest Rate Swap)	PLN 75,000,000	2.49%	3M WIBOR	10 Jan 2023	26 Mar 2025
DNB Bank ASA	CCIRS (Cross-Currency Interest Rate Swap)	PLN 120,000,000	2.02%	3M WIBOR	27 Jan 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 50,000,000	2.475%	3M WIBOR	25 Jul 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 50,000,000	2.435%	3M WIBOR	25 Jul 2023	7 Jun 2028
DNB Bank ASA	CCIRS (Cross-Currency Interest Rate Swap)	PLN 75,000,000	2.61%	3M WIBOR	22 Sep 2023	29 Mar 2028
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 85,000,000	2.48%	3M WIBOR	31 Oct 2023	10 Dec 2026
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 355,000,000	2.34%	3M WIBOR	31 Oct 2023	11 Oct 2029
DNB Bank ASA	CCIRS (Cross-Currency Interest Rate Swap)	PLN 70,000,000	6.046%	3M WIBOR + 4%	21 Mar 2024	16 Feb 2029
ING Bank Śląski S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 90,000,000	6.19%	3M WIBOR + 4%	21 Mar 2024	26 Sep 2028
Alior Bank S.A.	CCIRS (Cross-Currency Interest Rate Swap)	PLN 125,000,000	4.40%	3M WIBOR + 3%	11 Dec 2024	13 Nov 2030

The transactions were designated for hedge accounting.

The purpose of above CIRS transactions was to:

- hedge against interest rate risk, understood as volatility of interest expense due to changes in the 3M WIBOR rate – exchange of floating interest rate for a fixed rate;
- hedge against currency risk, understood as volatility of the net value of EUR-denominated assets due to EUR/PLN exchange rate movements – offsetting exchange differences.

To manage interest rate risk, the Company also enters into IRS contracts.

As at 31 Dec 2024 the Company held open outstanding IRS contracts with a total notional amount of PLN 184,000 thousand.

Bank	Type of transaction	Volume	Fixed rate	Variable rate	Term
DNB Bank ASA	IRS	EUR 150,000,000	2.9640%	3M EURIBOR	10 May 2023 to 10 May 2028
DNB Bank ASA	IRS	EUR 10,000,000	2.255%	3M EURIBOR	21 Dec 2023 to 11 Dec 2028
ING Bank Śląski S.A.	IRS	EUR 24,000,000	2.405%	3M EURIBOR	21 Aug 2024 to 1 Feb 2029

The purpose of the EUR contracts was to provide a hedge against volatility of cash flows generated by liabilities in EUR due to changes in the 1M and 3M EURIBOR rate and to hedge interest payments under a credit facility and EUR-denominated bonds.

Currency risk hedges

In 2019–2024, the Company took steps to hedge currency risk arising from cash flows from foreign subsidiaries by entering into hedging transactions. The Company's objective is to mitigate the effect of exchange differences on cash flows from subsidiaries. The transactions were entered into by KRUK S.A. and settled on a net basis, with no physical delivery. For details of the executed and settled transactions, see the most recent separate full-year financial statements as at and for the financial year ended 31 December 2023.

Currency risk is also hedged with the use of currency interest rate swaps (CIRS), described in the section *Interest rate risk hedges*.

On 2 August 2024, KRUK S.A. and mBank S.A. entered into an agreement amending the Hedging Agreement which governs the establishment of hedges under the master agreement of 7 February 2019 for financial market transactions. The amendment provided for the termination of the Hedging Agreement by mutual agreement as of 22 August 2024.

As at 31 December 2024, the Company had no open positions under the framework agreement.

Amounts related to items designated as hedging instruments

PLN '000

	31 Dec 2024 unaudited				31 Dec 2023				Item in the statement of financial position	Hedge type
	Assets	Liabilities	Notional amount	Change in fair value used to determine ineffectiveness	Assets	Liabilities	Notional amount	Change in fair value used to determine ineffectiveness		
Instrument type:										
IRS	-	-	-	(4,954)	4,954	-	190,000 (PLN)	(13,852)	Hedging instruments	Hedge of future cash flows
IRS	-	19,107	184,000 (EUR)	(2,442)	29	16,694	160,000 (EUR)	(16,665)	Hedging instruments	Hedge of future cash flows
CIRS	114,326	2,245	1,957,500 (PLN)	22,825	93,445	4,189	1,750,000 (PLN)	87,551	Hedging instruments	Hedge of future cash flows/Hedge of net investment in a foreign operation
	114,326	21,352		15,429	98,428	20,883		57,034		

Disclosure of the hedged item as at 31 Dec 2024, unaudited

PLN '000

	Notional amount of the hedged item	Change in fair value of hedged item used to determine ineffectiveness	Reserve on measurement of continuing hedges	Reserve (unreleased) on measurement of discontinued hedges
Hedge of future cash flows (interest rate risk)	-	(4,954)	-	-
Hedge of future cash flows (interest rate risk)	184,000 (EUR)	(2,442)	(15,476)	-
Hedge of net investment in a foreign operation (currency risk)	-	-	-	4,082
Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	1,957,500 (PLN)	22,825	91,564	-

Disclosure of the hedged item as at 31 Dec 2023

PLN '000

	Notional amount of the hedged item	Change in fair value of hedged item used to determine ineffectiveness	Reserve on measurement of continuing hedges	Reserve (unreleased) on measurement of discontinued hedges
Hedge of future cash flows (interest rate risk)	190,000 (PLN)	(13,852)	7,180	-
Hedge of future cash flows (interest rate risk)	160,000 (EUR)	(16,665)	(16,665)	-
Hedge of net investment in a foreign operation (currency risk)	-	-	-	4,082
Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	1,750,000 (PLN)	87,551	68,177	-

1 Jan–31 Dec 2024 unaudited

PLN '000

Hedge reserve	Hedge of future cash flows (interest rate risk)	Hedge of future cash flows (currency risk)	Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	Total hedge reserve
Hedge reserve as at 1 Jan 2024	(9,485)	4,082	68,177	62,774
Measurement of instruments charged to capital reserves	4,295	-	81,895	86,190
Cost of hedging	-	-	12,802	12,802
Temporary differences/reversal of temporary differences	1,405	-	(5,486)	(4,081)
Amount reclassified to profit or loss during the period	(11,691)	-	(65,824)	(77,515)
- Interest expense/income	(11,691)	-	(1,546)	(13,237)
- Cost of hedging	-	-	(64,278)	(64,278)
Hedge reserve as at 31 Dec 2024, unaudited	(15,476)	4,082	91,564	80,170

PLN '000

1 Jan–31 Dec 2023

Hedge reserve	Hedge of future cash flows (interest rate risk)	Hedge of future cash flows (currency risk)	Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	Total hedge reserve
Hedge reserve as at 1 Jan 2023	18,806	4,082	(6,017)	16,871
Measurement of instruments charged to capital reserves	(15,331)	-	59,126	43,795
Cost of hedging	-	-	83,040	83,040
Temporary differences/reversal of temporary differences	2,225	-	(12,698)	(10,473)
Amount reclassified to profit or loss during the period	(15,185)	-	(55,274)	(70,459)
- Interest expense/income	(15,185)	-	(995)	(16,180)
- Cost of hedging	-	-	(54,279)	(54,279)
Hedge reserve as at 31 Dec 2023	(9,485)	4,082	68,177	62,774

8.10. Equity-accounted investments in subsidiaries

PLN '000	Country	Carrying amount	
		31 Dec 2024 unaudited	31 Dec 2023
InvestCapital Ltd ¹	Malta	3,776,476	3,109,906
Prokura NFW FIZ (formerly Prokura NS FIZ) ¹	Poland	1,607,864	1,494,600
SeCapital S.a.r.l. ¹	Luxembourg	744,849	574,722
Presco Investments S.a.r.l. ²	Luxembourg	70,653	69,062
KRUK Romania S.r.l.	Romania	67,446	48,405
Kruk Espana S.L.	Spain	58,009	44,020
KRUK Česká a Slovenská republika s.r.o.	Czech Republic	48,034	57,517
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Poland	40,481	37,109
Wonga.pl Sp. z o.o.	Poland	33,860	9,844
KRUK Italia S.r.l.	Italy	25,424	12,389
Kancelaria Prawna RAVEN P.Krupa Sp. k.	Poland	8,074	3,671
RoCapital IFN S.A. ¹	Romania	7,070	6,677
AgeCredit S.r.l.	Italy	4,069	4,863
Kruk Deutschland GmbH	Germany	3,226	3,740
KRUK TECH s.r.l. ¹	Romania	1,030	503
Bison NFW FIZ (formerly BISON NS FIZ) ³	Poland	-	6,362
Kruk Immobiliare S.r.l.	Italy	-	-
ItaCapital S.r.l.	Italy	-	-
Novum Finance Sp. z o.o. ¹	Poland	-	-
Kruk Investimenti s.r.l.	Italy	-	-
Zielony Areał Sp. z o.o.	Poland	-	-
		6,496,565	5,483,390

¹ Subsidiaries in which the Company indirectly holds 100% of the share capital.

² The equity of Presco NFW FIZ (formerly P.R.E.S.C.O INVESTMENT I NS FIZ) is consolidated within Presco Investments S.a.r.l.

³ In the third quarter of 2024, the funds Prokura NFW FIZ and Bison NFW FIZ merged. As of 30 July 2024, Bison was removed from the Register of Investment Funds.

KRUK S.A., as part of the review of strategic options for the Czech and Slovak markets at the beginning of 2024, decided to suspend further investments in debt portfolios in these markets. Operational activities are currently being continued with the possibility of cooperation with local business partners and selective asset sales. As a result, based on tests conducted in 2024, an impairment loss on the investment in KRUK Česká a Slovenská Republika s.r.o. in the amount of PLN 5,994 thousand was recognized.

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
Carrying amount of investments in subsidiaries at beginning of period	5,483,390	4,735,762
Share of profit/(loss) of subsidiaries accounted for using the equity method	1,011,127	1,192,612
Exchange differences on translation of foreign operations	(34,863)	(196,319)
Share of other comprehensive income of subsidiaries accounted for using the equity method	(3,703)	(28,311)
Increase/(decrease) (dividends, in-kind contributions, redemptions, impairment losses, sale)	40,614	(220,354)
Carrying amount of investments in subsidiaries at end of period	6,496,565	5,483,390

The share of profit/(loss) of subsidiaries accounted for using the equity method for the period from 1 January 2024 to 31 December 2024 was PLN 1,011,127 thousand, reflecting mainly revenue from recoveries and revaluation of recovery projections for debt portfolios owned by subsidiaries, net of costs (from 1 January 2023 to 31 December 2023: PLN 1,192,612 thousand).

PLN '000	Country	Ownership interest and share in total voting rights (%)	
		31 Dec 2024 unaudited	31 Dec 2023
AgeCredit S.r.l.	Italy	100%	100%
Bison NFW FIZ (formerly BISON NS FIZ) ³	Poland	-	100%
Corbul S.r.l. ²	Romania	n/a	N/A
Gantoi, Furculita Si Asociatii S.p.a.r.l. ²	Romania	n/a	N/A
InvestCapital Ltd ¹	Malta	100%	100%
ItaCapital S.r.l.	Italy	100%	100%
Kancelaria Prawna RAVEN P.Krupa Sp. k.	Poland	98%	98%
KRUK Česká a Slovenská republika s.r.o.	Czech Republic	100%	100%
Kruk Deutschland GmbH	Germany	100%	100%
Kruk Espana S.L.	Spain	100%	100%
Kruk Immobiliare S.r.l.	Italy	100%	100%
Kruk Investimenti s.r.l.	Italy	100%	100%
KRUK Italia S.r.l.	Italy	100%	100%
KRUK Romania S.r.l.	Romania	100%	100%
KRUK TECH s.r.l. ¹	Romania	100%	100%
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Poland	100%	100%
Novum Finance Sp. z o.o. ¹	Poland	100%	100%
Presco Investments S.a.r.l.	Luxembourg	100%	100%
Presco NFW FIZ (formerly P.R.E.S.C.O. Investment I NS FIZ) ¹	Poland	100%	100%
Prokura NFW FIZ (formerly Prokura NS FIZ) ¹	Poland	100%	100%
RoCapital IFN S.A. ¹	Romania	100%	100%
SeCapital S.a.r.l. ¹	Luxembourg	100%	100%
Wonga.pl Sp. z o.o.	Poland	100%	100%
Zielony Areał Sp. z o.o.	Poland	100%	100%

¹ Subsidiaries in which the Company indirectly holds 100% of the share capital.

² KRUK S.A. controls the company through a personal link.

³ In the third quarter of 2024, the funds Prokura NFW FIZ and Bison NFW FIZ merged. As of 30 July 2024, Bison was removed from the Register of Investment Funds.

8.11. Trade and other receivables

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
Trade receivables from related entities	98,666	33,932
Trade receivables from other entities	2,991	2,582
	<u>101,657</u>	<u>36,514</u>

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
Other receivables from related entities	2,761	4,656
Other receivables from other entities	4,926	6,954
Employee loans	-	54
	<u>7,687</u>	<u>11,664</u>

The reason for the increase in trade receivables from related entities is explained in Note 8.1.

8.12. Cash and cash equivalents

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
Cash in hand	-	3
Cash in current accounts	9,110	7,640
Term deposits	-	220,000
	<u>9,110</u>	<u>227,643</u>

8.13. Trade and other payables

PLN '000	31 Dec 2024 unaudited	31 Dec 2023
Trade and other payables to related entities		
	11,926	10,606
Trade payables to other entities	15,626	15,830
Deferred income	5,296	5,296
Accrued expenses	2,178	1,394
Other liabilities	1,332	2,215
Taxes, customs duties, insurance and other benefits payable	119	111
	<u>36,477</u>	<u>35,452</u>

8.14. Employee benefit liabilities

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Social benefit obligations	10,753	9,189
Salaries and wages payable	18,835	16,833
Provision for accrued holiday entitlements	8,123	7,982
Personal income tax	3,726	3,101
Special accounts	662	538
Liabilities under employee savings plans	647	553
	42,746	38,196

Change in provision for accrued holiday entitlements

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023
At beginning of period	7,982	6,213
Increase	8,838	8,347
Use	(8,697)	(6,578)
At end of period	8,123	7,982

8.15. Provisions

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Provision for tax audit result	1,607	28,554
Provision for the loyalty scheme	-	10,871
Provision for retirement gratuities	1,915	1,385
	3,522	40,810

Changes in provisions

PLN '000	Provision for retirement gratuities	Provision for the loyalty scheme	Provision for tax audit result
Carrying amount as at 1 Jan 2023	907	11,746	-
Increase	478	402	28,554
Use	-	(1,277)	-
Carrying amount as at 31 Dec 2023	1,385	10,871	28,554
Carrying amount as at 1 Jan 2024	1,385	10,871	28,554
Increase	530	329	-
Use	-	(2,248)	(26,947)
Reversed	-	(8,952)	-
Carrying amount as at 31 Dec 2024, unaudited	1,915	-	1,607

The Customs and Revenue Office of Kraków conducted an audit of Kruk S.A.'s corporate income tax settlements for 2018–2023. As at the issue date of these financial statements, the audits for 2018–2023 had been completed. Kruk S.A. established a provision in 2023 totalling PLN 28,554 thousand, covering the tax arrears along with interest for the audited years. The proceedings resulted in a change in the methodology for determining transfer pricing between related parties for management and debt collection services provided by the Company to its related parties. The change was implemented in 2024. For years, the Company consistently applied the comparable uncontrolled price (CUP) method to determine the consideration due for its management and collection services. The Customs and Revenue Office indicated the need to switch to the cost-plus method, which seeks to cover the service cost and add an appropriate mark-up.

By the issue date of these financial statements, the Company had received the audit reports for 2018–2023.

The audit results remain consistent with the calculation of the provision created by the Company at the end of 2023.

As at the end of August 2024, the Company concluded its Dreams Come True (*Marzenia do spełnienia*) loyalty scheme, resulting in the reversal of a PLN 8,952 thousand provision for points.

8.16. Earnings per share

Separate net profit attributable to owners of the Company

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023
Net profit for period	1,043,380	983,934
Net profit attributable to owners of the Company	1,043,380	983,934

Basic earnings per share

<i>thousands of shares</i>	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023
Number of ordinary shares as at 1 Jan	19,319	19,319
Effect of cancellation and issue	19	-
Weighted average number of ordinary shares at end of reporting period	19,338	19,319
<i>PLN</i>		
Earnings per share	53.95	50.93

Diluted separate earnings per share

<i>thousands of shares</i>	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023
Weighted average number of ordinary shares at end of reporting period	19,338	19,319
Effect of issue of unregistered shares not subscribed for	1,146	1,024
Weighted average number of ordinary shares at end of reporting period (diluted)	20,484	20,343
<i>PLN</i>		
Earnings per share (diluted)	50.94	48.37

On 10 October 2024, the Company's Management Board received a decision to increase the Company's share capital by PLN 62,878, to PLN 19,381,668, through the issue of Series H shares. The registration of the share capital increase in the National Court Register was declaratory in nature. The increase was effected on 23 September 2024.

The share capital was increased as part of a conditional share capital increase under Resolution No. 22/2021 of the Annual General Meeting of 16 June 2021 through the issue of 62,878 Series H shares of the Company, with a par value of PLN 1.00 per share. The issue of Series H shares was related to

the exercise by eligible participants of their rights attached to subscription warrants issued as part of an incentive scheme for key management personnel of KRUK S.A. and the Group companies.

Dividend per share paid

PLN '000	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023
Dividend paid from profit and retained earnings	347,738	289,782
PLN		
Dividend per share	18.00	15.00

9. Current and non-current items of the statement of financial position

PLN '000	Note	31 Dec 2024 unaudited	30 Sep 2024 unaudited	31 Dec 2023
Assets				
Non-current assets				
Property, plant and equipment		31,049	27,819	35,348
Intangible assets		22,639	22,416	29,427
Hedging instruments	8.9.	101,285	96,685	82,848
Equity-accounted investments in subsidiaries	8.10.	6,496,565	6,438,074	5,483,390
Investments	7.	1,279,315	1,273,227	1,157,433
Total non-current assets		7,930,853	7,858,221	6,788,446
Current assets				
Inventories	7.	9,979	10,512	14,562
Investments	7.	338,586	35,350	275,085
Trade receivables from related entities	8.11.	98,666	93,349	33,932
Trade receivables from other entities	8.11.	2,991	1,818	2,582
Other receivables	8.11.	7,687	6,126	11,664
Income tax receivables		2,716	6,038	16,232
Hedging instruments	8.9.	13,041	13,158	15,580
Cash and cash equivalents	8.12.	9,110	8,603	227,643
Other assets		9,117	7,007	8,787
Total current assets		491,893	181,961	606,067
Total assets		8,422,746	8,040,182	7,394,513
Equity and liabilities				
Equity				
Share capital		19,382	19,382	19,319
Share premium		374,097	374,097	358,506
Hedge reserve	8.9.	80,170	74,942	62,774
Translation reserve		(130,734)	(127,289)	(95,871)
Share of other comprehensive income of subsidiaries accounted for using the equity method		(12,103)	(12,417)	(8,400)
Other reserves		188,654	185,133	171,847
Retained earnings		3,978,860	3,878,175	3,283,218
Total equity		4,498,326	4,392,023	3,791,393
Non-current liabilities				

Deferred tax liabilities	8.7.	113,864	179,811	202,307
Provisions	8.15.	1,760	1,234	12,105
	8.8.	3,472,473	3,095,923	2,953,262
Borrowings, other debt securities and leases				
Hedging instruments	8.9.	21,352	21,988	20,883
Total non-current liabilities		3,609,449	3,298,956	3,188,557
Current liabilities				
Provisions	8.15.	1,762	28,705	28,705
	8.8.	233,881	255,133	312,210
Borrowings, other debt securities and leases				
Derivatives		105	-	-
Trade and other payables	8.13.	36,477	33,359	35,452
Employee benefit liabilities	8.14.	42,746	32,006	38,196
Total current liabilities		314,971	349,203	414,563
Total liabilities		3,924,420	3,648,159	3,603,120
Total equity and liabilities		8,422,746	8,040,182	7,394,513

Current and non-current items of the statement of financial position are presented based on cash flows expected as at the reporting date.

10. Management of risk arising from financial instruments

The Company is exposed to the following risks related to the use of financial instruments:

- credit risk,
- liquidity risk,
- market risk.

This note presents condensed information on the Company's exposure to each type of the above risks, the Company's objectives, policies and procedures for measuring and managing the risks. For a full description of the risk management, see the Company's most recent full-year separate financial statements.

Key risk management policies

The Management Board is responsible for establishing risk management procedures and for overseeing their application.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to the limits. The risk management policies and systems are reviewed on a regular basis, to reflect changes in market conditions and the Company's activities. Using such tools as training, management standards and procedures, the Company seeks to build a stimulating and constructive control environment, in which all employees understand their respective roles and responsibilities.

10.1. Credit risk

Credit risk is the risk of financial loss to the Company if a business partner or a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is chiefly associated with loans advanced by the Company, receivables for the services provided by the Company and purchased debt portfolios.

Credit risk exposure

Carrying amounts of financial assets reflect the maximum exposure to credit risk. Maximum exposure to credit risk as at the end of the reporting periods:

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Loans to related parties	1,585,407	1,400,771
Cash and cash equivalents	9,110	227,643
Hedging instruments	114,326	98,428
Trade and other receivables, net of tax receivable	107,630	44,975
Investments in debt portfolios	32,494	31,747
	1,848,967	1,803,564

Maximum exposure to credit risk by geographical segment as at the end of the reporting periods:

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Malta	1,070,709	887,126
Poland	681,710	780,168
Romania	56,733	67,249
Czech Republic and Slovakia	39,806	69,021
Italy	9	-
	1,848,967	1,803,564

Credit risk exposure – Investments in debt portfolios

<i>PLN '000</i>	31 Dec 2024 unaudited	31 Dec 2023
Portfolio type		
Unsecured retail portfolios	32,041	31,370
Unsecured corporate portfolios	453	377
	32,494	31,747

10.2. Liquidity risk

Liquidity risk is the risk of the Company's failure to pay its liabilities when due.

Liquidity risk management aims to ensure that the Company has sufficient liquidity to pay its liabilities as they fall due, without exposing the Company to a risk of loss or impairment of its reputation. The main objective of liquidity management is to protect the Company against the loss of ability to pay its liabilities.

The Company has a liquidity management policy in place, which includes rules for contracting debt finance, preparing analyses and projections of the Company's liquidity, and monitoring the performance of obligations under credit facility agreements.

The Company's liquidity position is monitored on a regular basis by analysing sensitivity to changes in the projected level of recoveries from debt portfolios.

In accordance with the liquidity management policy effective as at the date of issue of these financial statements, the following conditions must be met by the Company before new debt can be incurred:

- the debt can be repaid from the Company's own assets;
- incurring the debt will not result in exceeding the financial covenants stipulated in facility agreements and terms and conditions of bonds.

Exposure to liquidity risk

As at 31 Dec 2024,
unaudited
PLN '000

	Present value	Undiscounted contractual/estimated cash flows	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
Non-derivative financial assets and liabilities							
Cash and cash equivalents	9,110	9,110	9,110	-	-	-	-
Trade and other receivables, net of tax receivables	107,630	107,630	107,630	-	-	-	-
Investments in debt portfolios*	32,494	122,129	11,769	10,580	18,223	38,416	43,141
Loans to related parties	1,585,407	1,883,498	45,922	354,322	442,761	1,018,703	21,790
Secured borrowings	(584,002)	(696,532)	(37,094)	(30,149)	(121,521)	(507,768)	-
Liabilities under debt securities (unsecured)	(3,109,702)	(4,079,737)	(355,339)	(156,497)	(513,148)	(2,918,690)	(136,063)
Lease liabilities	(12,650)	(13,315)	(5,486)	(5,428)	(1,409)	(992)	-
Trade and other payables	(28,884)	(28,884)	(28,884)	-	-	-	-
	(2,000,597)	(2,696,101)	(252,372)	172,828	(175,094)	(2,370,331)	(71,132)
Off-balance-sheet contingent liabilities							

Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries**	(5,028,001)	(5,028,001)	(4,833,001)	-	-	(195,000)	-
	(7,028,598)	(7,724,102)	(5,085,373)	172,828	(175,094)	(2,565,331)	(71,132)

As at 31 Dec 2023

PLN '000

	Present value	Undiscounted contractual/estimated cash flows	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
Non-derivative financial assets and liabilities							
Cash and cash equivalents	227,643	227,643	227,643	-	-	-	-
Trade and other receivables, net of tax receivable	44,975	44,975	44,975	-	-	-	-
Investments in debt portfolios*	31,747	112,069	12,281	10,242	17,342	35,535	36,669
Loans to related parties	1,400,771	1,727,662	43,639	286,143	121,914	1,275,966	-
Secured borrowings	(386,787)	(462,789)	(40,668)	(33,737)	(101,856)	(286,528)	-
Liabilities under debt securities (unsecured)	(2,851,202)	(4,012,618)	(159,822)	(160,134)	(445,792)	(2,626,389)	(620,481)
Lease liabilities	(27,483)	(29,180)	(10,056)	(8,870)	(8,233)	(2,021)	-
Trade and other payables	(28,651)	(28,651)	(28,651)	-	-	-	-
	(1,588,987)	(2,420,889)	89,341	93,644	(416,625)	(1,603,437)	(583,812)
Off-balance-sheet contingent liabilities							
Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries**	(4,658,995)	(4,658,995)	(4,604,095)	-	-	(54,900)	-
	(6,247,982)	(7,079,884)	(4,514,754)	93,644	(416,625)	(1,658,337)	(583,812)

* Estimated cash flows.

** Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries have been disclosed in nominal amounts. The surety amounts are equal to 150% of the respective debt amounts. The contingent liabilities will become actual liabilities at the time of failure to meet the respective covenants, default in payment of the debt. As at 31 December 2024 and 31 December 2023, KRUK S.A. found no indications suggesting that its contingent liabilities under guarantees/sureties could become actual liabilities.

The above amounts do not include expenditure on and recoveries from future purchased debt portfolios and future operating expenses which will be necessary to obtain proceeds from financial assets.

The liquidity concentration risk is defined by the Company as the risk arising from cash flows under individual financial instruments.

Contractual/estimated cash flows were determined based on interest rates effective as at 31 December 2024 and 31 December 2023, respectively.

The Company does not expect the projected cash flows discussed in the maturity analysis to occur significantly earlier than assumed or in amounts materially different from those presented.

As at 31 December 2024, the undrawn revolving credit facility limit available to the Company was PLN 269,682 thousand (31 December 2023: PLN 207,855 thousand). The limit is available until 31 December 2029.

10.3. Market risk

Market risk is the risk of impact of changes in market prices, such as foreign exchange rates and interest rates on the Company's results or on the value of financial instruments held and investments made by the Company. The objective behind market risk management is to maintain and control the Company's exposure to currency and interest rate risks within assumed limits so as to:

- maintain a stable financial position in the long-term;
- mitigate the liquidity risk;
- reduce the impacts of market risk on profit or loss;
- mitigate the risk of non-compliance with financial covenants under credit agreements and bond issue prospectuses.

Exposure to currency risk

The Company's currency risk exposure, determined as the net carrying amount of the financial instruments denominated in foreign currencies based on the exchange rates effective at the end of the reporting period, is presented below:

PLN '000	Exposure to currency risk					
	31 Dec 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	2,848	639	101	497	1,124	897
Investments in debt portfolios	87	25,236	676	158	25,223	787
Loans to related parties	1,099,212	31,536	10,548	945,986	26,515	24,766
Borrowings, other debt securities and leases	(1,136,176)	-	-	(912,096)	-	-
Exposure to currency risk	(34,029)	57,411	11,325	34,545	52,862	26,450

Analysis of sensitivity of currency risk exposure to +10% increase in exchange rates

PLN '000	31 Dec 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	285	64	10	50	112	90
Investments in debt portfolios	9	2,524	68	16	2,522	79
Loans to related parties	109,921	3,154	1,055	94,599	2,652	2,477
Borrowings, other debt securities and leases	(113,618)	-	-	(91,210)	-	-
Exposure to currency risk	(3,403)	5,742	1,133	3,455	5,286	2,646

Analysis of sensitivity of currency risk exposure to 10% decrease in exchange rates

PLN '000	31 Dec 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	(285)	(64)	(10)	(50)	(112)	(90)
Investments in debt portfolios	(9)	(2,524)	(68)	(16)	(2,522)	(79)
Loans to related parties	(109,921)	(3,154)	(1,055)	(94,599)	(2,652)	(2,477)
Borrowings, other debt securities and leases	113,618	-	-	91,210	-	-
Exposure to currency risk	3,403	(5,742)	(1,133)	(3,455)	(5,286)	(2,646)

Currency concentration risk is defined by the Company as the risk arising from significant exposure to individual financial instruments denominated in RON, CZK, and EUR.

As at 31 December 2024, financial assets denominated in foreign currencies accounted for 13.9% of total assets, while liabilities denominated in foreign currencies represented 13.5% of total equity and liabilities (31 December 2023: 13.9% and 12.3%, respectively).

The following exchange rates of the key foreign currencies were adopted during the preparation of these financial statements:

PLN	Average exchange rates*		End of period (spot rates)	
	1 Jan–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	31 Dec 2024 unaudited	31 Dec 2023
EUR 1	4.3075	4.5284	4.2730	4.3480
USD 1	3.9815	4.1823	4.1012	3.9350
RON 1	0.8658	0.9145	0.8589	0.8742
CZK 1	0.1715	0.1889	0.1699	0.1759

* Average exchange rates were calculated as the arithmetic mean of mid rates quoted by the National Bank of Poland for the last day of each month in the period. Since 1 January 2024, the calculation has also included the mid rate quoted for the last day of the previous financial year.

Exposure to interest rate risk

Structure of interest-bearing financial instruments as at the reporting date:

PLN '000	Carrying amount	
	31 Dec 2024 unaudited	31 Dec 2023
Fixed-rate financial instruments*		
Financial assets	923,976	953,462
Financial liabilities	(208,915)	(207,904)
Fixed-rate financial instruments before hedging	715,061	745,558
Hedge effect (notional amount)	(2,743,732)	(2,635,680)
Fixed-rate financial instruments after hedging	(2,028,671)	(1,890,122)
Variable-rate financial instruments**		
Financial assets	924,991	850,102
Financial liabilities	(3,547,780)	(3,107,102)
Variable-rate financial instruments before hedging	(2,622,789)	(2,257,000)
Hedge effect (notional amount)	2,743,732	2,635,680
Variable-rate financial instruments after hedging	120,943	378,680

* Fixed-rate financial assets comprise investments in debt portfolios, trade and other receivables less tax receivables, cash and cash equivalents as well as a fixed-rate loan advanced to a related entity. Fixed-rate financial liabilities comprise trade and other payables, as well as liabilities under fixed-rate debt securities.

** Variable-rate financial assets comprise variable-rate loans advanced to related parties. Variable-rate financial liabilities comprise secured borrowings, liabilities under variable-rate debt securities and lease liabilities. Derivatives and hedging instruments are presented as variable interest rate financial instruments.

11. Fair value

Comparison of fair values and carrying amounts

The table below presents a comparison between fair values of financial assets and liabilities and values presented in the statement of financial position.

PLN '000	31 Dec 2024 unaudited		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets and liabilities measured at fair value				
Hedging instruments (IRS)	(19,107)	(19,107)	(11,711)	(11,711)
Hedging instruments (CIRS)	112,081	112,081	89,256	89,256
Derivatives	(105)	(105)	-	-
	92,869	92,869	77,545	77,545
Financial assets and liabilities other than measured at fair value				
Investments in debt portfolios	32,494	32,084	31,747	33,021
Loans to related parties	1,585,407	1,585,407	1,400,771	1,400,771
Trade and other receivables, net of tax receivable	107,630	107,630	44,975	44,975
Trade and other payables	(28,884)	(28,884)	(28,651)	(28,651)
Secured borrowings	(584,002)	(584,002)	(386,787)	(386,787)
Liabilities under debt securities (unsecured)	(3,109,702)	(3,289,856)	(2,851,202)	(2,869,113)
	(1,997,057)	(2,177,621)	(1,789,147)	(1,805,784)

Interest rates used for fair value estimation

	31 Dec 2024 unaudited	31 Dec 2023
Investments in debt portfolios*	8.75%-139.33%	8.32%-138.90%
Secured borrowings	4.71%-8.54%	4.41%-8.58%
Loans to related parties	5.34%-12.25%	5.95%-12.28%

* Applicable to 99.6% of debt portfolios.

Hierarchy of financial instruments at fair value

The table below presents the fair value of financial instruments recognised in the statement of financial position at fair value and at amortised cost. Depending on the level of valuation, the following inputs were used in the valuation models.

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;

- Level 2: inputs for given assets and liabilities, other than quoted prices from Level 1, observable directly or indirectly;
- Level 3: inputs that are not based on observable market prices (unobservable inputs).

In 2023–2024, no transfers were made between the levels.

<i>PLN '000</i>	<u>Level 1</u>	
	Carrying amount	Fair value
As at 31 December 2024, unaudited		
Liabilities under debt securities (unsecured)	(3,109,702)	(3,289,856)
As at 31 December 2023		
Liabilities under debt securities (unsecured)	(2,851,202)	(2,869,113)

The fair value of financial liabilities under debt securities is determined based on their prices on the Catalyst market as at the last day of the reporting period.

<i>PLN '000</i>	<u>Level 2</u>	
	Carrying amount	Fair value
As at 31 December 2024, unaudited		
Hedging instruments (IRS)	(19,107)	(19,107)
Hedging instruments (CIRS)	112,081	112,081
Derivatives	(105)	(105)
As at 31 December 2023		
Hedging instruments (IRS)	(11,711)	(11,711)
Hedging instruments (CIRS)	89,256	89,256

The fair value of derivative and hedging instruments is determined on the basis of future cash flows from the executed transactions, calculated on the basis of the difference between the forecast 3M WIBOR and 3M WIBOR as at the transaction date. To determine the fair value, the Company uses a 3M WIBOR forecast provided by an external company.

PLN '000	Level 3	
	Carrying amount	Fair value
As at 31 December 2024, unaudited		
Investments in debt portfolios	32,494	32,084
Loans to related parties	1,585,407	1,585,407
Trade and other receivables, net of tax receivable	107,630	107,630
Trade and other payables	(28,884)	(28,884)
Secured borrowings	(584,002)	(584,002)
As at 31 December 2023		
Investments in debt portfolios	31,747	33,021
Loans to related parties	1,400,771	1,400,771
Trade and other receivables, net of tax receivable	44,975	44,975
Trade and other payables	(28,651)	(28,651)
Secured borrowings	(386,787)	(386,787)

The fair value of investments in debt portfolios is calculated based on the expected future cash flows related to the debt portfolios, discounted with a rate reflecting the credit risk associated with each portfolio. The rate used for discounting is calculated as an internal rate of return on an investment as at the date of acquisition of a portfolio and is verified so that it includes the current risk free rate and the current risk premium associated with the credit risk for each portfolio.

The difference between the fair value and the carrying amount calculated using the amortised cost method results from a different methodology for calculating both these amounts. The carrying amount is affected by estimated remaining collections on debt portfolios and the exchange rate as at the reporting date, while the fair value is additionally affected by projected costs of debt collection and the risk-free rate.

The fair value of loans advanced to related parties is determined as the present value of future cash flows, with account taken of changes in market and credit risk factors throughout the life of a loan.

The Company uses Level 3 inputs to determine the fair value of trade and other receivables, excluding receivables on account of taxes as well as trade and other payables. Due to their short-term nature, their carrying amount is deemed to be equal to their fair value.

The fair value of financial liabilities under borrowings is determined on the basis of future cash flows from the executed transactions.

12. Related-party transactions

Remuneration of the Management – Management Board

Remuneration of members of the Company's key management personnel:

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Base pay/managerial contract (gross)	8,167	2,139	6,998	1,749
Additional benefits (incl. social security contributions)	167	42	115	30
Share-based payments*	16,807	3,521	21,951	3,762
	<u>25,141</u>	<u>5,702</u>	<u>29,064</u>	<u>5,541</u>

Remuneration of the Management – Supervisory Board

Remuneration of members of the Supervisory Board was as follows:

<i>PLN '000</i>	1 Jan–31 Dec 2024 unaudited	1 Oct–31 Dec 2024 unaudited	1 Jan–31 Dec 2023	1 Oct–31 Dec 2023 unaudited
Base pay/managerial contract (gross)	1,529	339	1,202	301
Additional benefits	37	11	18	5
	<u>1,566</u>	<u>350</u>	<u>1,220</u>	<u>306</u>

Other transactions with the Management

As at 31 December 2024, members of the Management Board and persons closely related to them jointly held 9.8% of total voting rights in the Company (31 December 2023: 10.2%).

Other related-party transactions**Transactions with subsidiaries as at 31 December 2024 and 31 December 2023, and for the periods ended 31 December 2024 and 31 December 2023****Balance of receivables, liabilities and loans from and to subsidiaries as at 31 December 2024 and 31 December 2023**

PLN '000	31 Dec 2024 unaudited							31 Dec 2023						
	Liabilities	Receivables	Loans	Interest accrued on loans advanced	Allowance for expected credit losses	Loans received	Interest accrued on loans received	Liabilities	Receivables	Loans	Interest accrued on loans advanced	Allowance for expected credit losses	Loans received	Interest accrued on loans received
AgeCredit S.r.l.	-	38	-	-	-	-	-	-	42	-	-	-	348	7
ERIF BIG S.A.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ERIF Business Solutions Sp. z o.o.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bison NFW FIZ (formerly BISON NS FIZ)**	-	-	-	-	-	-	-	-	1,488	-	-	-	-	-
Corbul Capital S.r.l	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	2	-	-	-	-	-	-	2	-	-	-	-	-	-
InvestCapital Ltd.	-	641	1,071,909	10,150	(11,350)	-	-	-	1,044	7	9,239	-	-	-
ItaCapital S.r.l.	-	9	-	-	-	-	-	-	-	-	-	-	-	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	1,405	3,109	7,200	-	(76)	-	-	652	5,147	-	-	-	-	-
KRUK Česká a Slovenská republika s.r.o.	41	278	38,941	593	(491)	-	-	20	684	66,875	1,201	-	-	-
Kruk Deutschland GmbH	-	18	-	-	-	-	-	-	2	-	-	-	-	-
Kruk Espana S.L.	-	1,680	-	-	-	22,220	283	-	2,712	-	-	-	15,218	230
Kruk Immobiliare S.r.l.	-	8	-	-	-	-	-	-	-	-	-	-	-	-
Kruk Investimenti s.r.l.	-	8	-	-	-	-	-	-	-	-	-	-	-	-

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KRUK Italia S.r.l.	143	2,111	-	9	-	-	12	94	1,184	-	-	-	-	-
KRUK Romania S.r.l.	-	2,356	-	-	-	-	-	19	1,722	37,073	518	-	-	-
KRUK TECH s.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	1	74,373	-	-	-	-	-	-	9,997	-	-	-	-	-
Novum Finance Sp. z o.o.	24	1,401	86,742	-	(2,337)	-	-	542	-	65,742	-	(2,463)	-	-
Presco Investments S.a.r.l.	368	1,049	-	-	-	-	-	888	1,934	-	-	-	-	-
Presco NFW FIZ (formerly P.R.E.S.C.O. Investment I NS FIZ)	4	347	-	-	-	-	-	34	331	-	-	-	-	-
Prokura NFW FIZ (formerly Prokura NS FIZ)	5,415	13,933	-	-	-	-	-	3,922	12,230	-	-	-	-	-
Rocapital IFN S.A.	-	7	31,693	177	(334)	-	-	-	-	4,371	104	-	-	-
SeCapital S.à.r.l	4,455	-	-	-	-	-	-	4,389	56	-	-	-	-	-
Wonga.pl Sp. z o.o.			356,34							339,91				
Zielony Areał Sp. z o.o.	68	52	3	-	(3,738)	-	-	44	12	0	6	-	-	-
	-	9	970	-	(994)	-	-	-	3	1,740	-	(1,432)	-	-
			1,593,7		(19,320	22,22				1,393,5			15,56	
	11,926	101,427	98	10,929)	0	295	10,606	38,588	98	11,068	(3,895)	6	237

Income from intra-group transactions in the periods ended 31 December 2024 and 31 December 2023

PLN '000	1 Jan–31 Dec 2024 unaudited			1 Jan–31 Dec 2023		
	Revenue from sale of materials and services	Revenue from debt collection and credit management services	Interest	Revenue from sale of materials and services	Revenue from debt collection and credit management services	Interest
AgeCredit S.r.l.		102	-		-	-
Bison NFW FIZ (formerly BISON NS FIZ)**		-	-		-	-
Corbul Capital S.r.l		-	-		-	-
ERIF BIG S.A.*		-	-		67	-

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ERIF Business Solutions Sp. z o.o.*	-	-	-	9	-	-
InvestCapital Ltd.	41,761	-	83,691	30,926	-	45,326
ItaCapital S.r.l.	5	-	-	2	-	-
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	-	-	-	-	-	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	23,377	-	304	19,016	-	16
KRUK Česká a Slovenská republika s.r.o.	1,672	-	3,423	3,123	-	4,989
Kruk Deutschland GmbH	-	-	-	2	-	-
Kruk Espana S.L.	7,125	-	-	5,895	-	-
KRUK Italia S.r.l.	7,301	-	77	4,897	-	-
Kruk Immobiliare S.r.l.	-	-	-	-	-	-
Kruk Investimenti s.r.l.	-	-	-	-	-	-
KRUK TECH s.r.l.	-	-	-	-	-	-
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	1,506	293,003	-	306	131,302	-
KRUK Romania S.r.l.	7,528	-	845	6,369	-	2,175
Novum Finance Sp. z o.o.	1,621	2,225	8,869	1,725	1,698	6,093
Presco Investments S.a.r.l.	11	1,031	-	9	851	-
Presco NFW FIZ (formerly P.R.E.S.C.O. Investment I NS FIZ)	-	-	-	-	-	-
Prokura NFW FIZ (formerly Prokura NS FIZ)	10,815	-	-	5,028	-	-
Rocapital IFN S.A.	62	-	471	-	-	430
SeCapital S.à.r.l	11	65	-	9	46	-
Wonga.pl Sp. z o.o.	389	56	42,333	156	67	41,776
Zielony Areał Sp. z o.o.	35	-	117	31	-	108
	<u>103,321</u>	<u>296,380</u>	<u>140,130</u>	<u>77,650</u>	<u>133,964</u>	<u>100,913</u>

Expenses on intra-group transactions in the periods ended 31 December 2024 and 31 December 2023

PLN '000	1 Jan–31 Dec 2024 unaudited		1 Jan–31 Dec 2023	
	Purchase of services	Interest	Purchase of services	Interest
AgeCredit S.r.l.	-	6	-	7
ERIF Business Solutions Sp. z o.o.*	-	-	1	-
ERIF BIG S.A.*	-	-	20	39
GANTOI, FURCULITA SI ASOCIATII- S.P.A.R.L.	-	-	22	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	4,698	-	3,669	-
KRUK Česká a Slovenská republika s.r.o.	505	-	276	-
Kruk Espana S.L.	-	1,069	-	613
KRUK Italia S.r.l.	541	200	338	594
KRUK Romania S.r.l.	4,386	-	5,088	-
Wonga.pl Sp. z o.o.	253	-	434	-
	10,383	1,275	9,848	1,253

* Subsidiary sold in the first quarter of 2023.

** Entity merged with Prokura NFW FIZ fund in the third quarter of 2024.

13. Seasonality or cyclicity of business

The Company's operations are not subject to seasonal or cyclical fluctuations.

14. Factors and events, in particular of non-recurring nature, with material bearing on the Company's financial performance

In 2024, the Company's interest in subsidiaries generated a profit of PLN 1,011,127 thousand (2023: PLN 1,192,612 thousand).

In 2024, recoveries from portfolios purchased by KRUK S.A. were PLN 28,987 thousand, a decrease of 12% year on year. The amount of recoveries in the fourth quarter remained unchanged from the third quarter of 2024.

As at 31 December 2024, the Company's investments in debt portfolios accounted for 0.4% of its assets. Equity accounted for 53.4% of the Company's financing sources. As at 31 December 2023, the respective percentages were 0.4% and 51.3%.

Impact of Russia's aggression against Ukraine on KRUK S.A.'s business

Russia's aggression against Ukraine started on 24 February 2022. KRUK S.A. does not possess any assets in Ukraine or Russia, nor does it engage in any business activities in these countries. Therefore, the Company anticipates that any impact of the conflict on its operations will be indirect and minimal.

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.

15. Issue, redemption and repayment of non-equity and equity securities

In the period from 1 January 2024 to 31 December 2024, the following series of bonds were redeemed in accordance with their respective terms and conditions:

- Series AL2 bonds, with a nominal value of PLN 52,500 thousand, on 2 February 2024 (first tranche);
- Series AG2 bonds, with a nominal value of PLN 25,000 thousand, on 6 February 2024;
- Series AJ1 bonds, with a nominal value of PLN 25,000 thousand, on 2 September 2024.

In the period from 1 January 2024 to 31 December 2024, the Company issued new bonds:

- On 1 February 2024, unsecured AO5EUR bonds with a nominal value of EUR 10,000 thousand were issued. The bonds bear interest at a floating rate based on 3M EURIBOR plus a margin of 4.00pp and mature on 1 February 2029;
- On 12 February 2024, unsecured AO6EUR bonds with a nominal value of EUR 14,000 thousand were issued. The bonds bear interest at a floating rate based on 3M EURIBOR plus a margin of 4.00pp and mature on 1 February 2029;
- On 23 February 2024, unsecured Series AO7 bonds with a nominal value of PLN 70,000 thousand were issued. The bonds bear interest at a floating rate based on 3M WIBOR plus a margin of 4.00pp and mature on 23 February 2029;
- On 21 October 2024, unsecured Series AP1 bonds with a nominal value of PLN 75,000 thousand were issued. The bonds bear interest at a floating rate based on 3M WIBOR plus a margin of 3.00pp and mature on 21 October 2029;
- On 20 November 2024, unsecured Series AP2 bonds with a nominal value of PLN 125,000 thousand were issued. The bonds bear interest at a floating rate based on 3M WIBOR plus a margin of 3.00pp and mature on 20 November 2030.

On 25 March 2024, Series AO3 and Series AO4 bonds with a total nominal value of EUR 10,000 thousand were assimilated, which was followed by the assimilation of Series AO5 and Series AO6 bonds with a total nominal value of EUR 14,000 on 3 June 2024.

After the end of the reporting period, on 5 February 2025, unsecured Series AP3 bonds with a nominal value of PLN 70,000 thousand were issued. The bonds bear interest at a floating rate based on 3M WIBOR plus a margin of 2.80pp and mature on 5 February 2031.

16. Dividends paid (or declared)

On 27 March 2024, the Management Board of KRUK S.A. passed a resolution recommending that the Annual General Meeting approve dividend payments of PLN 18.00 per share, and that the remaining balance of the Company's net profit for 2023 should be transferred to statutory reserve funds. The dividend recommendation is consistent with the Dividend Policy adopted by the Management Board on 2 December 2021. The recommendation was endorsed by the Company's Supervisory Board on 27 March 2024.

On 10 May 2024, the Annual General Meeting, acting on the Management Board's recommendation, adopted Resolution No. 6/2024 to distribute dividend to the Company's shareholder.

The Annual General Meeting decided to pay dividend of PLN 18.00 per share to the Company's shareholders. The dividend, totalling PLN 347,738 thousand, was distributed from the Company's net profit earned in 2023. The Resolution set the record date for the payment of dividend for the financial year ended 31 December 2023 for 15 May 2024 and the dividend payment date for 20 May 2024. The dividend was distributed on the payment date on 19,318,790 eligible KRUK shares.

17. Information on changes in contingent liabilities or contingent assets subsequent to the end of the previous financial year

Until the date of issue of this report, there were no movements in contingent liabilities or contingent assets, except for the expiry of guarantees on the stated dates.

Securities established over KRUK S.A.'s assets as at 31 December 2024 is presented below:

Type	Beneficiary	Amount	Expiry date	Terms and conditions
Guarantees provided/promissory notes issued				
Surety for PROKURA NFW FIZ's liabilities under the revolving credit facility of 2 July 2015, as amended, between PROKURA NFW FIZ, KRUK S.A. and mBank S.A.	mBank S.A.	PLN 210,000 thousand	No later than 18 December 2032	Prokura NFW FIZ's failure to pay amounts owed to the bank under the revolving credit facility agreement
Blank promissory note	Santander Bank Polska S.A.	PLN 195,000 thousand	Until the derivative transactions are settled and the bank's claims thereunder are satisfied	KRUK S.A.'s failure to repay its liabilities under treasury transactions made on the basis of the master agreement on the procedure for execution and settlement of treasury transactions of 13 June 2013, as amended

Surety for InvestCapital LTD's liabilities under the transactions executed under the master agreement between KRUK S.A., InvestCapital LTD and Santander Bank Polska S.A.	Santander Bank Polska S.A.	up to PLN 195,000 thousand*	No later than 31 July 2027	InvestCapital LTD's failure to repay its liabilities under treasury transactions made on the basis of Amendment 3 of 21 June 2018 to the master agreement on the procedure for execution and settlement of treasury transactions
Surety for liabilities of InvestCapital Ltd, Kruk Romania S. R. L., Kruk Espana S. L. U. and PROKURA NFW FIZ under the revolving multi-currency credit facility agreement of 3 July 2017, as amended, between KRUK S.A., InvestCapital Ltd, Kruk Romania S.R.L., Kruk Espana S.L.U. and PROKURA NFW FIZ (the Borrowers) and DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A., PEKAO S.A.	DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A., PEKAO S.A.	EUR 975,000 thousand	Until all obligations under the multi-currency revolving credit facility agreement are satisfied No later than 31 December 2032	Borrower's failure to pay amounts due under the multicurrency revolving credit facility agreement
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 21 September 2021 between PROKURA NS FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 15,624 thousand	No later than 20 September 2029	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 14 December 2021 between PROKURA NFW FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 34,320 thousand	No later than 13 December 2029	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement
Surety for PROKURA NFW FIZ's liabilities towards Pekao S.A. under the overdraft facility agreement of 1 February 2022 between PROKURA NFW FIZ, KRUK S.A. and Pekao S.A.	Pekao S.A.	PLN 105,000 thousand	No later than 31 January 2031	Prokura NFW FIZ's failure to pay amounts owed to the bank under the overdraft facility agreement
Surety for PROKURA NFW FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 22 August 2022 between PROKURA NFW FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 43,560 thousand	No later than 21 August 2030	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement

Surety for InvestCapital Ltd's obligations to BANKINTER S.A. of Madrid, under the direct debit collection management contract between BANKINTER S.A. and InvestCapital Ltd. dated 7 July 2022.	BANKINTER S.A.	EUR 1,600 thousand	Until all obligations under the direct debit collection management contract of 7 July 2022 are satisfied.	InvestCapital Ltd's failure to pay amounts due to the Bank under the direct debit collection management contract of 7 July 2022.
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 8 February 2024 between PROKURA NFW FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 52,745 thousand	No later than 7 February 2032	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement
Guarantees obtained				
Guarantee issued by Santander Bank Polska S.A. for KRUK S.A.'s liabilities under the rental agreement	DEVCO Sp. z o.o.	EUR 341 thousand and PLN 271 thousand	No later than 31 May 2025	KRUK S.A.'s failure to repay its liabilities under the rental agreement secured with the guarantee
Guarantee issued by Santander Bank Polska S.A. for KRUK S.A.'s liabilities under the rental agreement	Vastint Poland Sp. z o.o.	EUR 471 thousand	No later than 6 November 2025	KRUK S.A.'s failure to repay its liabilities and properly perform its obligations under the rental agreement secured with the Guarantee

* As at 31 December 2024, InvestCapital Ltd had no obligations that would be covered by the surety.

Granting of credit sureties or guarantees, security pledges

On 19 December 2023, an amendment to the revolving credit facility agreement of 2 July 2015, as amended, was executed between Prokura NFW FIZ, KRUK S.A. and mBank S.A. of Warsaw. The facility limit was increased up to PLN 140,000 thousand and the availability period of the facility was extended until 18 December 2028.

Accordingly:

- On 10 January 2024, an amendment to the financial pledge agreement of 2 July 2015 was executed between Prokura NFW FIZ and mBank S.A. under which the security period was extended until 18 December 2031;
- On 10 January 2024, an amendment to the surety agreement of 2 July 2015 was executed between mBank S.A. and KRUK S.A. under which the surety amount was increased to PLN 210,000 thousand and the surety expiry date was extended until 18 December 2031;
- On 11 January 2024, KRUK S.A. submitted a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 210,000 thousand, which will expire on or before 19 December 2031;
- On 12 January 2024, Prokura NFW FIZ submitted a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 210,000 thousand, which will expire on or before 19 December 2031,

- On 12 January 2024, an amendment to the agreement on registered pledge over a set of rights of 20 March 2023 was executed between Prokura NFW FIZ and mBank S.A. under which the maximum secured amount was increased to PLN 210,000 thousand;
- Additionally, on 11 January 2024, Prokura NFW FIZ entered into an agreement with mBank S.A. to create a registered pledge over a pool of rights (debt portfolios held by Prokura NFW FIZ) in order to secure the payment of liabilities under the agreement. The registered pledge was created up to the maximum amount of PLN 210,000 thousand.

On 28 December 2023, a revolving credit facility agreement was executed between KRUK S.A. and Alior Bank S.A. The facility of up to PLN 100,000 thousand was granted until 31 December 2028. In order to secure the repayment of KRUK S.A.'s liabilities under the agreement:

- On 11 January 2024, KRUK S.A. submitted a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 150,000 thousand, which will expire on or before 31 December 2031.
- on 14 February 2024, an agreement was executed between KRUK S.A. and Alior Bank S.A. to create a financial and registered pledge over investment certificates. The registered pledge was created up to the maximum amount of PLN 150,000 thousand.

On 8 February 2024, a non-revolving working capital facility agreement was executed between Prokura NFW FIZ, KRUK S.A. and PKO BP S.A. of Warsaw. The facility has a maximum amount of PLN 39,300 thousand and matures on 7 February 2029. In order to secure the repayment of Prokura NFW FIZ's liabilities under the agreement:

- On 8 February 2024, an amendment to the agreement creating a financial pledge over a bank account of 5 October 2021 was executed between Prokura NFW FIZ and PKO BP S.A.;
- On 8 February 2024, an amendment to the agreement creating a financial pledge over a bank account of 5 October 2021 was executed between KRUK S.A. and PKO BP S.A.;
- On 8 February 2024, a surety agreement was executed between KRUK S.A. and PKO BP S.A. under which KRUK S.A. provided a surety for the borrower's liabilities of up to PLN 58,950 thousand;
- On 14 February 2024, Prokura NFW FIZ and KRUK S.A. submitted notarised consents to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 58,950 thousand, which will expire on or before 7 February 2032;
- On 10 July 2024, Prokura NFW FIZ entered into an agreement with PKO BP S.A. to create a registered pledge over a set of rights (debt portfolios owned by Prokura NFW FIZ). The registered pledge was created up to the maximum amount of PLN 58,950 thousand.

On 28 February 2024, a revolving working capital facility agreement was executed between KRUK S.A. and VeloBank S.A. of Warsaw. The facility has a maximum amount of PLN 118,000 thousand and matures on 28 February 2029. In order to secure the repayment of KRUK S.A.'s liabilities under the agreement, on 7 March 2024:

- KRUK S.A. submitted a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 177,000 thousand, which will expire on or before 1 March 2031;

- An agreement was executed between KRUK S.A. and VeloBank S.A. creating a financial and registered pledge over investment certificates. The registered pledge was created up to the maximum amount of PLN 177,000 thousand.

On 28 February 2024, an amendment to the non-revolving working capital facility agreement of 22 December 2021 was executed between KRUK S.A. and VeloBank S.A. of Warsaw, extending the availability period of the facility until 31 December 2028. In order to secure the repayment of liabilities arising under the agreement, on 7 March 2024, KRUK S.A. submitted a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 150,000 thousand, which will expire on or before 31 December 2030.

On 26 April 2024, all amounts due under the credit facility agreement executed between KRUK S.A. and VeloBank S.A. (formerly Getin Noble Bank S.A.) on 31 March 2014 were fully prepaid. The facility had a maturity date of 1 May 2024.

In connection with the revolving credit agreement No. K0007111 dated 8 April 2011, as amended, between KRUK S.A. and Santander Bank Polska S.A., Amendment 25 was signed on 2 September 2024, increasing the credit limit by PLN 150,000 thousand. The updated credit limits are as follows:

- Credit Facility – up to PLN 270,000 thousand or its equivalent in EUR, with the availability period and final repayment date set for 31 October 2029,
- Additional Credit Facility – up to PLN 105,000 thousand or its equivalent in EUR, with the availability period and final repayment date set for 29 October 2027.

As a result, on 4 September 2024:

- An amendment to the agreement on a registered pledge over certificates, dated 20 November 2017, between KRUK S.A. and Santander Bank Polska S.A. was signed, increasing the maximum secured amount to PLN 562,500 thousand;
- KRUK S.A. issued a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure, for up to PLN 405,000 thousand in respect of the Credit Facility, valid until 31 October 2029, and for up to PLN 157,500 thousand in respect of the Additional Credit Facility, expiring on or before 29 October 2027.

On 12 November 2024, an amendment to the revolving credit facility agreement of 2 July 2015, as amended, was executed between Prokura NFW FIZ, KRUK S.A. and mBank S.A. of Warsaw under which the availability period of the facility was extended until 18 December 2029.

Accordingly:

- On 19 November 2024, an amendment to the financial pledge agreement of 2 July 2015 was executed between Prokura NFW FIZ and mBank S.A. under which the security period was extended until 18 December 2032;
- On 19 January 2024, an amendment to the surety agreement of 2 July 2015 was executed between mBank S.A. and KRUK S.A. under which the surety expiry date was extended until 18 December 2032;

- On 20 November 2024, KRUK S.A. and Prokura NFW FIZ submitted notarised consents to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 210,000 thousand, which will expire on or before 31 December 2032.

As at 31 December 2024, the value of all portfolios pledged in favour of mBank S.A. was PLN 245,687 thousand.

On 20 December 2024, a revolving credit facility agreement was executed between KRUK S.A. and Alior Bank S.A. The facility has a maximum amount of PLN 200,000 thousand and matures on 31 December 2029. In order to secure the repayment of KRUK S.A.'s liabilities under the agreement:

- On 20 December 2024, KRUK S.A. submitted a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 300,000 thousand, which will expire on or before 31 December 2032.
- After the reporting date, on 15 January 2025, an agreement was executed between KRUK S.A. and Alior Bank S.A. creating a financial and registered pledge over investment certificates. The registered pledge was created up to the maximum amount of PLN 300,000 thousand.

On 30 December 2024, all amounts due under the credit facility agreement executed between KRUK S.A. and Alior Bank S.A. on 2 June 2023 were fully prepaid. The facility had a maximum amount of PLN 50,000 thousand and an original maturity date of 1 June 2025.

On 30 December 2024, all amounts due under the credit facility agreement executed between KRUK S.A. and Alior Bank S.A. on 28 December 2023 were fully prepaid. The facility had a maximum amount of PLN 100,000 thousand and an original maturity date of 31 December 2028.

On 20 December 2024, a non-revolving working capital facility agreement was executed between Prokura NFW FIZ, KRUK S.A. and PKO BP S.A. of Warsaw. The facility has a maximum amount of PLN 40,000 thousand and matures on 19 December 2029. In order to secure the payment by Prokura NFW FIZ of its liabilities under the agreement, subsequent to the reporting date:

- On 8 January 2025, a surety agreement was executed between KRUK S.A. and PKO BP S.A. under which KRUK S.A. provided a surety for the borrower's liabilities of up to PLN 60,000 thousand;
- On 9 January 2025, an amendment to the agreement creating a financial pledge over a bank account of 5 October 2021 was executed between Prokura NFW FIZ and PKO BP S.A.;
- On 9 January 2025, an amendment to the agreement creating a financial pledge over a bank account of 5 October 2021 was executed between KRUK S.A. and PKO BP S.A.;
- On 9 January 2025, Prokura NFW FIZ and KRUK S.A. submitted notarised consents to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 60,000 thousand, which will expire on or before 31 December 2032;
- On 31 January 2025, Prokura NFW FIZ entered into an agreement with PKO BP S.A. to create a registered pledge over a set of rights (debt portfolios owned by Prokura NFW FIZ). The registered pledge was created up to the maximum amount of PLN 60,000 thousand.

As at 31 December 2024, the value of all portfolios pledged in favour of PKO BP S.A. was PLN 170,910 thousand.

In connection with a PLN 60,000 thousand share capital cancellation at InvestCapital Ltd., carried out on 14 September 2023, on 14 September 2023 KRUK S.A. issued a corporate guarantee of up to PLN 60,000 thousand for the benefit of InvestCapital Ltd. The guarantee expired on 9 January 2024. The purpose of the guarantee was to secure the interests of InvestCapital Ltd.'s creditors, who could challenge the share cancellation by 9 January 2024.

In connection with a PLN 180,000 thousand share capital cancellation at InvestCapital Ltd., carried out on 22 September 2023, on 22 September 2023 KRUK S.A. issued a corporate guarantee of up to PLN 180,000 thousand for the benefit of InvestCapital Ltd. The guarantee expired on 9 January 2024. The purpose of the guarantee was to secure the interests of InvestCapital Ltd.'s creditors, who could challenge the share cancellation by 9 January 2024.

18. Events subsequent to the reporting date not disclosed in these financial statements but potentially having a material bearing on the Group's future performance

After the end of the fourth quarter of 2024, there were no events with a potentially material bearing on the Company's future performance.

Piotr Krupa
*CEO and President of the
Management Board*

Urszula Okarma
Member of the Management Board

Piotr Kowalewski
Member of the Management Board

Adam Łodygowski
Member of the Management Board

Michał Zasepa
Member of the Management Board

Sylwia Bomba
*Person responsible for keeping
the accounting records*

Hanna Stempień
*Person responsible for preparation
of the financial statements*

Wrocław, 26 February 2025