



The published XHTML report is the binding version of financial statements

Separate financial statements

for the year ended 31 December 2025

Prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Separate financial statements

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Separate statement of profit or loss

PLN '000	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Revenue from services	4.1.	330,550	417,923
Interest income on debt portfolios measured at amortised cost	4.2.	18,120	17,419
Gain/(loss) on expected credit losses	4.2.	10,434	12,755
Other operating income	4.3.	2,737	3,915
Other income/(expenses) from purchased debt portfolios	4.2.	(837)	(440)
Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios		361,004	451,572
Share of profit/(loss) of subsidiaries accounted for using the equity method	14.	1,346,389	1,011,127
Employee benefits expense	7.	(263,312)	(242,046)
Depreciation and amortisation	11.,13.	(29,304)	(27,767)
Service expense	5.	(129,244)	(102,447)
Other expenses	6.	(36,402)	(33,240)
		(458,262)	(405,500)
Finance income	8.	144,226	145,333
<i>including interest income on loans measured at amortised cost</i>	8.	<i>144,191</i>	<i>140,130</i>
Finance costs	8.	(276,219)	(248,161)
<i>including interest expense relating to lease liabilities</i>		<i>(1,947)</i>	<i>(1,174)</i>
Net finance costs		(131,993)	(102,828)
Profit/(loss) before tax		1,117,138	954,371
Income tax	9.	(20,996)	89,009
Net profit/(loss) for period		1,096,142	1,043,380
Earnings/(loss) per share			
Basic (PLN)	22.	56.49	53.95
Diluted (PLN)	22.	53.54	50.94

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

Separate statement of comprehensive income

PLN '000	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Net profit/(loss) for period		1,096,142	1,043,380
Other comprehensive income, gross			
Items that may be reclassified subsequently to profit or loss			
Instruments hedging cash flows and net investment in a foreign subsidiary	24.	49,955	21,477
Exchange differences on translating of foreign operations	14.	(37,942)	(34,863)
Share of other comprehensive income of subsidiaries accounted for using the equity method	14.	5,607	(3,746)
		17,620	(17,132)
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of subsidiaries accounted for using the equity method	14.	1,768	43
		1,768	43
Other comprehensive income for period, gross		19,388	(17,089)
Items that may be reclassified subsequently to profit or loss			
Income tax on instruments hedging cash flows and net investment in a foreign subsidiary	17. 24.	(9,491)	(4,081)
Other comprehensive income for period, net		9,897	(21,170)
Total comprehensive income for period		1,106,039	1,022,210

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

Separate statement of financial position

PLN '000	Note	31 Dec 2025	31 Dec 2024 Restated	1 Jan 2024 Restated
Assets				
Cash and cash equivalents	20.	12,660	9,110	227,643
Hedging instruments	24.	137,354	114,326	98,428
Trade receivables from related entities	19.	40,995	98,666	33,932
Trade receivables from other entities	19.	1,843	2,991	2,582
Other receivables	19.	9,333	7,687	11,664
Income tax receivables		4,789	2,716	16,232
Inventories	18.	5,909	9,979	14,562
Loans to related parties	15.,3.2.	1,395,490	1,585,407	1,400,771
Investments in debt portfolios	16.,3.2.	32,754	32,494	31,747
Equity-accounted investments in subsidiaries	14.	7,792,822	6,496,565	5,483,390
Property, plant and equipment	11.	59,914	31,049	35,348
Intangible assets	13.	78,287	22,639	29,427
Other assets		10,416	9,117	8,787
Total assets		9,582,566	8,422,746	7,394,513
Equity and liabilities				
Liabilities				
Trade and other payables	27.	34,251	36,477	35,452
Derivatives		58	105	-
Hedging instruments	24.	13,275	21,352	20,883
Employee benefit liabilities	25.	40,638	42,746	38,196
Secured borrowings	23., 3.2.	538,378	584,002	386,787
Debt securities	23.,3.2.	3,460,890	3,109,702	2,851,202
Lease liabilities	23.,3.2.	62,486	12,650	27,483
Provisions	26.	2,692	3,522	40,810
Deferred tax liabilities	17.	123,198	113,864	202,307
Total liabilities		4,275,866	3,924,420	3,603,120
Equity				
Share capital	21.	19,492	19,382	19,319
Share premium		401,539	374,097	358,506
Hedge reserve	24.	120,634	80,170	62,774
Translation reserve		(168,676)	(130,734)	(95,871)
Share of other comprehensive income of subsidiaries accounted for using the equity method		(4,728)	(12,103)	(8,400)
Other reserves		212,689	188,654	171,847
Retained earnings		4,725,750	3,978,860	3,283,218
Total equity		5,306,700	4,498,326	3,791,393
Total equity and liabilities		9,582,566	8,422,746	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.

Separate statement of changes in equity

PLN '000	Note	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 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	14.	-	-	-	(34,863)	-	-	-	(34,863)
-Share of other comprehensive income of subsidiaries accounted for using the equity method	14.	-	-	-	-	(3,703)	-	-	(3,703)
- Measurement of hedging instruments	24.	-	-	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	22.	-	-	-	-	-	-	(347,738)	(347,738)
- Share-based payments	21.	-	-	-	-	-	16,807	-	16,807
- Issue of shares	21.	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		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.

Separate financial statements for the year ended 31 December 2025 prepared in accordance with the IFRS endorsed by the EU (PLN thousand)
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PLN '000	Note	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 2025		19,382	374,097	80,170	(130,734)	(12,103)	188,654	3,978,860	4,498,326
Comprehensive income for period									
Net profit/(loss) for period		-	-	-	-	-	-	1,096,142	1,096,142
Other comprehensive income									
- Exchange differences on translating of foreign operations	14.	-	-	-	(37,942)	-	-	-	(37,942)
- Share of other comprehensive income of subsidiaries accounted for using the equity method	14.	-	-	-	-	7,375	-	-	7,375
- Measurement of hedging instruments	24.	-	-	40,464	-	-	-	-	40,464
Total other comprehensive income		-	-	40,464	(37,942)	7,375	-	-	9,897
Total comprehensive income for period		-	-	40,464	(37,942)	7,375	-	1,096,142	1,106,039
Contributions from and distributions to owners									
- Payment of dividends	22.	-	-	-	-	-	-	(349,252)	(349,252)
- Share-based payments	21.	-	-	-	-	-	24,035	-	24,035
- Issue of shares	21.	110	27,442	-	-	-	-	-	27,552
Total contributions from and distributions to owners		110	27,442	-	-	-	24,035	(349,252)	(297,665)
Total equity as at 31 Dec 2025		19,492	401,539	120,634	(168,676)	(4,728)	212,689	4,725,750	5,306,700

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.

Statement of cash flows

PLN '000	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024 Restated
Cash flows from operating activities			
Net profit/(loss) for period		1,096,142	1,043,380
<i>Adjustments</i>			
Depreciation of property, plant and equipment	11.	16,198	16,686
Amortisation of intangible assets	13.	13,106	11,081
Net finance costs	8.	131,159	102,272
Share of (profit)/loss of subsidiaries accounted for using the equity method	14.	(1,346,389)	(1,011,127)
Settlement of lease payments under terminated contracts	4.3.	(54)	-
(Gain)/loss on retirement/sale of property, plant and equipment	4.3.	(646)	284
Write-off of development work	6.	-	1,055
Equity-settled share-based payments	21.	24,035	16,807
Interest income	4.2.	(18,120)	(17,419)
Income tax	9.	20,996	(89,009)
Change in debt portfolios purchased	16.	(260)	(747)
Change in inventories	18.	4,070	4,583
Change in trade and other receivables	19.	70,439	(48,346)
Change in other assets		(1,299)	(330)
Change in trade and other payables, excluding financial liabilities	27.	(2,402)	911
Change in employee benefit liabilities	25.	(2,108)	4,550
Change in provisions	26.	777	(10,341)
Interest received	4.2.	18,120	17,419
Tax paid/refunded		(23,814)	(16,945)
Net cash from (used in) operating activities		(50)	24,764
Cash flows from investing activities			
Interest received		108,446	100,865
Loans granted	15.	(56,400)	(540,808)
Proceeds from disposal of intangible assets and property, plant and equipment	11., 13.	10,928	5,788
Dividends received	14.	23,008	17,363
Proceeds from investments in subsidiaries	14.	304,084	141,420
Proceeds from sale of subsidiaries	14.	5,650	-
Expenditure on intangible assets and property, plant and equipment (including assets under construction)	11., 13.	(59,036)	(19,335)
Acquisition of shares in subsidiaries	14.	(335,911)	(190,296)
Repayments of loans granted	15.	277,704	363,542
Net cash from (used in) investing activities		278,473	(121,461)
Cash flows from financing activities			
Proceeds from issue of debt securities	23.	600,000	373,724
Proceeds from issue of shares	21.	27,552	15,654
Increase in borrowings	23.	1,564,912	1,656,231
Interest received on hedging instruments	3.2.	146,262	119,292
Repayment of borrowings	23.	(1,606,368)	(1,457,707)
Payments under finance lease contracts (principal)	23.	(15,031)	(19,097)
Dividends paid	22.	(349,252)	(347,738)
Redemption of debt securities	23.	(242,500)	(102,500)
Interest paid on hedging instruments	3.2.	(62,843)	(35,727)
Interest paid		(337,605)	(323,968)
Net cash from (used in) financing activities		(274,873)	(121,836)
Total net cash flows		3,550	(218,533)
Cash and cash equivalents at beginning of period		9,110	227,643
Cash and cash equivalents at end of period		12,660	9,110

- effect of exchange rate fluctuations on cash held (834) (556)
The separate statement of cash flows should be read in conjunction with the notes to these separate financial statements, which form their integral part.

Material accounting policies and other notes

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1. Company details

Name

KRUK Spółka Akcyjna ("KRUK S.A." or the "Company")

Registered office

ul. Bolkowska 3
 53-612 Wrocław, Poland
 Poland

On 31 March 2025, the Company's registered office address was changed from ul. Wołowska 8, 51-116 Wrocław – to ul. Bolkowska 3, 53-612 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

Business profile

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. KRUK S.A. has no parent or shareholder that has the ability to influence the Group's financial and operating policies through control, joint control, or the exercise of significant influence.

As at 31 December 2025 and as at the date of authorisation of these separate financial statements for issue, the composition of the Company'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 Zasepa	Member of the Management Board

As at 31 December 2025, 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
Dominika Bettman	Member of the Supervisory Board
Katarzyna Beuch	Member of the Supervisory Board
Izabela Felczak-Poturnicka	Member of the Supervisory Board
Piotr Stępiak	Member of the Supervisory Board
Piotr Szczepiórkowski	Member of the Supervisory Board

As at 31 December 2024, the composition of the Company'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

As at 31 December 2024, the composition of the 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 Stępiak	Member of the Supervisory Board
Piotr Szczepiórkowski	Member of 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.

Following the end of the reporting period until the issue date of this Report, no changes occurred in the Management Board or Supervisory Board.

2. Basis of preparation

2.1. Statement of compliance

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as endorsed by the European Union ("EU").

These separate financial statements were authorised for issue by the Company's Management Board (the "Management Board") on 9 March 2026.

These separate financial statements have been prepared on the assumption that the Company will continue as a going concern for the foreseeable future. As at the date of authorisation of these separate financial statements, no circumstances were identified which would indicate any threat to the Company continuing as a going concern. The going concern assumption was reviewed in light of the current economic and political climate.

These separate financial statements should be read in conjunction with the consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards as at and for the year ended 31 December 2025. The separate and consolidated financial statements are available at: [Periodic reports / KRUK S.A.](#)

2.2. Basis of accounting

These financial statements have been prepared as at 31 December 2025 and for the reporting period from 1 January 2025 to 31 December 2025. The comparative data is presented as at 31 December 2024 and for the period 1 January 2024 – 31 December 2024.

The separate financial statements have been prepared based on the following valuation and accounting concepts:

- measurement with the equity method – for investments in subsidiaries;
- at amortised cost calculated using the effective interest rate method
 - including impairment 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.

2.3. Functional currency and presentation currency

In these separate financial statements all amounts are presented in the Polish złoty (PLN), 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.

2.4. Accounting estimates and judgements

In order to prepare separate financial statements in accordance with the EU-IFRS, the Management Board is required to make judgements, estimates and assumptions which affect the application of

accounting policies and the reported amounts of assets, liabilities, income and costs, whose actual values may differ from those 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 separate financial statements:

Item subject to estimation (PLN '000)	31 Dec 2025	31 Dec 2024	Note
Equity-accounted investments in subsidiaries	7,792,822	6,496,565	14
Assumptions and estimate calculation			
<p>Equity-accounted investments in subsidiaries 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.</p>			
Item subject to estimation (PLN '000)	31 Dec 2025	31 Dec 2024	Note
Investments in debt portfolios	32,754	32,494	16.;28.1;28.2; 28.3.
Assumptions and estimate calculation			
<p>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.</p> <p>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.</p> <p>For a sensitivity analysis, see Note 16.</p>			

Item involving judgement (PLN '000)	31 Dec 2025	31 Dec 2024	Note
Deferred tax liabilities	123,198	113,864	17
Assumptions and estimate calculation			
<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.</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 liabilities for expected future cash flows from subsidiaries may be subject to material changes in individual reporting periods.</p> <p>The Company assesses the recoverability of the deferred tax asset/liabilities based on its approved projection of profits for the following years. For a sensitivity analysis, see Note 17.</p>			

3. Material accounting policies

These separate financial statements comply with the requirements of all 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 2025.

Material accounting policies are discussed below and within the relevant notes to these separate financial statements.

3.1. Changes in accounting policies

The accounting policies presented below were applied consistently to all periods covered by the separate financial statements, except for changes in the presentation of items described in Note 3.2.

There were no significant changes in accounting policies in 2025.

The Company applied the following amendments to standards and interpretations approved for use in the European Union as of 1 January 2025:

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rate – Lack of Exchangeability*:

The amendments introduce a definition of exchangeability, require entities to estimate the exchange rate when a currency is not exchangeable, and require additional disclosures enabling users to evaluate the impact on the separate financial statements.

The Company conducts transactions primarily in the following currencies: PLN, EUR, RON, CZK and USD. As at the date of these separate financial statements, all of these currencies were fully exchangeable in the market and there were no restrictions on the remittance of funds or determination of exchange rates. Accordingly, the amendment had no effect on the Company's separate financial statements for 2025.

The Company monitors the risk of a lack of currency exchangeability. In the event that a currency becomes non-exchangeable, the Company will estimate the exchange rate at the measurement date using methods that would yield a rate reflecting an orderly exchange transaction between market participants under prevailing economic conditions.

3.2. Restatement for comparability

In order to better reflect the economic substance, the Company changed the presentation of the line item *Investments* in its separate statement of financial position by separating it into distinct line items: *Loans to related parties* and *Investments in debt portfolios*. The Company also changed the presentation of the line item *Borrowings, debt securities and leases* by separating it into three distinct line items: *Secured borrowings, Debt securities and Lease liabilities*.

In its separate statement of cash flows, the Company separated the line item *Interest received and paid on hedging instruments*, presenting the respective amounts in separate line items: *Interest received on hedging instruments* and *Interest paid on hedging instruments*.

The data originally reported in the published separate financial statements as at 31 December 2024 and 1 January 2024, and for the period from 1 January 2024 to 31 December 2024 has been restated to ensure comparability.

Effect of the change on the separate statement of financial position

<i>PLN '000</i>	31 Dec 2024 Originally reported	change	31 Dec 2024 Restated to ensure comparability
Investments	1,617,901	(1,617,901)	-
Loans to related parties	-	1,585,407	1,585,407
Investments in debt portfolios	-	32,494	32,494

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PLN '000	1 Jan 2024 Originally reported	change	1 Jan 2024 Restated to ensure comparability
Investments	1,432,518	(1,432,518)	-
Loans to related parties	-	1,400,771	1,400,771
Investments in debt portfolios	-	31,747	31,747

PLN '000	31 Dec 2024 Originally reported	change	31 Dec 2024 Restated to ensure comparability
Borrowings, other debt securities and leases	3,706,354	(3,706,354)	-
Secured borrowings	-	584,002	584,002
Debt securities	-	3,109,702	3,109,702
Lease liabilities	-	12,650	12,650

PLN '000	1 Jan 2024 Originally reported	change	1 Jan 2024 Restated to ensure comparability
Borrowings, other debt securities and leases	3,265,472	(3,265,472)	-
Secured borrowings	-	386,787	386,787
Debt securities	-	2,851,202	2,851,202
Lease liabilities	-	27,483	27,483

Effect of the change on the separate statement of cash flows

PLN '000	1 Jan–31 Dec 2024 Originally reported	change	1 Jan–31 Dec 2024 Restated to ensure comparability
Interest paid and received on hedging instruments	83,565	(83,565)	-
Interest received on hedging instruments	-	119,292	119,292
Interest paid on hedging instruments	-	(35,727)	(35,727)

3.3. Foreign currencies

3.3.1. Foreign currency transactions

Transactions denominated in foreign currencies are recognised as at the transaction date in the functional currency, at buy or sell rates quoted as at the transaction date by the bank whose services the Company uses.

Cash items of assets and liabilities denominated in a foreign currency are translated as at the end of the reporting period at the relevant mid exchange rate quoted by the National Bank of Poland for that date. Exchange differences on measurement of financial assets and liabilities as at the end of the

reporting period are the differences between the value at amortised cost (or at fair value) in the functional currency as at the beginning of the reporting period, adjusted for the interest accrued and payments made during the reporting period, and the value at amortised cost (or fair value) in the foreign currency, translated at the relevant mid exchange rate quoted by the National Bank of Poland for the end of the reporting period.

Non-monetary items of foreign currency assets and liabilities valued at historical cost are translated at the relevant mid exchange rate quoted by the National Bank of Poland for the transaction date.

Currency-translation differences are recognised in profit or loss for the given period.

3.3.2. Translation of foreign operations

Assets and liabilities of foreign entities are translated at the mid exchange rate quoted by the National Bank of Poland at the end of the reporting period.

Retained earnings from foreign operations are translated at the arithmetic mean of mid rates quoted by the National Bank of Poland for the last day of each month in the year in which the profit/(loss) was generated. For information on the rates of exchange applied, see Note 28.3.

Any currency-translation differences are recognised as other comprehensive income. Where a foreign operation is sold, in whole or in part, relevant amounts recognised in equity are charged to profit or loss for the period.

3.4. Financial instruments

The section below contains a general overview of material accounting policies relating to financial instruments. Detailed descriptions of the individual categories of financial instruments are provided in the respective notes.

3.4.1. Financial assets

The Company measures financial assets at amortised cost.

The classification of financial assets as at the acquisition or origination date depends on the business model adopted by the Company to manage a given group of assets and the characteristics of contractual cash flows arising from a single asset or group of assets.

The Company identifies the following business models:

- 'Hold to collect' model – a model in which financial assets originated or acquired are held to derive benefits from contractual cash flows,
- 'Hold to collect and sell' model – a model where financial assets are held after the origination or acquisition in order to derive benefits from contractual cash flows, but can also be sold – often and in high volume transactions,
- 'Other' model - a model other than the 'hold to collect' model and 'hold to collect and sell' model.

An assessment of the characteristics of contractual cash flows involves performing the qualitative SPPI test in order to determine whether the cash flows arising from a given financial asset represent solely payments of principal and interest on the outstanding principal amount.

The SPPI test is performed for each financial asset or group of financial assets held in the 'hold to collect' (business model whose objective is to hold financial assets to collect contractual cash flows) and 'hold to collect and sell' (business model whose objective is achieved by both collecting contractual cash flows and selling financial assets) business model as at initial recognition of the asset (including for a substantial modification after restatement of the financial asset).

On initial recognition, the Company measures financial assets at fair value, net of trade and other receivables.

Trade and other receivables as well as employee loans without a significant financing component are initially measured at the transaction price.

Following initial recognition, the following financial assets are measured at amortised cost:

- Investments in debt portfolios,
- trade and other receivables,
- loans to related parties.

Investments in debt portfolios, trade and other receivables, and loans to related parties are measured at amortised cost in accordance with IFRS 9 if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI test passed).

Financial assets were not reclassified in 2025 or in 2024.

3.4.2. Financial liabilities other than derivative instruments, trade and other payables

For the policy applied to measure trade payables, liabilities under borrowings and other financial liabilities, see Notes 23 and 27.

3.5. Impairment losses on assets

3.5.1. Financial assets

For information on the recognition of impairment losses on financial assets, see Notes 15, 16 and 19.

3.5.2. Non-financial assets

The carrying amount of non-financial assets is tested for impairment as at the end of each reporting period. If any criteria of impairment are met, the Company estimates the recoverable amount of particular assets or cash-generating units.

With regard to investments in subsidiaries, objective impairment indications include losses incurred by a given subsidiary or significant impairment of assets.

The recoverable amount of assets or cash-generating units is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, projected cash flows are discounted at a rate which reflects current market assessments of the time value of money and the risks specific to the asset.

To calculate the discount rate, the Company uses the weighted average cost of capital for the debt collection or lending industry, as appropriate. To calculate cost of equity, the Company applied the Capital Asset Pricing Model (CAPM) based on financial data of debt collection or lending companies operating on global markets.

For impairment testing, assets are grouped up to the smallest distinguishable units which generate cash largely independently from other assets or units of assets.

The Company tests shares in subsidiaries for impairment with respect to cash flows generated by each subsidiary.

Recognition and reversal of impairment losses on investments in subsidiaries are recognised in the separate statement of profit or loss as 'Share of profit/(loss) of subsidiaries accounted for using the equity method'.

3.6. Segment reporting

The reportable segments are presented in the consolidated financial statements of the KRUK Group.

3.7. New standards and interpretations not applied in these separate financial statements

A number of new standards, amendments to standards and interpretations were not yet effective for the annual periods ended 31 December 2025 and have not been applied in preparing these separate financial statements. From among the new standards, amendments to standards and interpretations, the ones discussed below may have an effect on the Company's separate financial statements. The Company intends to apply them to the periods for which they are effective for the first time.

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

The following amendments to International Financial Reporting Standards and their interpretations, endorsed by the European Union (the "EU IFRSs") apply to reporting periods beginning on or after 1 January 2026:

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
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> , and IAS 7 <i>Statement of Cash Flows</i> .	The Company is assessing the potential impact of the amendments on its separate financial statements. The Company does not expect the amendments to have a material effect on its financial statements.	1 January 2026
Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)	In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 aimed at: (a) clarifying the date of recognition and derecognition of certain financial assets and financial liabilities, with an exception of certain financial liabilities settled through an electronic cash transfer system;	The Company is assessing the potential impact of the amendments on its separate financial statements. The Company does not expect the amendments to	1 January 2026

Separate financial statements for the year ended 31 December 2025 prepared in accordance with the IFRS endorsed by the EU (PLN thousand)
The published XHTML report is the binding version of financial statement

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
	(b) clarifying and providing additional guidance on the assessment of whether a financial asset meets the SPPI criteria; (c) introducing new disclosures related to certain instruments whose contractual clauses could modify cash flows; and d) updating disclosures related to equity instruments measured at fair value through other comprehensive income (FVOCI).	have a material effect on its financial statements.	
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 amendments will have no effect on the separate financial statements.	1 January 2026

3.7.2. 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> and Amendments to IFRS 19	The new standard specifies reduced disclosure requirements that an eligible entity may apply instead of the disclosure requirements in other IFRSs.	The amendments will have no effect on the separate financial statements.	1 January 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	The new standard, issued in April 2024, is to supersede IAS 1 <i>Presentation of Financial Statements</i> . The implementation of the new requirements is intended to enhance the comparability and transparency of financial statements.	Based on the Company's analysis, the application of the standard will affect the presentation and scope of disclosures in its separate financial statements.	1 January 2027
IAS 21 <i>The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency</i>	The purpose of the amendments is to provide consistent rules for translating financial information into a hyperinflationary presentation currency. The amendments address situations in which an entity presents its financial statements in the currency of a hyperinflationary economy, while its functional currency or the functional currency of its foreign operation is that of a non-hyperinflationary economy.	The amendments will have no effect on the separate financial statements.	1 January 2027

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

4.1. Revenue from services

Material accounting policies

Revenue from debt collection and credit management services

Revenue from debt collection and credit management services comprises commission fees due for the collection of debts. Such revenue is recognised on an accrual basis, in the period in which the service was provided, based on a defined percentage of collected amounts, as provided for in the relevant contract with a business partner.

The performance obligation arises upon execution of the contract and provision of the data necessary to initiate the debt recovery process. Payment for services is made within 14-30 days of the respective invoice date.

Revenue from other services

Revenue from other services includes revenue from support services rendered in the following areas: projects, operational analyses, cybersecurity, risk management, human resources, IT services, as well as consideration for the provision of guarantees.

Revenue from services is disclosed in the amount equal to the fair value of the payment received, net of refunds, discounts and rebates. It is recognised on a continuous basis in monthly and quarterly accounts, depending on the structure of the contract. Payment for the provision is made within 14-30 days of the respective invoice date.

Financial information

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Revenue from debt collection and credit management services	207,827	314,384
Revenue from other services	122,637	103,439
Revenue from sale of merchandise and materials	86	100
	<u>330,550</u>	<u>417,923</u>

Revenue from debt collection and credit management services comprises commission fees ranging from 2% to 49% of the collected debts. Fee rates depend on delinquency periods, amounts outstanding, and on whether there have been any prior collection attempts. The Company's main client in the group of non-related entities accounts for 1% of revenue from credit management services, and in the group of related entities – for 93.3% (2024: 1%, 93.2%).

Revenue from other services comprises revenue from the services specified below:

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Guarantee fees	40,505	44,277
IT services	32,071	30,628
Administrative support services	20,020	14,402
Project support services*	16,095	-
Rental services	7,425	7,088
Valuation services	6,518	7,041
Other services	3	3
	122,637	103,439

* Services supporting projects related to KRUK S.A.'s digital transformation.

4.2. Revenue from purchased debt portfolios

Material accounting policies

Revenue from purchased debt portfolios includes mainly interest income on investments in debt portfolios and is presented in the separate statement of profit or loss under 'Interest income on debt portfolios measured at amortised cost'.

The credit risk-adjusted effective interest rate used for discounting estimated cash flows is calculated based on the initial cash recovery projections, which take into account the initial value of the investment in debt portfolios, and remains unchanged throughout the life of a portfolio.

Interest income is calculated based on the net carrying amount of the investment in debt portfolios measured at amortised cost in accordance with the regulations applicable to purchased credit-impaired financial assets, using an effective interest rate including an element that reflects that credit risk, and is recognised in profit or loss for the current period. All interest income is recognised as an increase in the carrying amount of the portfolio. All actual recoveries collected during the period are recognised as a decrease in the carrying amount of the portfolio.

Moreover, any changes in the portfolio's value resulting from changes in the estimated timing and amounts of expected future cash recoveries for the portfolio are disclosed as 'Gain/(loss) on expected credit losses from purchased debt portfolios'.

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 lifetime recoveries; historically, no correlation between recoveries from purchased debt portfolios and the macroeconomic situation has been found.

Foreign exchange gains/(losses) are recognised under 'Other income/(expenses) from purchased debt portfolios'.

Financial information

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Interest income on debt portfolios measured at amortised cost	18,120	17,419
Gain/(loss) on expected credit losses	10,434	12,755
Other income/(expenses) from purchased debt portfolios	(837)	(440)
	27,717	29,734

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

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Revaluation of projected recoveries	6,873	9,089
Deviations from actual recoveries, decreases on early collections in collateralised cases	3,561	3,666
	10,434	12,755

Assumptions adopted in the valuation of debt portfolios

	31 Dec 2025	31 Dec 2024
Discount rate*	28.11% - 170.19%	28.11% - 170.19%
Cash flows estimation period**	Jan 2026–Dec 2043	Jan 2025–Dec 2039
Undiscounted value of future recoveries PLN '000	137,740	122,129

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

** In 2025, in-depth analyses were performed in respect of debt portfolios acquired by KRUK S.A. in previous years. These analyses support an extension of the recovery projection period for the portfolios concerned. As further operational data is obtained, additional potential for further extension of the recovery period is identified. The impact of the projected extension is immaterial from a financial reporting perspective, not exceeding 1% of the value of the portfolios. At the same time, the change has no material impact on the valuation of the portfolios, primarily due to the high level of time discounting applied in estimating future cash flows.

PLN '000	31 Dec 2025	31 Dec 2024
discount rate:		
< 25%	68	19
25% - 50%	18,091	16,793
> 50%	119,581	105,317
	<u>137,740</u>	<u>122,129</u>

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

PLN '000	31 Dec 2025	31 Dec 2024
Time horizon		
Up to 12 months	21,852	22,349
From 1 to 2 years	19,066	18,223
From 2 to 3 years	16,264	15,194
From 3 to 4 years	13,636	12,744
From 4 to 5 years	11,525	10,478
From 5 to 6 years	9,789	8,425
From 6 to 7 years	8,433	6,921
From 7 to 8 years	7,430	5,852
From 8 to 9 years	6,560	4,971
From 9 to 10 years	5,711	4,242
From 10 to 11 years	4,944	3,616
From 11 to 12 years	4,050	3,182
From 12 to 13 years	3,213	2,630
From 13 to 14 years	2,582	1,838
From 14 to 15 years	1,547	1,464
Over 15 years	1,138	-
	<u>137,740</u>	<u>122,129</u>

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,
- revaluation of estimated remaining collections.

Other income/(expenses) from purchased debt portfolios

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Foreign exchange gains/(losses)	(837)	(440)
	<u>(837)</u>	<u>(440)</u>

4.3. Other operating income

Material accounting policies

Other operating income comprises operating income not directly related to the Company's main business objects. It includes in particular income from retirement/sale of property, plant and equipment, income/(expenses) from recharged services, as well as damages and penalties received.

Other operating income is recognised in the amount equal to transaction value.

Financial information

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Compensation for motor damage and return of premiums	1,024	68
Gain (loss) on sale of property	686	3,376
Gain/(loss) on retirement/sale of property, plant and equipment	646	(284)
Other	277	131
Settlement of lease payments under terminated contracts	54	-
Re-billing income/(expense)	50	624
	2,737	3,915

5. Service expense

Material accounting policies

'Service expense' include costs of services provided by third parties, such as debt collection, IT, advisory services, short-term rental, property security, service charges, as well as management, packaging, postal and courier services.

The costs of services are charged to current period expenses.

Financial information

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
IT services	(59,036)	(46,679)
Administrative and accounting support services	(29,648)	(18,199)
Debt collection services	(13,044)	(13,349)
Postal and courier services	(8,310)	(7,422)
Communications services	(4,584)	(3,867)
Space rental and service charges	(4,190)	(3,557)
Legal assistance services	(3,680)	(2,531)
Security services	(1,350)	(986)
Banking services	(922)	(1,087)
Other rental	(850)	(678)
Repair of vehicles	(829)	(722)
Recruitment services	(812)	(965)
Other auxiliary services	(697)	(804)
Repair and maintenance services	(475)	(400)
Printing services	(391)	(480)
Transport services	(325)	(154)
Packing services	(52)	(118)
Marketing and management services	(49)	(449)
	<u>(129,244)</u>	<u>(102,447)</u>

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

6. Other expenses

Material accounting policies

'Other expenses' include:

- court fees incurred as part of the legal collection process,
- promotion, advertising and entertainment costs,
- fees payable to the Polish Financial Supervision Authority and the Central Securities Depository of Poland,
- taxes and charges (including property tax, VAT, municipal and administrative charges),
- insurance costs,
- infrastructure maintenance costs.

Other expenses are recognised as expenses for the period to which they relate.

Financial information

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Raw materials and consumables used	(11,592)	(7,000)
Staff training	(6,766)	(6,859)
Advertising	(4,528)	(3,935)
Business travel	(2,927)	(2,615)
VAT on rental payments (leases and rents)	(2,029)	(1,915)
Entertainment expenses	(1,958)	(2,324)
Motor insurance	(1,525)	(811)
Losses caused by motor damage	(1,174)	(667)
Membership fees	(948)	(218)
Court fees	(801)	(905)
Refund of litigation costs	(726)	(894)
Donations	(665)	(814)
Property insurance	(599)	(510)
Non-competition	(407)	(280)
Other	(65)	(304)
Write-off of development work	-	(1,055)
Taxes and charges	308	(2,134)
	<u>(36,402)</u>	<u>(33,240)</u>

The increase in raw materials and consumables used compared with 2024 was attributable to the expenses on office equipment incurred due to the relocation of the Company's registered office.

7. Employee benefits expense

Material accounting policies

'Employee benefits expense' includes:

- salaries and social security contributions (including pension and disability insurance contributions),
- provisions for accrued holiday entitlements,
- pension and disability insurance provisions,
- bonus provisions,
- management stock option plan recognised in accordance with IFRS 2 'Share-based Payment', and
- costs of other pay and non-pay employee benefits.

Employee benefits expense is recognised as an expense for the period to which it relates.

Financial information

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Salaries and wages	(186,787)	(180,661)
Pension and disability insurance contributions (defined contribution plans)	(31,891)	(27,250)
Equity-settled cost of stock option plan*	(24,035)	(16,807)
Other employee expenses	(14,204)	(9,739)
Other social security contributions	(4,887)	(6,208)
Contribution to the State Fund for the Disabled	(1,508)	(1,381)
	<u>(263,312)</u>	<u>(242,046)</u>

* The management stock option plan is described in Note 21.

8. Finance income and costs

Material accounting policies

Finance income includes interest income on cash invested by the Company, interest income on loans to related parties (net of income on purchased debt (Note 4.2)), as well as foreign exchange gains on translation of monetary items.

Interest income is presented in profit or loss of the period using the effective interest rate method.

Finance costs include interest expense related borrowings, net losses on derivatives and hedging instruments (presented as hedging costs), as well as foreign exchange losses on translation of monetary items. Borrowing costs that are not directly attributable to acquisition or production of particular assets are recognised in profit or loss of the period using the effective interest rate method. Foreign exchange gains and losses are posted in net amounts.

Hedging costs are recognised in the same line item as those relating to the hedged item and are described in Note 24.

Financial information

Finance income

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Interest income on loans granted	144,191	140,130
Interest income on bank deposits	35	5,203
	<u>144,226</u>	<u>145,333</u>

Finance costs

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Interest and commission expense on financial liabilities measured at amortised cost	(339,634)	(323,311)
<i>including interest</i>	<i>(325,689)</i>	<i>(312,052)</i>
Interest income/expense on hedging instruments – IRS	(3,372)	11,691
Net foreign exchange gains/(losses)	(1,201)	(2,260)
Expense/income from settlement of derivatives – FORWARD	(1,678)	(105)
Interest income/expense on hedging instruments – CIRS	(2,233)	1,546
Hedging costs	71,899	64,278
	<u>(276,219)</u>	<u>(248,161)</u>

Effect of exchange rate movements on separate statement of profit or loss

PLN '000	Note	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Realised exchange gains/(losses)		(8,226)	(5,559)
Expense/income from settlement of derivatives – FORWARD		(1,678)	(105)
Remeasurement of debt portfolios due to exchange rate movements	4.2.	(837)	(440)
Unrealised exchange gains/(losses)		7,025	3,299
		<u>(3,716)</u>	<u>(2,805)</u>

9. Income tax

Material accounting policies

Income tax comprises current and deferred tax. Current and deferred tax is charged to profit or loss of the period except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

When determining amounts of current and deferred tax, the Company takes into account the impact of uncertainty concerning potential additional tax liabilities. However, facts and circumstances which may materialise in the future, may have an effect on an assessment of correctness of the existing and past tax liabilities.

The Company chose to present the provision for tax audit result together with interest under 'Current income tax' in the statement of profit or loss and under 'Provisions' in the separate statement of financial position. Such presentation will better reflect the impact of this item on the Company's financial position.

Current tax is the expected income tax payable or receivable in respect of taxable income for the year, determined using tax rates enacted or substantially enacted at the reporting date, and any adjustment to income tax payable in respect of previous years' income.

Deferred tax is measured using tax rates that are expected to apply when temporary differences reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to offset current tax liabilities and assets, and if they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax assets are recognised in respect of tax loss carryforwards, tax credits and deductible temporary differences only to the extent that it is expected that taxable income will be generated against which such assets can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company does not recognise a deferred tax liability in respect of retained earnings at 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 foreseeable future (three years). For the reporting date, the Company reviews the expected realisations from retained earnings in subsidiaries. Any adjustments to the amount of deferred tax liabilities are made based on results of the review.

Deferred tax liabilities are affected by the methodology used to determine the value of shares. As a rule, shares or certificates are sold/redeemed by the subsidiaries at fair value determined on the date of their sale/redemption, except for companies for which commercial law defines a specific method for determining the value of shares.

The Company applies the LIFO approach to determine the order of redemption of shares in subsidiaries (taking into account the restrictions of securitisation law in InvestCapital Ltd, which stipulates that funds raised from specific shares must be used for investments before they can be redeemed). However, for the redemption of fund certificates, the Company applies the FIFO approach.

Financial information

Income tax recognised in profit or loss and other comprehensive income for the period

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Current income tax recognised in profit or loss		
Current income tax payable*	(21,155)	(3,513)
Deferred income tax recognised in profit or loss		
Related to temporary differences and their reversal **	159	92,522
Income tax recognised in profit or loss	(20,996)	89,009
Deferred income tax recognised in other comprehensive income		
Related to temporary differences and their reversal	(9,491)	(4,081)
Income tax recognised in other comprehensive income	(9,491)	(4,081)
Income tax recognised in comprehensive income	(30,487)	84,928

* Income tax disclosed in these financial statements includes reversal of the provision for tax audit risk and CFC tax.

** Deferred tax liabilities for expected future cash flows from subsidiaries may be subject to material changes in individual reporting periods.

Reconciliation of effective tax rate

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Profit/(loss) before tax	1,117,138	954,371
Income tax recognised in profit or loss	(20,996)	89,009
Tax calculated at the tax rate applicable in Poland (19%)	(212,256)	(181,330)
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	191,260	270,339
	(20,996)	89,009
Effective tax rate	1.88%	(9.33%)

The higher effective tax rate in 2025 compared with 2024 is primarily due to a change in the share of profits/(losses) recorded by subsidiaries, the tax value of which will be realised more than three years after the reporting date. The Company does not recognise a deferred tax liability in respect of retained earnings at 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.

Tax risk

Regulations on value added tax, corporate income tax, and social security contributions are subject to frequent changes and amendments, with a resulting lack of appropriate points of reference, conflicting interpretations, and scarcity of established precedents to follow. Furthermore, the applicable tax laws lack clarity, which leads to differences in opinions and diverse interpretation of tax regulations, both between individual public authorities and between public authorities and enterprises.

Tax settlements and other areas of activity (e.g. customs or foreign exchange control) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional tax liabilities arising from such inspections must be paid with high interest.

The Company believes that it has paid all due taxes, fines and default interest in a timely manner. The Company properly accounted for both current and deferred taxes for the reporting period and for prior years.

In Poland, tax settlements are subject to tax inspection for a period of five years.

The amounts presented and disclosed in the separate financial statements may therefore change in the future as a result of a final decision by a tax inspection authority.

As of 1 January 2025, pursuant to the Act on Top-up Tax Levied on Constituent Entities of Multinational and Domestic Groups of 6 November 2024 (the "Act"), the OECD Pillar Two rules entered into force in

Poland. These regulations require taxpayers to pay a top-up tax, representing the difference between the effective tax rate (calculated in accordance with the principles set out in the Act) applicable in a given jurisdiction and the minimum rate of 15%. A group of entities becomes subject to these provisions if it achieves consolidated revenue of at least EUR 750 million in two out of the four financial years immediately preceding the tax year. As at 31 December 2025, the Group had not exceeded that threshold (its revenue for 2025, translated into EUR at the European Central Bank's average exchange rate of December of the year preceding the financial year, i.e. 4.2704, amounted to EUR 747 million). Based on estimates, the KRUK Group is not expected to meet this revenue threshold earlier than 2028, i.e. its consolidated revenue may reach EUR 750 million for the first time in the 2026 and 2027 financial years.

The Group is in the process of assessing its exposure to the Pillar Two requirements. Given that its subsidiaries operate in Poland, Malta, and Luxembourg – jurisdictions where the estimated effective tax rate, based on accounting profit for the reporting period ended 31 December 2025, is less than 15% – the Group is analysing the potential impact of these regulations on its overall tax burden. This rate will, in practice, differ from the rate determined under IAS 12 *Income Taxes*.

In particular, the Group is evaluating the applicability of permitted exclusions and 'safe harbour' provisions set out in the Act, as well as their impact on the effective tax rate for the purposes of calculating the tax, should the KRUK Group become subject to the top up tax in the future.

Based on the current assessment, the application of this legislation may first increase the Group's effective annual tax rate in 2028. Therefore, as at the reporting date, the Group had no current tax expense. At the same time, the Group takes advantage of the IAS 12 exception from recognising and disclosing information about deferred tax assets and liabilities related to the Pillar Two income taxes.

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

PLN '000	Note	31 Dec 2025	31 Dec 2024 Restated
Assets			
Non-current assets			
Property, plant and equipment	11.	59,914	31,049
Intangible assets	13.	78,287	22,639
Hedging instruments	24.	101,372	101,285
Equity-accounted investments in subsidiaries	14.	7,792,822	6,496,565
Loans to related parties	15.,3.2.	945,699	1,263,520
Investments in debt portfolios	16.,3.2.	16,577	15,795
Total non-current assets		8,994,671	7,930,853
Current assets			
Inventories	18.	5,909	9,979
Loans to related parties	15.,3.2.	449,791	321,887
Investments in debt portfolios	16.,3.2.	16,177	16,699
Trade receivables from related entities	19.	40,995	98,666
Trade receivables from other entities	19.	1,843	2,991
Other receivables	19.	9,333	7,687
Income tax receivables		4,789	2,716
Hedging instruments	24.	35,982	13,041
Cash and cash equivalents	20.	12,660	9,110
Other assets		10,416	9,117
Total current assets		587,895	491,893
Total assets		9,582,566	8,422,746
Equity and liabilities			
Equity			
Share capital	21.	19,492	19,382
Share premium	21.	401,539	374,097
Hedge reserve	24.	120,634	80,170
Translation reserve		(168,676)	(130,734)
Share of other comprehensive income of subsidiaries accounted for using the equity method		(4,728)	(12,103)
Other reserves		212,689	188,654
Retained earnings		4,725,750	3,978,860
Total equity		5,306,700	4,498,326
Non-current liabilities			
Deferred tax liabilities	17.	123,198	113,864
Provisions	26.	2,426	1,760
Secured borrowings	23., 3.2.	494,551	577,239
Debt securities	23.,3.2.	3,228,255	2,892,970
Lease liabilities	23.,3.2.	47,074	2,264
Hedging instruments	24.	13,275	21,352
Total non-current liabilities		3,908,779	3,609,449
Current liabilities			
Provisions	26.	266	1,762
Secured borrowings	23., 3.2.	43,827	6,763
Debt securities	23.,3.2.	232,635	216,732
Lease liabilities	23.,3.2.	15,412	10,386
Derivatives		58	105
Trade and other payables	27.	34,251	36,477
Employee benefit liabilities	25.	40,638	42,746
Total current liabilities		367,087	314,971
Total liabilities		4,275,866	3,924,420
Total equity and liabilities		9,582,566	8,422,746

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

11. Property, plant and equipment

Material accounting policies

Recognition and measurement

Items of property, plant and equipment are recognised at cost, less depreciation charges and impairment losses.

Gain or loss on disposal of an item of property, plant and equipment is estimated as the difference between the disposal proceeds and the carrying amount of the disposed item, and is recognised in the period's profit or loss under 'other operating income or other expenses'.

Subsequent expenditure

Subsequent expenditure on items of property, plant and equipment is capitalised if such expenditure may be reliably estimated and the Company is likely to derive economic benefits from such assets.

Depreciation

The level of depreciation charges is determined based on acquisition or production cost of a certain asset less its residual value.

Depreciation expense is recognised in the current period's profit or loss, using the straight-line method with respect of the useful economic life of a given item of property, plant and equipment. This method reflects the manner of achieving future economic benefits related to the use of a certain asset in the best possible way. Assets are depreciated in the month following their acceptance for use. Land is not depreciated.

The Company has adopted the following useful lives for particular categories of property, plant and equipment:

<i>Buildings and structures</i>	<i>10 - 40</i>	<i>years</i>
<i>Plant and equipment</i>	<i>3 - 10</i>	<i>years</i>
<i>Vehicles</i>	<i>4 - 5</i>	<i>years</i>
<i>Other property, plant and equipment</i>	<i>3 - 8</i>	<i>years</i>

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	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Gross carrying amount of property, plant and equipment						
Gross carrying amount as at 1 Jan 2024	32,818	45,279	20,833	1,088	426	100,444
Purchase	2,262	9,893	177	-	229	12,561
Sale/retirement	-	(3,185)	(722)	-	-	(3,907)
Accounting for assets under construction	-	334	92	-	(426)	-
Gross carrying amount as at 31 Dec 2024	35,080	52,321	20,380	1,088	229	109,098
Gross carrying amount as at 1 Jan 2025	35,080	52,321	20,380	1,088	229	109,098
Purchase	23,802	15,467	5,043	331	1,113	45,756
Sale/retirement	(697)	(12,051)	(2,954)	(245)	-	(15,947)
Accounting for assets under construction	-	225	-	-	(225)	-
Gross carrying amount as at 31 Dec 2025	58,185	55,962	22,469	1,174	1,117	138,907

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	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Accumulated depreciation and impairment losses						
Accumulated depreciation as at 1 Jan 2024	(24,968)	(29,143)	(10,396)	(589)	-	(65,096)
Depreciation	(5,388)	(6,999)	(4,179)	(120)	-	(16,686)
Decrease resulting from sale / retirement	-	3,174	559	-	-	3,733
Accumulated depreciation as at 31 Dec 2024	(30,356)	(32,968)	(14,016)	(709)	-	(78,049)
Accumulated depreciation as at 1 Jan 2025	(30,356)	(32,968)	(14,016)	(709)	-	(78,049)
Depreciation	(4,796)	(8,996)	(2,246)	(160)	-	(16,198)
Decrease resulting from sale / retirement	673	12,039	2,360	182	-	15,254
Accumulated depreciation as at 31 Dec 2025	(34,479)	(29,925)	(13,902)	(687)	-	(78,993)

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PLN '000	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Net carrying amount						
As at 1 Jan 2024	7,850	16,136	10,437	499	426	35,348
As at 31 Dec 2024	4,724	19,353	6,364	379	229	31,049
As at 1 Jan 2025	4,724	19,353	6,364	379	229	31,049
As at 31 Dec 2025	23,706	26,037	8,567	487	1,117	59,914

As at 31 December 2025 and 31 December 2024, the Company did not recognise any impairment losses on property, plant and equipment.

As at 31 December 2025 and 31 December 2024, the Company had no contractual obligations to purchase of property, plant and equipment.

For more information on security interests in property, plant and equipment, see Note 23.

The data presented in Note 12 under Right of use is disclosed in the table above.

12. Right of use

Material accounting policies

The Company classifies long-term lease contracts as leases, disclosing in its separate financial statements the right-of-use assets (under 'Property, plant and equipment' in the separate statement of financial position) and lease liabilities (under 'Lease liabilities' in the separate statement of financial position) measured at the present value of the lease payments that remain to be paid.

The amount of future lease payments is discounted using the lessee's weighted average incremental borrowing rate. The right-of-use assets are recognised at the same amounts as the lease liabilities, unless contractual clauses exist that could result in creating provisions for additional charges or provisions related to the disassembly of leased facilities or items. The Company applies the practical expedient permitted by the standard for short-term leases (up to 12 months) and low-value leases (up to PLN 20 thousand), for which it does not recognise financial liabilities and related right-of-use assets, and lease payments are recognised as costs using the straight-line method during the lease term under 'Service expense' in the separate statement of profit or loss.

The Company recognises a lease contract as a right-of-use asset and a corresponding lease liability as of the date when the leased asset is available for use. The lease term was determined taking into account the extension and shortening options available under executed contracts if the option is likely to be exercised.

The lease liability includes the present value of the following lease payments:

- *fixed lease payments (including in-substance fixed lease payments) less any lease incentives due,*
- *variable lease payments that depend on an index or rate,*
- *amounts expected to be paid by a lessee under a residual value guarantee,*
- *the exercise price of the call option if it is reasonably certain that the lessee will exercise that option,*
- *cash penalties for terminating the lease if the lease provides that the lessee may exercise the option to terminate the lease.*

After the commencement date, the lessee measures the lease liability by:

- *increasing the carrying amount to reflect interest on the lease liabilities;*
- *reducing the carrying amount to reflect the lease payments made;*
- *remeasuring the carrying amount to reflect any lease reassessment or modification, or to reflect revised in-substance fixed lease payments.*

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Right-of-use assets are amortised on a straight-line basis over the shorter of the useful life of the asset or the lease term, unless the Company is certain that it obtains ownership before the end of the lease,

The Company has lease contracts for vehicles, space and software rental.

Financial information

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Carrying amount of right-of-use assets, by class of underlying asset at beginning of period		
Buildings and structures	4,178	6,973
Plant and equipment	43	97
Vehicles	5,812	9,844
Intangible assets – software	5,222	12,119
	<u>15,255</u>	<u>29,033</u>
Cost of depreciation/amortisation of right-of-use assets in the reporting period, by class of underlying asset		
Buildings and structures	(4,671)	(5,057)
Plant and equipment	(65)	(119)
Vehicles	(2,224)	(4,078)
Intangible assets – software	(10,262)	(8,419)
	<u>(17,222)</u>	<u>(17,673)</u>
Increase in right-of-use assets	65,157	4,026
Decrease in right-of-use assets due to retirement/termination of contract	(593)	(131)
Carrying amount of right-of-use assets, by class of underlying asset at end of reporting period		
Buildings and structures	23,309	4,178
Plant and equipment	23	43
Vehicles	8,130	5,812
Intangible assets – software	31,135	5,222
	<u>62,597</u>	<u>15,255</u>
Interest expense relating to lease liabilities	1,947	1,174
Cost relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total cash outflow in connection with leases	16,978	22,789

In 2025, costs under short-term and low-value contracts were PLN 850 thousand (2024: PLN 678 thousand).

13. Intangible assets

Material accounting policies

Recognition and measurement

Acquired or internally produced intangible assets with finite useful economic lives are recognised at cost. Following initial recognition, intangible assets are reduced by the amount of impairment losses. The Company recognises development expenses as intangible assets.

Amortisation

The amount of amortisation charges is determined based on acquisition or production cost of an asset, less its residual value.

Amortisation expense is recognised in the current period's profit or loss on the straight-line basis with respect of the estimated useful life of an intangible asset, other than goodwill, from the moment it is placed in service. This method reflects the manner of achieving future economic benefits related to the use of a certain asset in the best possible way.

The Company has adopted the following useful lives for particular categories of intangible assets:

Software	3–5 years
Development expense	1–5 years

Assets amortised over time and intangible assets under development

The Company recognises expenditure related to the long-term process of generating intangible assets (especially expenditure on development of computer systems) as intangible assets under development. Capitalised expenditure is expenditure that meets the definition of intangible assets. Expenditure incurred on configuration and modification of computer systems hosted on manufacturer's servers (in the cloud) is also recognised as prepayments until the system is placed in service. Once placed in service, both these assets and prepaid subscription fees are amortised into expenses on a straight-line basis over the term of the agreement with the vendor.

Financial information

PLN '000

	Software, licences, permits	Capitalised development expenses	Other	Intangible assets under development	Total
Gross carrying amount of intangible assets					
Gross carrying amount as at 1 Jan 2024	38,151	21,439	369	9,568	69,527
Produced internally	-	-	-	3,244	3,244
Purchase	3,126	-	-	4,430	7,556
Decreases as a result of retirement	(2,178)	-	-	-	(2,178)
Accounting for assets under development	756	-	-	(756)	-
Disposal of intangible assets	-	-	-	(5,446)	(5,446)
Write-off of development work	-	-	-	(1,055)	(1,055)
Gross carrying amount as at 31 Dec 2024	39,855	21,439	369	9,985	71,648
Gross carrying amount as at 1 Jan 2025	39,855	21,439	369	9,985	71,648
Produced internally	-	-	-	35,591	35,591
Purchase	38,512	-	-	4,241	42,753
Decreases as a result of retirement	(363)	-	(369)	-	(732)
Accounting for assets under development	-	854	-	(854)	-
Disposal of intangible assets	-	-	-	(9,590)	(9,590)
Gross carrying amount as at 31 Dec 2025	78,004	22,293	-	39,373	139,670
Accumulated amortisation and impairment losses					
Accumulated amortisation as at 1 Jan 2024	(20,958)	(18,773)	(369)	-	(40,100)
Amortisation	(10,390)	(691)	-	-	(11,081)
Decreases as a result of retirement	2,172	-	-	-	2,172
Accumulated amortisation as at 31 Dec 2024	(29,176)	(19,464)	(369)	-	(49,009)
Accumulated amortisation as at 1 Jan 2025	(29,176)	(19,464)	(369)	-	(49,009)
Amortisation	(12,560)	(546)	-	-	(13,106)
Decreases as a result of retirement	363	-	369	-	732
Accumulated amortisation as at 31 Dec 2025	(41,373)	(20,010)	-	-	(61,383)

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<i>PLN '000</i>	Software, licences, permits	Capitalised development expenses	Other	Intangible assets under development	Total
Net carrying amount					
As at 1 Jan 2024	17,193	2,666	-	9,568	29,427
As at 31 Dec 2024	10,679	1,975	-	9,985	22,639
As at 1 Jan 2025	10,679	1,975	-	9,985	22,639
As at 31 Dec 2025	36,631	2,283	-	39,373	78,287

As at 31 December 2025 and 31 December 2024, the Company did not recognise any impairment losses on intangible assets.

As at 31 December 2025 and 31 December 2024, the Company did not have any intangible assets with restricted legal title, and none of the intangible assets were pledged as security for liabilities.

As at 31 December 2025 and 31 December 2024, the Company had no contractual obligations to purchase intangible assets. The data presented in Note 12 under Right of use is disclosed in the table above.

14. Equity-accounted investments in subsidiaries

Material accounting policies

All investments in subsidiaries are considered equity instruments and therefore, unless they are classified as held for sale, are measured using the equity method.

The acquisition cost of shares or certificates is their fair value as at the acquisition date. At the end of each accounting period, but not less frequently than at the end of every quarter, the carrying amount of an investment is remeasured by the share of the subsidiary's profits/(losses) attributable to the shareholder's (Company's) interest, resulting from the number of shares entitling it to share in such profits/losses.

The carrying amount of the investment is increased by the value of cash or non-cash contributions made, and reduced by the amount of dividends paid or the value of redeemed shares/certificates.

A gain/(loss) on disposal transactions (sale price less the value recognised through the equity method) is recorded in the separate statement of profit or loss as a gain or loss on 'Share of profit/(loss) of subsidiaries accounted for using the equity method'.

Shares or certificates are sold/redeemed by the Company at fair value determined on the date of their sale/redemption, except for companies for which commercial law defines a specific method for determining the value of shares. The Company applies the LIFO approach to determine the order of redemption of shares in subsidiaries (taking into account the restrictions of securitisation law in IC, which stipulates that funds raised from specific shares must be used for investments before they can be redeemed). However, for the redemption of fund certificates, the Company applies the FIFO approach.

Impairment testing of investments in subsidiaries

Impairment tests are performed by comparing the carrying amount of cash-generating units (CGUs) with their recoverable amount. The recoverable amount is calculated based on value in use.

The value in use is calculated based on the present value of expected future cash flows generated by the unit (CGU), estimated based on a financial forecast prepared by the company for a period of four years, and in the case of funds the value in use is calculated based on net asset value as at the reporting date.

The cash flows are discounted with the weighted average cost of capital for the debt collection or lending industry, as appropriate, which varies depending on the country where the tested asset is present.

The discount rate applied in the DCF model used in tests for impairment of investments in subsidiaries and of assets reflects the current market assessment of the credit risk for the debt collection or lending industry in the country where the tested asset is present.

The Company applied the weighted average cost of capital for the debt collection or lending industry, as appropriate. To calculate cost of equity, the Company applied the Capital Asset Pricing Model (CAPM) based on financial data of debt collection or lending companies, as appropriate, operating on global markets.

Financial information

PLN '000	Country	Carrying amount	
		31 Dec 2025	31 Dec 2024
InvestCapital Ltd ¹	Malta	4,578,170	3,776,476
Prokura NFW FIZ ¹	Poland	1,774,004	1,607,864
SeCapital S.a.r.l. ¹	Luxembourg	935,556	744,849
Wonga.pl Sp. z o.o.	Poland	108,262	33,860
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Poland	88,265	40,481
Presco Investments S.a.r.l. ²	Luxembourg	81,460	70,653
KRUK Romania S.r.l.	Romania	69,747	67,446
KRUK España S.L.U.	Spain	72,733	58,009
KRUK Italia S.r.l.	Italy	39,613	25,424
Kancelaria Prawna RAVEN P.Krupa Sp. k.	Poland	13,389	8,074
KRUK Česká a Slovenská republika s.r.o.	Czech Republic	25,824	48,034
AgeCredit S.r.l.	Italy	3,071	4,069
KRUK TECH s.r.l. ¹	Romania	1,590	1,030
Zielony Areał Sp. z o.o.	Poland	1,138	-
KRUK Deutschland GmbH ⁵	Germany	-	3,226
RoCapital IFN S.A. ^{1,4}	Romania	-	7,070
Bison NFW FIZ (closed-end investment fund) ³	Poland	-	-
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	-	-
		7,792,822	6,496,565

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

² The equity of Presco NFW 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 were merged. As of 30 July 2024, Bison was removed from the Register of Investment Funds.

⁴ On 31 March 2025, shares in RoCapital INF S.A. previously held by KRUK S.A. were transferred as an in-kind contribution to Wonga.pl Sp. z o.o.

⁵ The subsidiary was sold on 30 September 2025.

PLN '000	31 Dec 2025	31 Dec 2024
Carrying amount of investments in subsidiaries at beginning of period	6,496,565	5,483,390
Share of profit/(loss) of subsidiaries accounted for using the equity method	1,346,389	1,011,127
Exchange differences on translating of foreign operations	(37,942)	(34,863)
Share of other comprehensive income of subsidiaries accounted for using the equity method	7,375	(3,703)
Increase/(decrease) (dividends, in-kind contributions, redemptions, impairment losses, sale)	(19,565)	40,614
Carrying amount of investments in subsidiaries at end of period	7,792,822	6,496,565

The share of profit/(loss) of subsidiaries accounted for using the equity method for the period from 1 January to 31 December 2025 was PLN 1,346,389 thousand, reflecting mainly revenue from

recoveries and revaluation of recovery projections for debt portfolios owned by the investees, net of costs (from 1 January to 31 December 2024: PLN 1,011,127 thousand).

In 2025, no impairment indications were identified with respect to investments in subsidiaries.

Changes in investments in subsidiaries as at 31 Dec 2025						
PLN '000	Share capital increase	Share capital reduction	Capital injection	Redemption of certificates	Sale of subsidiary	Approved dividend payment
InvestCapital Ltd	150,000	-	-	-	-	-
Prokura NS FIZ	100,093	-	-	304,084	-	-
KRUK Italia S.r.l.	-	-	2,132	-	-	-
Zielony Areał Sp. z o.o.	1,710	-	-	-	-	-
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	42,024	-	-	-	-	-
Wonga.pl Sp. z o.o.	-	-	41,010	-	-	-
KRUK Deutschland GmbH	-	-	-	-	3,367	884
Presco Investments S.a.r.l.	-	-	-	-	-	23,733
KRUK Romania S.r.l.	-	-	-	-	-	10,075
SeCapital S.à.r.l.	-	-	-	-	-	2,619
Changes in investments in subsidiaries as at 31 Dec 2024						
InvestCapital Ltd	190,000	-	-	-	-	-
Prokura NS FIZ	-	-	-	133,670	-	-
BISON NS FIZ (CLOSED-END INVESTMENT FUND)	-	-	-	1,870	-	-
Presco Investments S.a.r.l.	-	4,400	-	-	-	24,249
Kancelaria Prawna RAVEN P.Krupa Sp. k.	-	-	-	-	-	3,177
KRUK Deutschland GmbH	-	-	-	-	-	2,556
SeCapital S.à.r.l.	-	-	-	-	-	1,446

The dividends were paid partly by offsetting them against liabilities under collected amounts of PLN 15,351 thousand (2024: PLN 13,015 thousand).

PLN '000	Ownership interest and share in total voting rights (%)		
	Country	31 Dec 2025	31 Dec 2024
AgeCredit S.r.l.	Italy	100%	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 ⁴	Germany	-	100%
KRUK España S.L.U.	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 ¹	Poland	100%	100%
Prokura NFW FIZ ¹	Poland	100%	100%
RoCapital IFN S.A. ^{1,3}	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 On 31 March 2025, shares in RoCapital INF S.A. previously held by KRUK S.A. were transferred as an in-kind contribution to Wonga.pl Sp. z o.o.

⁴ The subsidiary was sold on 30 September 2025.

All the subsidiaries listed above were consolidated in the consolidated financial statements of the KRUK Group as at 31 December 2025 and for the period from 1 January 2025 to 31 December 2025.

On 8 September 2025, KRUK S.A. executed an agreement to sell its shareholding in KRUK Deutschland GmbH outside the Group, for EUR 1,328 thousand. The price was paid by bank transfer. Ownership title to the shares was transferred to the buyer on 30 September 2025.

Gain on the sale of the subsidiary of PLN 2,282 thousand was recognised under Share of profit/(loss) of subsidiaries accounted for using the equity method. Presented below is the value of assets and liabilities over which control was lost and the resulting impact on net profit/(loss).

Subsequent to the reporting period, on 1 March 2026, the subsidiary KRUK Česká a Slovenská republika s.r.o. was placed in liquidation.

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PLN '000

KRUK Deutschland GmbH

ASSETS	Final figures at the date of control loss – 30 September 2025
Cash and cash equivalents	2,008
Trade receivables	34
Investments	2,402
Other intangible assets	3
TOTAL ASSETS	4,447
LIABILITIES	Final figures at the date of control loss – 30 September 2025
Trade and other payables	1,079
TOTAL LIABILITIES	1,079
NET PROFIT/(LOSS)	Final figures at the date of control loss – 30 September 2025
Interest income on debt portfolios measured at amortised cost	306
Revenue from other services	275
Gain/(loss) on expected credit losses	1,711
Operating income including gain/(loss) on expected credit losses and other income/expenses from purchased debt portfolios	2,292
Employee benefits expense	(46)
Depreciation and amortisation	(1)
Service expense	(867)
Other expenses	(369)
	(1,282)
Operating profit/(loss)	1,010
Finance costs	(1)
Net finance costs	(1)
Profit/(loss) before tax	1,009
Income tax	-
Net profit/(loss) for period	1,009

15. Loans to related parties

Material accounting policies

Loans are granted at arm's length.

With reference to the requirements of IFRS 9, the Company has introduced three main buckets for the recognition of expected credit losses:

- *Bucket 1 – includes loans with respect to which there was no significant increase in credit risk and no impairment was identified in the period from their recognition to the reporting date (no past-due events). The expected credit losses on such loans are recognised for a time horizon of the next 12 months.*
- *Bucket 2 – includes loans with respect to which there was a significant increase in credit risk (receivables past due by 30 days) between the date of recognition and the reporting date, but no impairment was identified. Expected lifetime credit losses are recognised for such loans.*
- *Bucket 3 – includes loans for which impairment was identified (receivables past due by over 90 days). Expected lifetime credit losses are recognised for such loans.*

Recognition and reversal of impairment losses on loans are presented on a net basis in the separate statement of profit or loss in the line item 'Share of profit/(loss) of subsidiaries accounted for using the equity method'.

Financial information

As at 31 December 2025, the gross carrying amount of loans advanced to related parties was PLN 1,407,705 thousand, and the loss allowance was PLN 12,215 thousand (31 December 2024: PLN 1,604,727 thousand and PLN 19,320 thousand, respectively).

Loans to related parties are provided on the following terms:

- 3M WIBOR + margin of 3.65–6.4pp;
- 3M EURIBOR + margin of 2.55pp;
- 3M ROBOR + margin of 2.55pp;
- fixed interest rate – 6.36–9.76pp.

Interest on some of the loans is paid by offsetting it against a new loan (PLN 32,113 thousand in 2025 and PLN 42,333 thousand in 2024) or through a cash payment. For information on the balance of loans to related parties, see Note 30.

For information on the Company's exposure to credit, currency and interest rate risks associated with its investments, see Note 28.

16. Investments in debt portfolios

Material accounting policies

Investments in debt portfolios comprise high-volume portfolios of overdue debt (such as debt under consumer loans, unpaid utility bills, etc.) purchased by the Company under debt assignment agreements. Prices paid by the Company for such debt portfolios are significantly lower than their nominal value (financial assets impaired due to credit risk).

The Company's business model for investments in debt portfolios consists in holding and managing the portfolios on a long-term basis in order to generate expected cash flows from the portfolios.

All purchased debt portfolios are classified by the Company as measured at amortised cost. To better reflect the portfolio management strategy focused on holding an asset with a view to maximising contractual recoveries.

Investments in debt portfolios are classified as purchased or originated credit-impaired financial assets (POCI). Investments in debt portfolios are measured at amortised cost, using the credit risk-adjusted effective interest rate method. Debt portfolios are initially recognised on their purchase date at cost, i.e. the fair value of the consideration transferred.

The effective interest rate, equal to the internal rate of return, used for discounting estimated cash recoveries is calculated based on initial projections of expected cash recoveries that take into account the initial value (acquisition price plus significant transaction costs which can be directly allocated), and remains unchanged throughout the life of a portfolio. An adjustment of the effective discount rate is possible if the purchase price is reduced as a result of returning part of receivables held in a given debt portfolio to the seller due to legal defects.

Interest income is calculated based on the portfolio value measured at amortised cost applicable to the purchased financial assets impaired due to credit risk, using an effective interest rate including an element that reflects that credit risk, and is recognised in profit or loss for the current period under 'Interest income on debt portfolios measured at amortised cost'. All interest income is recognised as an increase in the carrying amount of the portfolio. All actual recoveries collected during the period are recognised as a decrease in the carrying amount of the portfolio.

The estimated cash flows are primarily based on:

- *expected recovery rates from the collection tools used,*
- *the extent to which the collection tools are used with respect to individual portfolios (existing and planned),*
- *historical recoveries,*
- *macroeconomic conditions.*

The value of an asset at a reporting date is its initial value increased by interest income and decreased by actual recoveries, and adjusted to reflect any revaluation of estimates concerning future cash flows. Consequently, the value of an asset at the reporting date is equal to the discounted value of expected cash recoveries.

Net changes in allowances for expected credit losses are recognised as 'Gain/(loss) on expected credit losses' in the separate statement of profit or loss.

When assessing the impairment of debt portfolios, the Company uses historical trends in the payments made and transactions in portfolios, taking into account the anticipated future performance.

For the purpose of analyses and recovery projections, retail debt portfolios are grouped. Recovery projections are prepared for separate projection groups rather than for individual portfolios.

There are two levels of grouping, based on the following criteria:

1st level of grouping – the country where a debt portfolio was purchased,

2nd level of grouping – the date of debt portfolio purchase for the Company.

The debt portfolio purchase date helps to determine the recovery phase of a given debt portfolio at the Company. Portfolio groups are made of portfolios that are at similar recovery phases. The Company has introduced the following breakdown mechanism for this level of grouping:

- the projection prepared for each projection group is ultimately broken down within the groups into individual debt portfolios using keys based on historical data,*
- neither mortgage-backed nor secured corporate debt portfolios are grouped. Recovery projections are prepared for each portfolio separately.*

Financial information

As at 31 December 2025, the value of investments in debt portfolios was PLN 32,754 thousand (31 December 2024: PLN 32,494 thousand).

As part of its investments in debt portfolios, the Company holds unsecured portfolios.

For information on the assumptions made in the valuation and revaluation of debt portfolios and the adopted schedule of collections (undiscounted value), see Note 4.2

Sensitivity analysis – revaluation of projections

The 1% increase in all projected collections would result in an increase in the value of portfolios and thus in net profit/(loss) for the reporting period by PLN 255 thousand, while the 1% decrease in all projected collections would result in a decrease in the value of portfolios, thus reducing net profit/(loss) by PLN 255 thousand for the data as at 31 December 2025 (a PLN 249 thousand increase/decrease, respectively, for the data as at 31 December 2024).

Sensitivity analysis – revaluation of projections

PLN '000	Profit or loss for the current period	
	100 bps increase in recoveries	100 bps decrease in recoveries
31 Dec 2025		
Investments in debt portfolios	255	(255)
31 Dec 2024		
Investments in debt portfolios	249	(249)

Sensitivity analysis – time horizon

The sensitivity analysis presented below assumes extension or shortening of the projection period with a simultaneous increase or decrease in the recovery projections (in the case of extension by one year, projected recoveries increased by PLN 2,076 thousand, in the case of shortening by one year, projected recoveries decreased by PLN 2,582 thousand; for 2024, the amounts were PLN 1,166 thousand and PLN 1,464 thousand, respectively).

Sensitivity analysis – time horizon

PLN '000	Profit or loss for the current period	
	extension by one year	shortening by one year
31 Dec 2025		
Investments in debt portfolios	0.62	(1.32)
31 Dec 2024		
Investments in debt portfolios	0.20	(0.43)

Changes in carrying amount of investments in debt portfolios

Below are presented changes of the net carrying amount of investments in debt portfolios:

PLN '000	31 Dec 2025	31 Dec 2024
Carrying amount of investments in debt portfolios at beginning of period	32,494	31,747
Cash recoveries	(27,457)	(28,987)
Revenue from purchased debt portfolios	27,717	29,734
Carrying amount of investments in debt portfolios at end of period	32,754	32,494

For a description of revenue from purchased debt portfolios, including interest income and allowance for expected credit losses, see Note 4.2.

Changes in expected credit losses

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

<i>PLN '000</i>	31 Dec 2025	31 Dec 2024
Cumulative expected credit losses on purchased debt portfolios at beginning of period	302,352	289,597
Revaluation of projected recoveries	6,873	9,089
Deviations from actual recoveries, decreases on early collections in collateralised cases	3,561	3,666
Cumulative expected credit losses on purchased debt portfolios at end of period	312,786	302,352

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

17. Deferred tax

Material accounting policies: [9. Income tax](#)

Financial information

Deferred tax assets and liabilities

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

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PLN '000		Assets		Liabilities		Net carrying amount	
Item of the statement of financial position	Type of temporary difference	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Property, plant and equipment	Taxable/deductible temporary difference arising from difference between tax and accounting depreciation rates	11,872	2,403	(7,003)	(2,961)	4,869	(558)
Intangible assets	Taxable/deductible temporary difference arising from difference between tax and accounting amortisation rates	-	-	(7,874)	(3,470)	(7,874)	(3,470)
Tax losses carried forward	Deductible temporary difference arising from tax loss available for offset in future tax years	931	-	-	-	931	-
Trade and other receivables	Taxable temporary difference arising from accrued revenue from clients	-	-	(145)	(180)	(145)	(180)
Borrowings and other debt instruments, leases	Deductible temporary difference arising from interest paid on debt financing deductible for tax purposes in future periods	24,312	21,413	-	-	24,312	21,413
Employee benefit liabilities	Deductible temporary difference arising from unpaid salaries and accrued holiday entitlements	2,895	2,686	-	-	2,895	2,686
Provisions and liabilities	Taxable/deductible temporary difference arising from provision for future costs	-	224	(115)	-	(115)	224
Investments in debt portfolios	Taxable temporary difference arising from allowances for expected credit losses on investments in debt portfolios	-	-	(7,867)	(7,682)	(7,867)	(7,682)
Equity-accounted investments in subsidiaries	Taxable temporary difference arising from expected future outflows of income from investments in subsidiaries	-	-	(112,864)	(108,449)	(112,864)	(108,449)
Derivative hedging instruments	Taxable temporary difference arising from measurement of derivative hedging instruments	-	-	(27,339)	(17,848)	(27,339)	(17,848)
Deferred tax assets/liabilities		40,010	26,726	(163,208)	(140,590)	(123,198)	(113,864)
Deferred tax assets offset against liabilities		(40,010)	(26,726)	40,010	26,726	-	-
Deferred tax assets/liabilities in the statement of financial position		-	-	(123,198)	(113,864)	(123,198)	(113,864)

Change in temporary differences in the period

<i>PLN '000</i>	Net amount of deferred tax at 1 Jan 2025	Change in temporary differences recognised in profit or loss for the period	Net amount of deferred tax at 31 Dec 2025	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
Property, plant and equipment	(558)	5,427	4,869	988	(1,546)	(558)
Intangible assets	(3,470)	(4,404)	(7,874)	(5,000)	1,530	(3,470)
Tax losses carried forward	-	931	931	-	-	-
Trade and other receivables	(180)	35	(145)	(241)	61	(180)
Borrowings and other debt instruments, leases	21,413	2,899	24,312	21,776	(363)	21,413
Employee benefit liabilities	2,686	209	2,895	4,582	(1,896)	2,686
Provisions and liabilities	224	(339)	(115)	186	38	224
Investments in debt portfolios	(7,682)	(185)	(7,867)	(7,411)	(271)	(7,682)
Equity-accounted investments in subsidiaries	(108,449)	(4,415)	(112,864)	(203,420)	94,971	(108,449)
	(96,016)	159	(95,859)	(188,540)	92,522	(96,016)
<i>PLN '000</i>	Net amount of deferred tax at 1 Jan 2025	Change in temporary differences recognised in other comprehensive income	Net amount of deferred tax at 31 Dec 2025	Net amount of deferred tax at 1 Jan 2024	Change in temporary differences recognised in other comprehensive income	Net amount of deferred tax at 31 Dec 2024
Derivative hedging instruments	(17,848)	(9,491)	(27,339)	(13,767)	(4,081)	(17,848)
	(17,848)	(9,491)	(27,339)	(13,767)	(4,081)	(17,848)

As the Company is able to control the timing of temporary differences with respect to subsidiaries, it recognises deferred tax liabilities at amounts of income tax to be paid in the future (three years).

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 sensitivity analysis of deferred tax shows the impact of changes in the assumptions for 2026–2028 on:

- projected new debt financing at KRUK S.A.,
- planned investments in debt portfolios at the KRUK Group, taking into account the associated change in the level of necessary debt financing by KRUK S.A.,

deferred tax liabilities (due to changes in expected future cash flows to KRUK S.A.).

PLN '000

	debt financing at KRUK S.A. in 2026- 2028 higher by PLN 300 million	debt financing at KRUK S.A. in 2026- 2028 lower by PLN 300 million	expenditure on debt portfolios at the KRUK Group in 2026-2028 higher by PLN 300 million*	expenditure on debt portfolios at the KRUK Group in 2026-2028 lower by PLN 300 million*
31 Dec 2025				
Deferred tax liability	(34,168)	36,379	(24,284)	25,916

* Assuming KRUK S.A. needs to raise more/less debt financing.

The level of deferred tax liability could also change to reflect different expected structures of financing for the planned investments in debt portfolios, or a different distribution of investments among the investing companies.

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 2025 was PLN 6,351,904 thousand (as at 31 December 2024: PLN 5,081,798 thousand).

Recognised deferred tax asset due to tax loss

Tax loss for a given financial year may be utilised over a period of five years, beginning in the year immediately following the year when the loss was incurred. Under Polish tax laws, up to 50% of a loss may be utilised in each of the years of the five-year period.

Tax losses and periods over which they can be utilised:

<i>PLN '000</i>	Tax loss expiry	31 Dec 2025	31 Dec 2024
Tax loss for 2024	31 Dec 2029	4,899	-
		4,899	-
Applicable tax rate		19%	19%
Potential benefit of tax losses		931	-

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

Material accounting policies

Property foreclosed through debt recovery is now recognised by the Company under 'Inventories'.

The Company forecloses certain properties in the process of purchased debt collection. Foreclosed properties are held to generate income (proceeds) from sale. The value of a property is recognised in the separate statement of financial position after the Company has obtained the rights to dispose of the property, i.e. once a final court decision has been issued, and the amount is deducted from the amount of the indebted person's debt. Foreclosed property is initially measured at the value of recoveries projected as at the acquisition date. Subsequent to initial recognition, it is measured at the lower of the value of the planned recoveries and net realisable value.

Property is derecognised from the separate statement of financial position the moment it ceases to bring economic benefits or is sold. The difference between the carrying amount and the sale proceeds is recognised in the statement of profit or loss for the period under 'Other operating income'.

Financial information

PLN '000	31 Dec 2025	31 Dec 2024
Property	5,832	9,779
Other inventories	77	200
	5,909	9,979

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

PLN '000	31 Dec 2025	31 Dec 2024
Carrying amount of property held at beginning of period	9,779	14,418
Carrying amount of property foreclosed	2,590	2,651
Carrying amount of property sold	(4,786)	(5,708)
Impairment loss on property	(1,751)	(1,582)
Carrying amount of property held at end of period	5,832	9,779

As at 31 December 2025, impairment losses on property were PLN 1,751 thousand (31 December 2024: PLN 1,582 thousand).

19. Trade and other receivables

Material accounting policies

Trade and other receivables maturing in less than 12 months from the origination date are initially recognised at nominal value as the discount effect is immaterial. Trade and other receivables maturing in up to 12 consecutive months are recognised as at the reporting date at the amount of payment due, net of allowances for expected credit losses.

When measuring trade receivables, the Company applies the simplified approach permitted under IFRS 9, using the provisions matrix to calculate expected credit losses for receivables.

The Company recognises an allowance for expected credit losses on trade and other receivables that do not contain a significant financing component at an amount equal to lifetime expected credit losses.

Objective evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the client,
- a breach of contract, such as default or past due event,
- probability that the client will enter bankruptcy or other financial reorganisation.

To estimate expected credit losses on trade receivables, the Company uses a provision matrix estimated based on historical data on payments of amounts due from business partners, which is regularly updated.

A default is a failure by the business partner to fulfil a performance obligation under a contract. A receivable is past due as a result of delay in the performance of an obligation and may be in monetary or non-monetary form.

Financial information

PLN '000	31 Dec 2025	31 Dec 2024
Trade receivables from related entities	40,995	98,666
Trade receivables from other entities	1,843	2,991
	42,838	101,657
PLN '000	31 Dec 2025	31 Dec 2024
Other receivables from related entities	464	2,761
Other receivables from other entities	8,869	4,926
	9,333	7,687

In view of the tax audit results received in 2024, the Company adjusted its accounts with related parties regarding debt collection and credit management services provided in 2018-2023. This led to an increase in trade receivables from related entities in 2024. The outstanding amount of the receivables related to the adjustment (PLN 61,747 thousand) was settled on 19 February 2025.

For information on the Company's exposure to credit risk and currency risk related to receivables and on losses on expected credit losses, see Note 28.

20. Cash and cash equivalents

Material accounting policies

Cash and cash equivalents include cash in hand and cash at banks, as well as short-term deposits with original maturities of up to three months. Cash is disclosed in nominal amounts. In the case of cash in bank accounts, its nominal amount as at the reporting date also includes accrued interest.

Financial information

PLN '000	31 Dec 2025	31 Dec 2024
Cash in hand	1	-
Cash in current accounts	12,659	9,110
	<u>12,660</u>	<u>9,110</u>

For information on the Company's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities, see Note 28.

21. Equity

Material accounting policies

Ordinary shares are disclosed in equity, in the amount specified in the Company's Articles of Association and registered with the National Court Register.

Costs directly attributable to the issue of ordinary shares and stock options (legal and notarial expenses, IPO costs) adjusted by the effect of taxes, reduce equity.

Share premium account is created in the amount of the difference between the issue price and the nominal value of issued shares.

Capital reserve is created from retained earnings in accordance with the objective set out in a relevant resolution, and from the effective portion of hedging instruments.

Translation reserve is recognised in accordance with the policy described in Note 3.3.2.

Other reserves are created by virtue of relevant resolutions of KRUK S.A.'s General Meeting, which has the power to decide on allocation of such reserves. In addition, capital reserves are also created when benefits are granted to employees under share-based payments.

The value of rights granted to employees to acquire Company shares at a specific price (options) is recognised as an expense with a corresponding increase in other reserves. The value of the plan is initially measured as at the grant date. The value of the options is recognised in the Company's profit or loss over the period during which employees become unconditionally entitled to acquire the shares. The value of the plan is reviewed as at the end of each reporting period and as at the option vesting date, by changing the number of options that are expected by the Company to be unconditionally vested. Any changes in the value of the plan are disclosed as an adjustment to values previously posted in the period under employee benefits expense. The value of individual rights remains unchanged, unless material modifications are made to the terms and conditions of the share-based payments plan, for instance, with respect to the exercise price, the number of rights granted and the vesting conditions. In such a case, the value of an individual right may only increase.

Valuation of the plan has been performed using the Black-Scholes model. The selected model takes into account all the main factors affecting the cost recognised by the Company, including:

- *the expected exchange rate applicable on exercise of an option (based on historical exchange rates and their changes),*
- *the option vesting period,*
- *the time and conditions of exercise of an option,*
- *the risk-free rate.*

For the purpose of the valuation, it has been assumed that all the conditions for granting options will be met and that all the eligible persons will accept the options they have been granted and then will exercise them, that is will purchase the shares corresponding to such options between the option vesting date and the plan closing date.

Financial information

Share capital

thousands of shares	Ordinary shares	
	31 Dec 2025	31 Dec 2024
Number of shares as at 1 Jan	19,382	19,319
Issue of shares	110	63
Cancellation of treasury shares	-	-
Number of fully-paid shares at end of period	19,492	19,382
<i>PLN</i>		
Par value per share	1.00	1.00
<i>PLN '000</i>		
Par value of share capital as at 1 Jan	19,382	19,319
Par value as at 31 Dec	19,492	19,382

The Company shares are not preferred and do not confer any special rights.

In 2025, KRUK S.A.'s share capital was increased:

- on 5 March 2025 – by PLN 14,550, to PLN 19,396,218, through the issue of Series H shares,
- on 10 June 2025 – by PLN 6,695, to PLN 19,402,913, through the issue of Series H shares;
- on 28 November 2025 – by PLN 89,425, to PLN 19,492,338, through the issue of Series H shares.

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, respectively, 14,550, 6,695 and 89,425 Series H shares in 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.

Company's shareholding structure

As at 31 December 2025, the share capital comprised 19,492 thousand registered shares with voting and dividend rights (31 December 2024: 19,382 thousand).

As at 31 Dec 2025	Number of shares	Total par value (PLN '000)	Ownership interest (%)
Shareholder			
Piotr Krupa ¹	1,699,965	1,700	8.72%
NN OFE	2,488,000	2,488	12.76%
Allianz OFE	2,266,466	2,266	11.63%
Generali OFE	1,650,065	1,650	8.47%
PZU OFE	989,865	990	5.08%
Vienna OFE	1,044,523	1,045	5.36%
Other members of the Management Board	183,136	183	0.94%
Other shareholders	9,170,318	9,170	47.05%
	19,492,338	19,492	100%

As at 31 Dec 2024	Number of shares	Total par value (PLN '000)	Ownership interest (%)
Shareholder			
Piotr Krupa ¹	1,716,965	1,717	8.86%
NN OFE	2,470,391	2,470	12.75%
Allianz OFE and Allianz DFE ²	1,931,790	1,932	9.97%
Generali OFE	1,624,510	1,625	8.38%
PZU OFE	1,154,000	1,154	5.95%
Vienna OFE	1,044,523	1,045	5.39%
Other members of the Management Board	184,981	185	0.95%
Other shareholders	9,254,508	9,255	47.75%
	19,381,668	19,382	100.00%

¹ Including shares held by Piotr Krupa directly and indirectly through Krupa Fundacja Rodzinna.

² Joint shareholding by Allianz OFE and Allianz DFE, managed by Allianz PTE.

Share-based payments

Incentive scheme for 2021–2024

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

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

The subscription warrants are issued free of charge, may be inherited, but may not be encumbered and are not transferable, except where a donation agreement for the subscription warrants is executed with the prior consent of the Company, granted through a resolution of the Management Board. No further donation of the subscription warrants is permitted.

In accordance with the terms of the Scheme, the number of warrants to be allotted and offered to members of the Management Board throughout the term of the stock option plan is 40% of all warrants.

On 5 July 2022, the Supervisory Board passed a resolution determining the list of Management Board members eligible to acquire Tranche 1 subscription warrants in view of fulfilment in 2021 of the conditions of the 2021–2024 Incentive Scheme. In line with that resolution, a total of 76,044 subscription warrants were awarded to eligible Management Board members in Tranche 1. The warrants were acquired by Management Board members on 29 July 2022.

By way of a resolution of 5 July 2022 determining the list of persons other than Management Board members, who were eligible to acquire Tranche 1 subscription warrants in view of fulfilment in 2021 of the conditions of the 2021–2024 Incentive Scheme, the Company's Management Board granted a total of 96,094 subscription warrants to the eligible persons.

In 2022, EPS grew by 42.27%, and on 17 July 2023, the Supervisory Board of KRUK S.A. passed a resolution to acknowledge that the condition set out in the 2021–2024 Incentive Scheme had been met for the purpose of issuing and offering Tranche 2 subscription warrants in view of fulfilment in 2022 of the conditions of the 2021–2024 Incentive Scheme.

Therefore, on 22 August 2023 the Company's Management Board passed a resolution determining the list of persons other than Management Board members, who were eligible to acquire Tranche 2 subscription warrants in view of fulfilment in 2022 of the conditions of the 2021–2024 Incentive Scheme, whereby a total of 109,292 subscription warrants were awarded to the eligible persons.

On 14 September 2023, the Supervisory Board passed a resolution determining the list of Management Board members eligible to acquire Tranche 2 subscription warrants in view of fulfilment in 2022 of the conditions of the 2021–2024 Incentive Scheme. In line with that resolution, a total of 76,044 subscription warrants were awarded to eligible Management Board members for 2022 in Tranche 2. The warrants were acquired by Management Board members on 20 September 2023.

In 2023, EPS grew by 36.64%, and on 10 June 2024, the Supervisory Board of KRUK S.A. passed a resolution to acknowledge that the condition set out in the 2021–2024 Incentive Scheme had been met for the purpose of issuing and offering Tranche 3 subscription warrants in view of fulfilment in 2023 of the conditions of the 2021–2024 Incentive Scheme.

Therefore, on 1 July 2024 the Company's Management Board passed a resolution determining the list of persons other than Management Board members who were eligible to acquire Tranche 3 subscription warrants in view of fulfilment in 2023 of the conditions of the 2021–2024 Incentive Scheme, whereby a total of 113,765 subscription warrants were awarded to the eligible persons.

On 1 July 2024, the Supervisory Board passed a resolution determining the list of Management Board members eligible to acquire Tranche 3 subscription warrants in view of fulfilment in 2023 of the conditions of the 2021–2024 Incentive Scheme. In line with that resolution, a total of 76,044 subscription warrants were awarded to eligible Management Board members for 2023 as part of Tranche 3. The warrants were acquired by Management Board members on 22 July 2024.

In 2024, EPS grew by 30.61%, and on 22 July 2025, the KRUK S.A. Supervisory Board declared by its resolution that the condition set forth in the 2021–2024 Incentive Scheme for issuing and offering subscription warrants under Tranche 4 for 2024 had been satisfied.

Accordingly, by way of a resolution of 1 September 2025 determining the list of persons other than Management Board members who were eligible to acquire Tranche 4 subscription warrants in view of fulfilment in 2024 of the conditions of the 2021–2024 Incentive Scheme, the Company's Management Board granted a total of 137,113 subscription warrants to the eligible persons.

On 1 September 2025, the Supervisory Board passed a resolution determining the list of Management Board members eligible to acquire Tranche 4 subscription warrants for the fulfilment in 2024 of the conditions of the 2021–2024 Incentive Scheme. In line with that resolution, a total of 76,044 subscription warrants were awarded to eligible Management Board members for 2024 in Tranche 4. The warrants were acquired by Management Board members on 25 September 2025.

Given that the increase in absolute return to shareholders (i.e. including dividends paid) calculated in accordance with the 2021–2024 Incentive Scheme was 1.94, the KRUK S.A. Supervisory Board declared

by its resolution of 22 July 2025 that the condition for issuing and offering subscription warrants under the Additional Pool had not been satisfied.

Following expiry of the lock-up period applicable to the subscription of Series H shares in exchange for subscription warrants granted to eligible persons as part of Tranche 1 and 2, as at the issue date of this Report 173,548 subscription warrants were converted into Series H shares of the Company. The eligible persons continue to hold 586,892 subscription warrants.

The table below shows the number of Tranche 1, 2, 3 and 4 warrants awarded to and acquired by each Management Board member.

Number of warrants awarded to and acquired by Management Board members under the 2021–2024 Incentive Scheme

Full name	Number of Tranche 1 warrants awarded and acquired	Number of Tranche 2 warrants awarded and acquired	Number of Tranche 3 warrants awarded and acquired	Number of Tranche 4 warrants awarded and acquired	Number of outstanding Tranche 1, 2, 3 and 4 warrants held
Piotr Krupa	22,812	22,812	22,812	22,812	22,812
Piotr Kowalewski	13,308	13,308	13,308	13,308	13,308
Adam Łodygowski	13,308	13,308	13,308	13,308	13,308
Urszula Okarma	13,308	13,308	13,308	13,308	13,308
Michał Zasępa	13,308	13,308	13,308	13,308	13,308

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

	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Number of options		
Number of options priced under the 2021–2024 Incentive Scheme at the beginning of the reporting period*:	966,228	949,965
Number of options priced under the 2021–2024 Incentive Scheme during the reporting period*:	28,048	16,263
Number of options priced under the 2021–2024 Incentive Scheme at the end of the reporting period*:	994,276	966,228
Number of options forfeited under the 2021–2024 Incentive Scheme during the reporting period**:	191,642	5,831
Number of options exercised under the 2021–2024 Incentive Scheme during the reporting period:	110,670	62,878
Number of options exercisable under the 2021–2024 Incentive Scheme at the end of the reporting period:	183,926	109,260
Issue price of options in the 2021–2024 Incentive Scheme	248.96	248.96

* The number of options priced includes all options priced under the Scheme, including forfeited options. Priced options mean options granted.

** Forfeited options are priced options that have not been delivered for reasons provided for in the Rules of the Incentive Scheme.

*** Options exercisable are options delivered for which the lock-up period restricting the right to subscribe for shares has already expired.

The table includes options that were “reverted to the pool” (the options had been priced, but employees did not acquire the rights and the warrants were not offered to them), after which the warrants were granted to other individuals and re-priced.

In 2025, the average share price was PLN 426.98 (2024: PLN 441.39).

As at 31 December 2025 and 31 December 2024, the amount of liabilities under share-based payment transactions was PLN 0.

PLN	2021–2024 Incentive Scheme
Weighted average fair value of options	248.96
Method of measuring the fair value of the options	The weighted average fair value of the options was determined based on the weighted average closing price of Company shares in the period 15 May 2021 – 15 June 2021.
Weighted average share price	305.40
Exercise price	248.96
Expected volatility	43%
Term	4 years
Expected dividend volatility	4.38%
Risk-free rate, determined based on IRS interbank rates quoted by banks on the valuation date	1.70%

The Company uses historical volatility of its share prices to estimate the expected volatility of its shares, for each tranche taking into account the period between the offer date of the option (the valuation date) and the expected exercise date (rounded to full years). The volatilities thus determined for each tranche are used to calculate a weighted average, with the weights being the number of options priced in each tranche.

The valuation took into account the vesting conditions of the scheme, including the time of vesting, a 24-month lockup period from the start of the scheme, the expected time of exercise falling between the start and end of the scheme, and the time of closing the scheme.

Incentive scheme for 2025–2028

On 30 January 2025, the Extraordinary General Meeting of KRUK S.A. passed a resolution on setting the rules of an incentive scheme for 2025–2028, conditional increase in the Company’s share capital and issue of subscription warrants with the Company existing shareholders’ pre-emptive rights waived in whole with respect to the shares to be issued as part of the conditional share capital increase and subscription warrants, and amendments to the Articles of Association (the “2025–2028 Incentive Scheme”).

For the purposes of the 2025–2028 Incentive Scheme, the General Meeting approved a conditional increase of the Company’s share capital by up to PLN 775,264, through an issue of up to 775,264 Series I ordinary bearer shares.

The subscription warrants are issued free of charge, may be inherited, but may not be encumbered and are not transferable, except where a donation agreement for the subscription warrants is executed with the prior consent of the Company, granted through a resolution of the Management Board. No further donation of the subscription warrants is permitted. In accordance with the terms of the Incentive Scheme, the number of warrants to be allotted and offered to members of the Management Board throughout the term of the Scheme is 40% of all warrants.

As at the issue date of these separate financial statements, no subscription warrants were awarded under the 2025–2028 Incentive Scheme.

Number of options	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Number of options priced under the 2025–2028 Incentive Scheme at the beginning of the reporting period*:	-	-
Number of options priced under the 2025–2028 Incentive Scheme during the reporting period*:	736,227	-
Number of options priced under the 2025–2028 Incentive Scheme at the end of the reporting period*:	736,227	-
Number of options forfeited under the 2025–2028 Incentive Scheme during the reporting period**:	-	-
Number of options exercised under the 2025–2028 Incentive Scheme during the reporting period:	-	-
Number of options exercisable under the 2025–2028 Incentive Scheme at the end of the reporting period***:	-	-
Issue price of options in the 2025–2028 Incentive Scheme	424.09	n/a

* The number of options priced includes all options priced under the Scheme, including forfeited options. Priced options mean options granted.

** Forfeited options are priced options that have not been delivered for reasons provided for in the Rules of the Incentive Scheme.

*** Options exercisable are options delivered for which the lock-up period restricting the right to subscribe for shares has already expired.

PLN	2025–2028 Incentive Scheme
Issue price	424.09
Method for determining the issue price	The issue price was determined as the quotient of the total trading value of the shares (in PLN) and the trading volume of the shares on the Warsaw Stock Exchange for the period of one month preceding the date of the General Meeting adopting the stock option plan, that is for the period from 29 December 2024 to 29 January
Weighted average share price at the valuation date*	384.30
Expected volatility**	28.3%
Term	4 years
Weighted average expected dividend volatility***	5.42%
Risk-free rate, determined based on IRS interbank rates quoted by banks on the valuation date	5.01%

*¹ The weighting factor for the weighted average share price is the number of options priced under the 2025–2028 Incentive Scheme during the reporting period.

** In the valuation model for the 2025–2028 Incentive Scheme, in the 'Market data' section, the Exponentially Weighted Moving Average (EWMA) method was used to estimate the volatility of future returns. EWMA is a time-series modelling method, primarily used to estimate volatility. The key assumption is that older observations carry decreasing weight in determining the volatility of the entire series, which better preserves the more recent characteristics of the data. The weights decline exponentially as observations age. The EWMA model contains a single parameter – lambda – which determines the importance of recent observations in estimating volatility. The higher the lambda value, the more closely EWMA tracks the original time series.

*** The weighting factor for the weighted average expected dividend volatility is the number of options priced under the 2025–2028 Incentive Scheme during the reporting period.

Value of benefits granted

PLN '000

Period ending	<u>Value of benefits granted</u>
31 Dec 2003	226
31 Dec 2004	789
31 Dec 2005	354
31 Dec 2006	172
31 Dec 2007	587
31 Dec 2008	91
31 Dec 2010	257
31 Dec 2011	889
31 Dec 2012	2,346
31 Dec 2013	2,578
31 Dec 2014	7,335
31 Dec 2015	13,332
31 Dec 2016	7,702
31 Dec 2017	10,147
31 Dec 2018	8,118
31 Dec 2019	9,658
31 Dec 2020	(1,156)
31 Dec 2021	18,576
31 Dec 2022	27,694
31 Dec 2023	21,951
31 Dec 2024	16,807
31 Dec 2025	24,035
Total	<u>172,488</u>

22. Earnings per share

Material accounting policies

The Company presents basic and diluted earnings per share for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period, adjusted for the number of treasury shares held by the Company. Diluted earnings per share are calculated by dividing the adjusted profit or loss (adjusted by the share issue proceeds under the management stock option plan) attributable to holders of ordinary shares by the weighted average number of ordinary shares adjusted for the number of treasury shares and the dilutive effect of any potential shares. Dilution is a reduction in earnings per share or an increase in loss per share, assuming that the convertible instruments are converted, options or warrants are exercised, or ordinary shares are issued on satisfaction of certain conditions.

Financial information

Basic earnings per share

As at 31 December 2025, basic separate earnings per share were calculated based on net profit attributable to owners of the Company (holding ordinary shares) of PLN 1,096,142 thousand (2024: PLN 1,043,380 thousand) and the weighted average number of shares in the period covered by these separate financial statements of 19,403 thousand (2024: 19,338 thousand). The amounts were determined as follows:

Separate net profit attributable to owners of the Company

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Net profit for period	1,096,142	1,043,380
Net profit attributable to owners of the Company	1,096,142	1,043,380

Weighted average number of ordinary shares

thousands of shares	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Number of ordinary shares as at 1 Jan	19,382	19,319
Effect of cancellation and issue	21	19
Weighted average number of ordinary shares at end of reporting period	19,403	19,338
PLN		
Earnings per share	56.49	53.95

Diluted separate earnings per share

As at 31 December 2025, diluted separate earnings per share were calculated based on net profit attributable to owners of the Company (holding ordinary shares) of PLN 1,096,142 thousand (2024: PLN 1,043,380 thousand) and the weighted average number of shares in the period covered by these separate financial statements of 20,475 thousand (2024: 20,484 thousand). The amounts were determined as follows:

<i>thousands of shares</i>	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Weighted average number of ordinary shares at end of reporting period	19,403	19,338
Effect of issue of unregistered shares not subscribed for	1,072	1,146
Weighted average number of ordinary shares at end of reporting period (diluted)	20,475	20,484
<i>PLN</i>		
Earnings per share (diluted)	53.54	50.94

Dividend per share paid

<i>PLN '000</i>	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Dividend paid from profit and retained earnings	349,252	347,738
<i>PLN</i>		
Dividend per share	18.00	18.00

23. Borrowings, other debt securities and leases

Material accounting policies

The Company measures financial liabilities at amortised cost.

Financial liabilities are recognised as at the date of the transaction in which the Company becomes a party to an agreement obliging it deliver a financial instrument.

Non-derivative financial liabilities are initially recognised at fair value plus directly attributable transaction costs (bank credit origination and extension fees, bond issue costs). Following initial recognition, such liabilities are measured at amortised cost with the use of the effective interest rate.

Financial liabilities are not reclassified.

The Company has the following liabilities: bank borrowings, borrowings from related parties, debt securities, and lease liabilities (Note 12).

The Company derecognises a financial liability when the liability has been repaid, written off or is time barred.

Information on the Company's exposure to currency, liquidity and interest rate risks is presented in Note 28.

Financial information

Terms and repayment schedule of borrowings, other debt securities and leases

PLN '000	31 Dec 2025	31 Dec 2024
Non-current liabilities		
Secured borrowings	494,551	577,239
Debt securities (unsecured liabilities)	3,228,255	2,892,970
Lease liabilities	47,074	2,264
	<u>3,769,880</u>	<u>3,472,473</u>
Current liabilities		
Secured borrowings	43,827	6,763
Debt securities (unsecured liabilities)	232,635	216,732
Lease liabilities	15,412	10,386
	<u>291,874</u>	<u>233,881</u>
	<u>4,061,754</u>	<u>3,706,354</u>

Realised and unrealised exchange differences affecting changes in financial liabilities were PLN 10,267 thousand in 2025 and PLN 20,139 thousand in 2024.

As at 31 December 2025, transaction costs reflected in the carrying amount were:

- PLN 31,446 thousand for bonds (31 December 2024: PLN 32,114 thousand),
- PLN 3,507 thousand for borrowings (31 December 2024: PLN 3,444 thousand).

The Company's non-current liabilities comprise predominantly liabilities under bonds. Pursuant to the terms and conditions of the bonds, certain financial ratios are monitored for compliance with relevant covenants.

	Year ended 31 Dec		Covenant level
	2025	2024	
Net Debt to Cash EBITDA ratio*	2.6	2.7	<4
Net Debt to Equity ratio*	1.4	1.4	<3

Compliance with the covenants is tested by the Company on a quarterly basis. As at 31 December 2025 and 31 December 2024, all covenants that could trigger accelerated repayment of the financial liabilities were complied with. As at the issue date of these financial statements, the Company identified no risk of non-compliance with these covenants within the next 12 months.

Published forecasts (unaudited)

Pursuant to Article 35(1a) and 35(1b) of the Bonds Act, in December 2024 KRUK 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 2025 (the "Bonds Act Projection"). The financial liabilities of KRUK S.A. and the KRUK Group as at 31 December 2025 were as follows:

- financial liabilities of KRUK S.A.:
 - borrowings: PLN 538 million (21% below the Bonds Act Projection),
 - debt securities: PLN 3,461 million (21% above the Bonds Act Projection),
 - leases: PLN 62 million (31% above the Bonds Act Projection),
- financial liabilities of the KRUK Group:
 - borrowings: PLN 3,663 million (1% below the Bonds Act Projection),
 - debt securities: PLN 3,461 million (21% above the Bonds Act Projection),
 - leases: PLN 103 million (91% above the Bonds Act Projection),
- financing structure of KRUK S.A.:
 - percentage share of liabilities under borrowings in total equity and liabilities of KRUK S.A.: 6% (3pp below the Bonds Act Projection),
 - percentage share of liabilities under debt securities in total equity and liabilities of KRUK S.A.: 36% (2pp above the Bonds Act Projection),
 - percentage share of liabilities under leases in total equity and liabilities of KRUK S.A.: 1% (0.1pp above the Bonds Act Projection),
- financing structure of the KRUK Group:
 - percentage share of liabilities under borrowings in total equity and liabilities of the KRUK Group: 28% (4pp below the Bonds Act Projection),
 - percentage share of liabilities under debt securities in total equity and liabilities of the KRUK Group: 27% (2pp above the Bonds Act Projection),
 - percentage share of liabilities under leases in total equity and liabilities of the KRUK Group: 0.8% (0.3pp above the Bonds Act Projection).

The fact that total financial liabilities of the Company (up by PLN 465 million, or +13%) and the KRUK Group (up by PLN 590 million, or +9%) as at the end of 2025 were above the projections was largely attributable to significant expenditure on debt portfolios incurred by the Group in 2025 (PLN 2.2 billion). The percentage share of the Company's and the Group's financial liabilities in total equity and liabilities as at the end of 2025 was close to the projected level (with deviations of -1pp and -2pp, respectively).

Data relating to published forecasts was not audited by the statutory auditor.

Liabilities repayment schedule

PLN '000	Currency	Nominal interest rate	Maturity periods*	31 Dec 2025	31 Dec 2024
Borrowings secured over the Company's assets	PLN/EUR	3M WIBOR + margin of 2.0–2.7pp; 1M WIBOR + margin of 1.9–2.5pp; 1M EURIBOR + margin of 2.3–2.5pp; 3M EURIBOR + margin of 1.2–2.0pp; 6M EURIBOR + margin of 0.92pp; 3M ROBOR + margin of 2.45pp; 6M PRIBOR + margin of 0.92pp	2026-2031	538,378	584,002
Debt securities (unsecured liabilities)	PLN/EUR	3M WIBOR + margin of 2.7–4.65pp; 4.00% - 4.20%;** 3M EURIBOR + margin of 4.0–6.5pp	2026-2032	3,460,890	3,109,702
Lease liabilities	PLN/EUR	1.89% - 9.04%	2026-2033	62,486	12,650
				4,061,754	3,706,354

* Maturity of the last liability.

** Fixed interest rate.

Separate financial statements for the year ended 31 December 2025 prepared in accordance with the IFRS endorsed by the EU (PLN thousand)
The published XHTML report is the binding version of financial statement

Changes in borrowings, debt securities and leases

PLN '000	As at 31 Dec 2023	Disbursements	Repayments	Finance costs	Interest paid	Early termination/ currency translation of agreements	Liabilities under guarantees	As at 31 Dec 2024
Secured borrowings	386,787	1,656,231	(1,457,707)	26,985	(34,850)	-	6,556	584,002
Debt securities (unsecured liabilities)	2,851,202	373,724	(102,500)	275,213	(287,937)	-	-	3,109,702
Lease liabilities	27,483	4,500	(19,097)	966	(1,174)	(28)	-	12,650
	3,265,472	2,034,455	(1,579,304)	303,164	(323,961)	(28)	6,556	3,706,354
PLN '000	As at 31 Dec 2024	Disbursements	Repayments	Finance costs	Interest paid	Early termination/ currency translation of agreements	Liabilities under guarantees	As at 31 Dec 2025
Secured borrowings	584,002	1,564,912	(1,606,368)	40,815	(42,600)	-	(2,383)	538,378
Debt securities (unsecured liabilities)	3,109,702	600,000	(242,500)	286,743	(293,055)	-	-	3,460,890
Lease liabilities	12,650	65,063	(15,031)	1,805	(1,947)	(54)	-	62,486
	3,706,354	2,229,975	(1,863,899)	329,363	(337,602)	(54)	(2,383)	4,061,754

Impact of IBOR reform

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. In particular, the Company is monitoring regulatory developments relating to benchmark rates; negotiating amendments to master agreements and credit facility agreements governing the hedging instruments and bank facilities utilised by KRUK Group companies; aligning fallback clauses in new bond issues with market standards, taking into account the recommendations of the National Working Group on Benchmark Reform, 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 2025	31 Dec 2024
Carrying amount of financial liabilities for which WIBOR is used as the benchmark		
Borrowings secured over the Company's assets	426,345	235,913
Debt securities	2,683,749	2,326,523
Lease liabilities	5,154	2,958
Notional amount of hedging instruments for which WIBOR is used as the benchmark		
CIRS	2,430,000	1,957,500
IRS	-	-

Security over assets

For a description of the security created, see Note 33.

A claim secured by a registered pledge and not repaid shall be satisfied from the pledged assets in priority to other claims, unless such other claims have priority under special regulations. Satisfaction of the pledgee from the registered pledge takes place on the basis of the enforcement procedure provided for in the Code of Civil Procedure.

<i>PLN '000</i>	31 Dec 2025	31 Dec 2024
Registered pledge over portfolios and assignment of claims financed with the facility, registered pledge over shares in Secapital S.a.r.l.	1,343,881	1,094,700
Property, plant and equipment used under lease contracts	8,567	6,364
	<u>1,352,448</u>	<u>1,101,064</u>

24. Hedging instruments

Material accounting policies

Hedge accounting

Under IFRS 9, to apply hedge accounting, the Company is required to meet all the requirements specified below:

- a) the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- b) at the inception of the hedging relationship, the entity has formally designated and documented the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. That documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio, where the hedge ratio for the established hedging relationship is set at a level that ensures effectiveness of the relationship and is consistent with the actual quantity of the hedged item and the quantity of the hedging instrument);
- c) the hedging relationship meets all of the following hedge effectiveness requirements:
 - there is an economic relationship between the hedged item and the hedging instrument;
 - the credit risk does not dominate the value changes that result from that economic relationship;
 - the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item. However, that designation may not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness (irrespective of whether recognised or not) that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting.

The hedge ratio for a given relationship is set at 1.0 (i.e. each unit of the notional amount of the hedging instrument hedges a unit of the designated notional amount of the hedged item).

Discontinuation of hedge accounting

The Company discontinues hedge accounting prospectively only when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria. This includes instances when the hedging instrument expires or is sold, terminated or exercised. For this purpose, the replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such a replacement or rollover is part of, and consistent with, the entity's documented risk management objective.

a) where the hedging relationship no longer meets the risk management objective based on which it was qualified for hedge accounting (i.e. the entity no longer pursues that risk management objective);

b) where the hedging instrument or instruments have been sold or terminated (with respect to the entire volume that was part of the hedging relationship);

c) where an economic relationship between the hedged item and the hedging instrument no longer exists, or the credit risk starts to dominate the value changes that result from that economic relationship.

Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

Cash flow hedges

A cash flow hedge is a hedge of the exposure to the variability of cash flows that is attributable to a particular risk associated with a recognised asset or liability or with a highly probable future transaction, and could affect profit or loss.

As long as a cash flow hedge meets the qualifying criteria in the paragraphs above, the hedging relationship is accounted for as follows:

a) the separate component of equity with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):

- the cumulative gain or loss on the hedging instrument from inception of the hedge;
- the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge;

b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (i.e. the portion that is offset by the change in the cash flow hedge reserve calculated in accordance with a)) is recognised in other comprehensive income;

c) any remaining gain or loss on the hedging instrument (or any gain or loss required to balance the change in the cash flow hedge reserve calculated in accordance with a)) is hedge ineffectiveness that is recognised in profit or loss;

d) the amount that has been accumulated in the cash flow hedge reserve in accordance with a) is accounted for as follows:

- if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becoming a firm commitment for which fair value hedge accounting is applied, the entity removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability,

- for cash flow hedges other than those covered by the subparagraph above, that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss,
- however, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

The effectiveness of the hedge is assessed by means of prospective and retrospective effectiveness tests, performed on a quarterly basis.

Hedging of a net investment in a foreign operation

Hedge accounting for a net investment in a foreign operation consists in hedging the currency exposure of the interest in net assets of a foreign operation included in these separate financial statements.

The hedged item is a specified portion of interests in net assets of foreign operations, understood as the difference between the carrying amount of the assets and the carrying amount of liabilities and provisions of the foreign subsidiary (expressed in EUR).

Calculation of the permitted hedged item does not include those monetary items (intra-group receivables and/or liabilities between the Company and the foreign subsidiary) that have a specified maturity date (i.e. they will be converted into receivables/payables at a specified future date (including trade receivables/payables, receivables/payables under collected debts, resale of shares etc.)).

In order to increase the economic effectiveness of the hedge, the Company designated hedging relationships with a monthly frequency, i.e. each FX Forward/FX Swap transaction with a one-month maturity was linked to a designated hedged item for one month, assuming that the nominal portion of the net investment designated as the hedged item is fixed during the month.

The Company measures the ex-ante effectiveness as at the date of establishing the hedging relationship and as at each subsequent effectiveness measurement date (the end date of the reporting period).

As part of a prospective assessment of hedge effectiveness, the Company checks whether the following three conditions for establishing and maintaining a hedging relationship are met:

- Condition 1 – an economic relationship exists,
- Condition 2 – credit risk does not dominate the hedged risk,
- Condition 3 – designated hedge ratio is consistent.

The hedge ratio for the established hedging relationship is set at a level that ensures effectiveness of the relationship and is consistent with the actual quantity of the hedged item and the quantity of the hedging instrument.

The hedge ratio for a given relationship is set at 1.0 (i.e. each unit of the notional amount of the hedging instrument hedges a unit of the designated notional amount of the hedged item).

Given its characteristics, the hedging relationship meets, by definition, the requirement that an economic relationship exists between the hedging instrument and the hedged item (EUR sale contract vs EUR-denominated net assets).

The effect of credit risk must not dominate changes in the fair values of the hedging instrument and the hedged item.

As at each effectiveness measurement date, the Company performs an expert assessment of whether this condition is met based on the following three qualitative criteria:

- *absence of the counterparties' defaults under hedging transactions*
- *application of credit risk management policies to counterparties under hedging transactions (monitoring, limits),*
- *absence of credit risk on the hedged item.*

If all the above criteria are met at the measurement date, the condition that the effect of credit risk must not dominate value changes of the hedging instrument and the hedged item is deemed to be met.

The Company expects this condition to be met in each case.

The Company recognises hedges of a net investment in a foreign operation, including the hedge of a monetary item forming part of the net investment, similarly to cash flow hedges:

- a) *the portion of the gain/(loss) on the hedging instrument that has been designated as effective hedge is recognised in other comprehensive income; and*
- b) *the portion that is not an effective hedge is recognised in profit or loss of the current financial year.*

The Company discontinues hedge accounting in one of the following cases:

- *the hedging instrument expires, is sold or settled early,*
- *the value of net assets in a foreign operation falls below the nominal value of the hedging instrument (in this case there is only partial discontinuation of hedge accounting for the excess portion of the hedging instrument),*
- *the criteria for applying hedge accounting are not met, in particular the criteria for assessing hedge effectiveness,*
- *the Company changes its risk management strategy to one with which the existing hedging relationship is not consistent.*

After discontinuing hedge accounting for a given hedging relationship, cumulative gains or losses on the hedging instrument, related to an effective portion of the hedge, which have been accumulated in the foreign currency translation reserve are reclassified from equity to profit or loss as

a reclassification adjustment in accordance with IAS 21 on disposal or partial disposal of a foreign operation at the time of such event.

Financial information

Interest rate risk hedges

The Company's exposure to interest rate risk arises mainly from borrowings and debt securities issued (Notes 23 and 28.3).

It has been concluded that effective implementation of the Company's growth strategy requires, among other elements, a proper policy for managing interest rate risk.

The interest rate risk management policy covers:

- the Company's objectives in terms of interest rate risk,
- methods of interest rate risk monitoring,
- the Company's permissible exposure to the interest rate risk,
- procedures in case of exceeding the Company's permissible exposure to the interest rate risk,
- interest rate risk management rules of the Company,

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

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 EURIBOR and 3M EURIBOR rate to hedge interest payments under EUR-denominated loans and bonds.

The Company expects cash flows to be generated and to have an effect on its results until 2029.

The Company determines the economic relationship based on the matching of the key terms of the hedging instrument and the hedged item, i.e. the base rate, the frequency of revaluation of the base rate, the duration and end dates of the interest periods, the maturity date, and the notional amount.

The hedge ratio for the established hedging relationship is set at a level that ensures effectiveness of the relationship and is consistent with the actual quantity of the hedged item and the quantity of the hedging instrument.

The hedge ratio for a given relationship is set at 1.0 (i.e. each unit of the notional amount of the hedging instrument hedges a unit of the designated notional amount of the hedged item).

The impact of counterparty credit risk on the fair value of the forward rate agreements may be the source of hedge ineffectiveness, as the credit risk is not reflected in the fair value of the hedged item.

As at 31 December 2025 and 31 December 2024, the Company held open outstanding IRS contracts with a total notional amount of EUR 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

In 2025, the Company entered into currency interest rate swaps (CIRS) with a total notional amount of PLN 600,000 thousand, under which the Company pays a coupon based on a fixed EUR interest rate and receives a coupon based on a variable PLN interest rate. The purpose of the CIRS contracts is 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.

The hedge ratio for the hedging relationship is set at a level that ensures effectiveness of the relationship and is consistent with the actual quantity of the hedged item and the quantity of the hedging instrument.

The hedge ratio for a given relationship is set at 1.0 (i.e. each unit of the notional amount of the hedging instrument hedges a unit of the designated notional amount of the hedged item).

As at 31 December 2025, the Company held the following open outstanding CIRS contracts with a total notional amount of PLN 2,430,000 thousand:

Bank	Type of transaction	Volume	Fixed rate [EUR]	Variable rate [PLN]	Transaction date	Transaction maturity date
ING Bank Śląski S.A.	CCIRS	PLN 330,000,000	2.13%	3M WIBOR	14 Jun 2022	24 May 2027
ING Bank Śląski S.A.	CCIRS	PLN 140,000,000	1.90%	3M WIBOR	23 Jun 2022	24 Mar 2027
Santander Bank Polska S.A.	CCIRS	PLN 50,000,000	1.72%	3M WIBOR	20 Jun 2022	16 Mar 2026
Santander Bank Polska S.A.	CCIRS	PLN 50,000,000	1.56%	3M WIBOR	21 Jun 2022	16 Mar 2026
ING Bank Śląski S.A.	CCIRS	PLN 105,000,000	1.21%	3M WIBOR	15 Jul 2022	23 Jan 2026

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ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	1.40%	3M WIBOR	20 Jul 2022	2 Mar 2026
DNB Bank ASA	CCIRS	PLN 60,000,000	1.96%	3M WIBOR	12 Dec 2022	27 Jul 2027
DNB Bank ASA	CCIRS	PLN 25,000,000	2.05%	3M WIBOR	21 Dec 2022	27 Nov 2026
DNB Bank ASA	CCIRS	PLN 120,000,000	2.02%	3M WIBOR	27 Jan 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	2.475%	3M WIBOR	25 Jul 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	2.435%	3M WIBOR	25 Jul 2023	7 Jun 2028
DNB Bank ASA	CCIRS	PLN 75,000,000	2.61%	3M WIBOR	22 Sep 2023	29 Mar 2028
ING Bank Śląski S.A.	CCIRS	PLN 85,000,000	2.48%	3M WIBOR	31 Oct 2023	10 Dec 2026
ING Bank Śląski S.A.	CCIRS	PLN 355,000,000	2.34%	3M WIBOR	31 Oct 2023	11 Oct 2029
DNB Bank ASA	CCIRS	PLN 70,000,000	6.046%	3M WIBOR + 4%	21 Mar 2024	16 Feb 2029
ING Bank Śląski S.A.	CCIRS	PLN 90,000,000	6.19%	3M WIBOR + 4%	21 Mar 2024	26 Sep 2028
Alior Bank S.A.	CCIRS	PLN 125,000,000	4.40%	3M WIBOR + 3%	11 Dec 2024	13 Nov 2030
Santander Bank Polska S.A.	CCIRS	PLN 100,000,000	4.86%	3M WIBOR + 2.8%	4 Apr 2025	29 Jan 2031
DNB Bank ASA.	CCIRS	PLN 200,000,000	4.864%	3M WIBOR + 3%	3 Jun 2025	27 Mar 2030
ING Bank Śląski S.A.	CCIRS	PLN 200,000,000	4.930%	3M WIBOR + 3%	3 Jun 2025	26 Mar 2031
Santander Bank Polska S.A.	CCIRS	PLN 100,000,000	4.820%	3M WIBOR + 2.7%	28 Jul 2025	26 Jun 2031

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	PLN 330,000,000	2.13%	3M WIBOR	14 Jun 2022	24 May 2027
ING Bank Śląski S.A.	CCIRS	PLN 140,000,000	1.90%	3M WIBOR	23 Jun 2022	24 Mar 2027
Santander Bank Polska S.A.	CCIRS	PLN 50,000,000	1.72%	3M WIBOR	20 Jun 2022	16 Mar 2026
Santander Bank Polska S.A.	CCIRS	PLN 50,000,000	1.56%	3M WIBOR	21 Jun 2022	16 Mar 2026
ING Bank Śląski S.A.	CCIRS	PLN 105,000,000	1.21%	3M WIBOR	15 Jul 2022	23 Jan 2026
ING Bank Śląski S.A.	CCIRS	PLN 52,500,000	0.96%	3M WIBOR	15 Jul 2022	22 Jan 2025
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	1.40%	3M WIBOR	20 Jul 2022	2 Mar 2026
DNB Bank ASA	CCIRS	PLN 60,000,000	1.96%	3M WIBOR	12 Dec 2022	27 Jul 2027
DNB Bank ASA	CCIRS	PLN 25,000,000	2.05%	3M WIBOR	21 Dec 2022	27 Nov 2026
DNB Bank ASA	CCIRS	PLN 75,000,000	2.49%	3M WIBOR	10 Jan 2023	26 Mar 2025
DNB Bank ASA	CCIRS	PLN 120,000,000	2.02%	3M WIBOR	27 Jan 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	2.475%	3M WIBOR	25 Jul 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	2.435%	3M WIBOR	25 Jul 2023	7 Jun 2028
DNB Bank ASA	CCIRS	PLN 75,000,000	2.61%	3M WIBOR	22 Sep 2023	29 Mar 2028
ING Bank Śląski S.A.	CCIRS	PLN 85,000,000	2.48%	3M WIBOR	31 Oct 2023	10 Dec 2026

ING Bank Śląski S.A.	CCIRS	PLN 355,000,000	2.34%	3M WIBOR	31 Oct 2023	11 Oct 2029
DNB Bank ASA	CCIRS	PLN 70,000,000	6.046%	3M WIBOR + 4%	21 Mar 2024	16 Feb 2029
ING Bank Śląski S.A.	CCIRS	PLN 90,000,000	6.19%	3M WIBOR + 4%	21 Mar 2024	26 Sep 2028
Alior Bank S.A.	CCIRS	PLN 125,000,000	4.40%	3M WIBOR + 3%	11 Dec 2024	13 Nov 2030

The transactions were designated for hedge accounting.

Hedge ineffectiveness occurs when the sum of the notional amount of the hedging instrument is greater than the carrying amount of the net assets at the reporting date (after taking into account other relationships hedging the net asset). The ineffective portion is the proportion of profit or loss on the hedging instrument allocated to the excess of the notional amount of the hedging instrument over the nominal value of the hedged item. As a result, the amount relating to the effective portion and the amount relating to the cost of the hedge are both reduced in the same proportion. The change in fair value from the date of the hedging instrument and the establishment of the hedging relationship to the measurement date representing the ineffective portion is recognised in profit or loss on an ongoing basis.

Currency risk hedges

The Company's exposure to currency risk arises mainly from investments in subsidiaries and financial liabilities measured in foreign currencies (Note 28.3).

The currency risk management policy outlines:

- the Company's currency risk management objectives,
- the key principles of currency risk management at the Company,
- acceptable impact of currency risk on the Company's profit or loss and equity (currency risk appetite),
- methods of measuring and monitoring currency risk and currency risk exposure,
- procedures to be followed in the case of exceeding permitted currency risk appetite and specified currency risk limits,
- currency risk hedging policies,
- roles and responsibilities in the currency risk management process.

The impact of counterparty credit risk on the fair value of the currency forward contracts may be the source of hedge ineffectiveness, as the credit risk is not reflected in the fair value of the hedged item.

The Company does not expect the IBOR reform to have a material impact on hedging relationships in hedge accounting. The Company applied temporary specific exceptions to hedge accounting requirements in IFRS 9 in connection with the IBOR reform and assumed that it could continue hedging

relationships. The notional amounts of the hedging instruments to which these exceptions apply are disclosed in Note 23.

The Company takes measures to ensure that it is prepared for a possible change in the benchmarks underlying the concluded hedging instruments in the event the 3M WIBOR rate ceases to be provided. In particular, the Company continuously monitors regulatory changes in benchmarks and negotiates amendments to the Master Agreements governing the hedging instruments, in order to prepare optimal procedures for transition to an alternative benchmark if necessary.

Although the Polish Financial Supervision Authority has deemed the process of compiling the WIBOR benchmark to be in compliance with the requirements imposed under European Union law and issued a permit authorising WSE Benchmark SA to operate as an administrator of interest rate benchmarks, in the opinion of the Company there is uncertainty related to potential further changes to the method of determining the WIBOR benchmark. Therefore, the Company does not exclude the possibility that the hedging instruments entered into may need to be appropriately adjusted, in particular if the 3M WIBOR rate is permanently discontinued.

In order to increase the economic effectiveness of the hedge, the Company designated hedging relationships with a monthly frequency, i.e. each FX Forward transaction (EUR sale contract) with a one-month maturity was linked to a designated hedged item for one month (net assets of the investment in a subsidiary expressed in EUR).

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

On 17 June 2025, KRUK S.A. and mBank S.A. signed an amendment to the Master Agreement of 7 February 2019 for financial market transactions. The amendment provided for the termination of the Master Agreement by mutual agreement as of 27 June 2025. As at the termination date, the Company had no open positions under the Master Agreement.

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Amounts related to open position designated as hedging instruments

PLN '000	Carrying amount/fair value of hedging instruments											
	31 Dec 2025					31 Dec 2024					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	-	-	- (PLN)	-		-	-	- (PLN)	(4,954)		Hedging instruments	Hedge of future cash flows
IRS	-	13,275	184,000 (EUR)	5,832		-	19,107	184,000 (EUR)	(2,442)		Hedging instruments	Hedge of future cash flows
CIRS	137,354	-	2,430,000 (PLN)	25,273		114,326	2,245	1,957,500 (PLN)	22,825		Hedging instruments	Hedge of future cash flows/Hedge of net investment in a foreign operation
	137,354	13,275		31,105		114,326	21,352		15,429			

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PLN '000	Amount of future cash flows as at 31 Dec 2025				
	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
Instrument type:					
IRS					
fixed payment EUR sale	(7,820)	(8,173)	(17,211)	(789,462)	-
variable payment EUR	7,820	8,173	17,211	789,462	-
CIRS					
fixed payment	(264,140)	(58,522)	(624,050)	(1,621,074)	-
variable payment	264,140	58,522	624,050	1,621,074	-

PLN '000	Amount of future cash flows as at 31 Dec 2024				
	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
Instrument type:					
IRS					
fixed payment EUR sale	(10,775)	(8,028)	(15,416)	(818,650)	-
variable payment EUR	10,775	8,028	15,416	818,650	-
CIRS					
fixed payment	(69,810)	(91,420)	(295,906)	(1,539,570)	-
variable payment	69,810	91,420	295,906	1,539,570	-

Change in hedging instruments

PLN '000	As at 31 Dec 2025	Finance costs	Interest paid/received	Measurement of instruments taken to capital reserves	As at 31 Dec 2024
IRS	(13,275)	-	3,372	2,459	(19,107)
CIRS	137,354	2,233	(88,517)	111,557	112,081
	124,079	2,233	(85,145)	114,016	92,974

PLN '000	As at 31 Dec 2024	Finance costs	Interest paid/received	Measurement of instruments taken to capital reserves	As at 31 Dec 2023
IRS	(19,107)	-	(11,691)	4,295	(11,711)
CIRS	112,081	(1,546)	(71,874)	96,245	89,256
	92,974	(1,546)	(83,565)	100,540	77,545

Disclosure of the hedged item as at 31 Dec 2025

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)	184,000 (EUR)	5,832	(10,753)	-
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)	2,430,000 (PLN)	25,273	127,305	-

Disclosure of the hedged item as at 31 Dec 2024

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	-

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PLN '000	1 Jan–31 Dec 2025			
	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				
Hedge reserve as at 1 Jan 2025	(15,476)	4,082	91,564	80,170
Measurement of instruments charged to capital reserves	2,459	-	(12,638)	(10,179)
Cost of hedging	-	-	126,428	126,428
Temporary differences/reversal of temporary differences	(1,108)	-	(8,383)	(9,491)
Amount reclassified to profit or loss during the period	3,372	-	(69,666)	(66,294)
- Interest expense/income	3,372	-	2,233	5,605
- Cost of hedging	-	-	(71,899)	(71,899)
Hedge reserve as at 31 Dec 2025	(10,753)	4,082	127,305	120,634

PLN '000	1 Jan–31 Dec 2024			
	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				
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	(15,476)	4,082	91,564	80,170

Cost of hedging:

- the long leg (spread between the interest rates of PLN and EUR) in the measurement of the hedging instrument,
- the EUR/PLN cross-currency basis in the measurement of the hedging instrument.

The cost of hedging is determined as at the date of executing the hedging instrument and establishing the hedging relationship as the sum of net cash flows from interest on the hedging instrument, with cash flows in EUR being translated into PLN at the rate implied by the exchange of the CIRS notional principals at the transaction maturity date. The cost of hedging so determined is amortised until the hedging relationship expires. The cost of hedging is recognised under finance costs in the statement of profit or loss.

25. Employee benefit liabilities

Material accounting policies

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the service is provided.

The Company recognises liability under employee benefit liabilities for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefits at the Company include salaries, bonuses, paid holidays and social security contributions, and are recognised as expenses when incurred.

Pension contributions paid to the Social Insurance Institution are classified as defined contribution plans. Contributions payable to a defined contribution plan are recognised as cost of employee benefits and charged to profit or loss in the period when the employee rendered the related service. A prepayment is recognised as an item under other receivables to the extent that the prepayment will lead to a reduction in future payments or a cash refund. Contributions to a defined contribution plan that fall due within more than twelve months after the period in which the employee rendered the related service are discounted to their present value.

Financial information

PLN '000	31 Dec 2025	31 Dec 2024
Social benefit obligations	12,485	10,753
Salaries and wages payable	11,908	18,835
Provision for accrued holiday entitlements	9,856	8,123
Personal income tax	4,629	3,726
Special accounts	987	662
Liabilities under employee savings plans	773	647
	40,638	42,746

Change in provision for accrued holiday entitlements

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
At beginning of period	8,123	7,982
Increase	11,224	8,838
Use	(9,491)	(8,697)
At end of period	9,856	8,123

26. Provisions

Material accounting policies

A provision is recognised if the Company has a present (legal or constructive) obligation arising from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where this amount is material, the provision is estimated by discounting expected future cash flows based on a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks related to the specific liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Provisions for retirement gratuities are estimated using the actuarial method. These provisions are remeasured once per year.

Financial information

PLN '000	31 Dec 2025	31 Dec 2024
Provision for tax audit result	-	1,607
Provision for the loyalty scheme	-	-
Provision for retirement gratuities	2,692	1,915
	2,692	3,522

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 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	1,915	-	1,607
Carrying amount as at 1 Jan 2025	1,915	-	1,607
Increase	777	-	-
Use	-	-	-
Reversed	-	-	(1,607)
Carrying amount as at 31 Dec 2025	2,692	-	-

The Company reversed the unused provision relating to the concluded tax audit at KRUK S.A. (PLN 1,607 thousand).

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.

27. Trade and other payables

Material accounting policies

Trade payables are recognised as at the date of the transaction under which the Company becomes a party to a contract for a specific performance, and measured as at the reporting date the amount of payment due.

The Company presents liabilities related to purchased debt portfolios under trade payables.

The Company derecognises a liability when the liability has been paid, written off or is time barred.

Financial information

PLN '000

	31 Dec 2025	31 Dec 2024
Trade payables to other entities	19,378	15,626
Trade and other payables to related entities	7,582	11,926
Deferred income	5,296	5,296
Accrued expenses	1,244	2,178
Other liabilities	626	1,332
Taxes, customs duties, insurance and other benefits payable	125	119
	34,251	36,477

For information on the exposure to currency risk and liquidity risk associated with liabilities, see Note 28.

28. 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 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. The Company has not disclosed any information regarding capital management as required by IAS 1. This is because capital is managed on a consolidated basis and the Company is not subject to any regulatory capital requirements.

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.

28.1. Credit risk

Material accounting policies

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.

The risk of credit concentration is defined by the Company as the risk of significant exposure to individual entities or indebted persons whose ability to repay debt depends on a common risk factor. The Company analyses the concentration risk with respect to:

- *indebted persons as part of its investments in debt portfolios;*
- *borrowers under loans advanced;*
- *business partners;*
- *geographical regions.*

Trade and other receivables

The Management Board has established a credit policy whereby each creditworthiness of each business partner is evaluated before any payment and other contract terms are offered. The evaluation includes external ratings of the business partner, when available, and in some cases bank references. Each business partner is assigned a transaction limit which represents the maximum transaction amount for which no approval from the Management Board is required.

The Company regularly monitors whether payments are made when due, and if any delays are identified, the following actions are taken:

- *notices are sent to business partners*
- *email messages are sent to business partners*
- *telephone calls are made to business partners.*

Over 80% of the business partners have done business with the Company for three years or more. Only in few cases losses were incurred by the Company as a result of non-payment. Trade and other receivables mainly are mainly comprised of fees receivable in respect of debt collected for business partners.

The Company's exposure to credit risk results mainly from individual characteristics of each business partner. The Management Board believes that the Company's credit risk is low as its business partners are mainly reputable financial institutions and companies.

Based on historical payment data, the Company recognises allowances for expected credit losses which represent its estimates of expected losses on trade and other receivables. Impairment losses comprise specific losses related to individually significant exposures.

Investments in debt portfolios

Investments in debt portfolios include overdue debts which prior to the purchase by the Company were often subject to collection by the seller of the portfolio or by a third party acting on the seller's behalf. Therefore, credit risk related to investments in debt portfolios is relatively high, although the Company has the experience and advanced analytical tools necessary to estimate such risk.

A change in credit risk during the lifetime of an instrument is presented as an allowance for expected credit losses.

The credit risk related to investments in debt portfolios is reflected in the portfolios' valuations as at the end of each reporting period.

As at each valuation date, KRUK S.A. estimates the credit risk based on past data concerning a group of portfolios as well as other portfolios with similar characteristics.

The following parameters are taken into account in the credit risk assessment:

- *Debt:*
 - *outstanding amount*
 - *principal*
 - *principal to debt ratio*
 - *amount of credit granted / total amount of invoices*
 - *type of product*
 - *debt past due (DPD)*
 - *contract's term*
- *Indebted person:*
 - *credit amount repaid so far / amount of invoices repaid so far*
 - *time elapsed from the last payment made by the indebted person*
 - *region*
 - *indebted person's form of incorporation*
 - *indebted person's death or bankruptcy*
 - *indebted person's employment.*
- *Debt processing by the previous creditor:*
 - *availability of the indebted person's correct contact data*
 - *in-house collection – by the previous creditor's own resources*
 - *outsourced collection – debt management by third parties*
 - *court collection*
 - *bailiff enforcement.*

Changes in credit risk assessment affect expected amounts of future cash flows which are used as a basis of valuation of investments in debt portfolios.

The Company minimises the risk by performing a valuation of each portfolio before and after it is purchased, taking into account the likelihood of recovery of invested capital and the estimated costs of the collection process. Debt portfolios are purchased at official auctions and prices offered by the Company in most of such auctions do not differ significantly from prices offered by the Company's

competitors. A similar valuation of a debt portfolio by several specialist companies at the same time reduces the risk of an incorrect valuation.

The market value of a portfolio and its maximum purchase price are determined based on a statistical and economic analysis. Initially, portfolios are divided into sub-portfolios based on debt amount and type of security. This is done to select debts which can be valued using statistical methods. Other sub-portfolios are valued on a case-by-case basis in a due diligence process as at the time of their purchase.

Recoveries are estimated based on a statistical model developed on the basis of available selected reference data matching the valuation data. The reference data are derived from a database containing information on portfolios previously purchased and collected by the Company.

Once the evaluation of effectiveness and debt collection tools is completed, all parameters and comparative data for the reference portfolio, collection process, efficiency curve and risk are gathered. Also at this stage additional parameter reviews are considered, based on expert opinions. A single document (business plan) is then drafted, containing a summary of adopted assumptions and the resultant projection of expected cash flows from a portfolio, and a financial model is structured. The business plan serves to define the maximum purchase price that can be offered.

The maximum price is set based on the expected investment yield (mainly the internal rate of return, payback period, and nominal return). The expected return on investment largely depends on the risk inherent in a given project, which in turn depends, inter alia, on the quality of data provided by the business partner for valuation, reference data matching, and the number and quality of both macro- and microeconomic expert indicators used to prepare the cash flow projection.

Moreover, the Company diversifies the risk by purchasing various types of debt, with varying degrees of collection difficulty and delinquency periods.

The key tool used by the Company in order to mitigate credit risk is pursuing an appropriate credit policy towards its business partners and indebted persons, which includes, among other things:

- assessment of a business partner's and indebted person's creditworthiness prior to proposing payment dates and other terms of cooperation;*
- regular monitoring of timely payment of debt;*
- maintaining a diversified client base.*

The Company analyses the risk attached to the debt portfolios it purchases using economic and statistical tools and relying on its long-standing experience in this respect. It purchases debts of various types, with different degrees of difficulty and delinquency statuses. Debt portfolio valuations are revised on a quarterly basis.

As at the date of these separate financial statements, the Company held no single debt whose non-payment could have a material adverse effect on the Company's liquidity, but no assurance can be given that such a situation will not occur in the future.

Debt collection tools used include:

- letters
- telephone calls
- text messages
- partial debt cancellation
- intermediation in securing an alternative source of financing
- doorstep collection (at home or workplace)
- detective activities
- amicable settlements
- court collection
- enforcement against collateral.

Loans to related parties

Loans advanced to related parties are not secured, but because they are granted to entities over which the Company has control their repayment does not involve a material credit risk.

For loans to related parties, measured at amortized cost, the Company estimates the risk of borrowers' default based on the performance of the subsidiaries, appropriately converted to probability of default. Expected credit losses are calculated taking into account the time value of money. To determine the appropriate time horizon for calculating expected credit losses, it is necessary to verify whether there has been a significant increase in credit risk associated with a financial asset since its initial recognition, as this is the foundation for measuring the subsidiary's net assets.

In analysing a significant increase in credit risk of loans, the Company considers whether:

- the financial condition of the subsidiary deteriorated relative to the date of initial recognition of the loan,
- time past due for receivables from the asset exceeds 30 days.

Guarantees

A financial guarantee is a contract under which the issuer undertakes to make specified payments to the beneficiary to reimburse it for losses incurred as a result of a specified indebted person's failure to make payments when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are measured at the higher of:

At initial recognition, a financial guarantee contract is measured at fair value. Subsequently, at each reporting date, financial guarantees are measured at the higher of:

- the amount of the allowance for expected credit losses, or

- the amount initially recognised less cumulative amortisation of the fee income recognised in accordance with IFRS 15.

Financial guarantees/sureties are disclosed as off-balance-sheet liabilities (Note 33). The allowance for expected credit losses relating to financial guarantees issued is presented under other financial liabilities, with the corresponding entry recognised in profit or loss.

As a rule, the Company issues financial guarantees only to its wholly-owned subsidiaries. During the reporting period, the Company did not issue any guarantees to third parties.

The guarantees are granted to related entities controlled by the Company; therefore, they are not exposed to significant credit risk

KRUK S.A. provides sureties/guarantees for liabilities under credit facility agreements, derivative contracts, as well as capital cancellation transactions at subsidiaries.

Financial information

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:

PLN '000	31 Dec 2025	31 Dec 2024
Loans to related parties	1,395,490	1,585,407
Cash and cash equivalents	12,660	9,110
Hedging instruments	137,354	114,326
Trade and other receivables, net of tax receivable	46,237	107,630
Investments in debt portfolios	32,754	32,494
	<u>1,624,495</u>	<u>1,848,967</u>

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

PLN '000	31 Dec 2025	31 Dec 2024
Malta	855,639	1,070,709
Poland	728,717	681,710
Romania	39,731	56,733
Czech Republic and Slovakia	408	39,806
Italy	-	9
	<u>1,624,495</u>	<u>1,848,967</u>

The nominal amount of off-balance sheet contingent liabilities arising from guarantees and sureties issued is disclosed in Note 33 and represents the maximum credit risk exposure.

Credit risk exposure – Investments in debt portfolios

PLN '000	31 Dec 2025	31 Dec 2024
Portfolio type		
Unsecured retail portfolios	32,247	32,041
Unsecured corporate portfolios	507	453
	<u>32,754</u>	<u>32,494</u>

Credit risk exposure – Cash

The Company defines the cash concentration risk as the risk of material exposure to banks with ratings below and above BBB-.

PLN '000	31 Dec 2025	31 Dec 2024
Cash in accounts with banks rated below BBB – by Standard & Poor's*	1,128	655
Cash in accounts with banks rated BBB or higher – by Standard & Poor's*	11,532	8,455
	<u>12,660</u>	<u>9,110</u>

* Alternatively BBB- by Fitch Ratings Ltd or Baa3 by Moody's Investors Service Limited.

As at 31 December 2025, 63% of the Company's funds were deposited with a bank rated BBB+ and 14% – with a bank rated A- (according to Fitch Ratings Ltd).

Allowance for expected credit losses

Breakdown of trade and other receivables into quality buckets as at the end of the reporting periods is presented below.

IFRS 9 classification PLN '000	Days past due	Expected credit losses as % of gross carrying amount	Carrying amount as at 31 Dec 2025 (IFRS 9)	Carrying amount as at 31 Dec 2024 (IFRS 9)
Trade and other receivables, net of tax receivable	<1 day		46,237	107,630
	1-90 days		-	175
	>90 days		178	-
			<u>46,415</u>	<u>107,805</u>
Allowance for expected credit losses	<1 day	0.0%	-	-
	1-90 days	100.0%	-	175
	>90 days	100.0%	178	-
			<u>178</u>	<u>175</u>
Net carrying amount	<1 day		46,237	107,630
	1-90 days		-	-
	>90 days		-	-
			<u>46,237</u>	<u>107,630</u>

Changes in allowances for expected credit losses on receivables:

PLN '000	31 Dec 2025	31 Dec 2024
Loss allowance at beginning of period	175	168
Allowance for expected credit losses recognised in the reporting period	19	31
Reversal of allowance for expected credit losses	(16)	(8)
Use of allowance for expected credit losses	-	(16)
Loss allowance at end of period	<u>178</u>	<u>175</u>

In 2024–2025, the Company did not recognise any general impairment losses on receivables.

The Company's largest business partner (excluding subsidiaries) accounts for 0.6% (2024: 0.8%) of total revenue from debt collection and credit management services and from other services provided by the Company. The respective percentages for the subsidiaries are 59.9% and 70.1%. Receivables from the Company's largest external business partner accounted for less than 1% of total gross trade receivables as at 31 December 2025 (31 December 2024: 1%); The respective percentages for the subsidiaries were: 33% and 73%. Therefore, there is no significant concentration of credit risk.

Breakdown of loans to related parties into quality buckets as at the end of the reporting periods:

PLN '000	Bucket 1	Bucket 2	Bucket 3	Total
Gross carrying amount of loans to related parties as at 1 Jan 2024	997,268	407,398	-	1,404,666
<i>Transfer from bucket 1 to bucket 2</i>	<i>(68,076)</i>	<i>68,076</i>	-	-
<i>Transfer from bucket 2 to bucket 1</i>	<i>339,916</i>	<i>(339,916)</i>	-	-
Disbursements	519,718	21,090	-	540,808
Repayments	(418,762)	(40,442)	-	(459,204)
Interest income on loans	127,720	12,410	-	140,130
Foreign exchange differences	(20,303)	(1,370)	-	(21,673)
Gross carrying amount of loans to related parties as at 31 Dec 2024	1,477,481	127,246	-	1,604,727
<i>Transfer from bucket 2 to bucket 1</i>	<i>86,742</i>	<i>(86,742)</i>	-	-
Gross carrying amount of loans to related parties as at 1 Jan 2025	1,564,223	40,504	-	1,604,727
Disbursements	56,400	-	-	56,400
Repayments	(345,804)	(40,311)	-	(386,115)
Interest income on loans	143,395	796	-	144,191
Foreign exchange differences	(10,509)	(279)	-	(10,788)
Deferred tax assets offset against liabilities	-	(710)	-	(710)
Gross carrying amount of loans to related parties as at 31 Dec 2025	1,407,705	-	-	1,407,705
Allowance for expected credit losses as at 1 Jan 2024	-	3,895	-	3,895
Recognised	15,498	491	-	15,989
Reversed	-	(564)	-	(564)
Allowance for expected credit losses as at 31 Dec 2024	15,498	3,822	-	19,320
<i>Transfer from bucket 2 to bucket 1</i>	<i>2,337</i>	<i>(2,337)</i>	-	-
Allowance for expected credit losses as at 1 Jan 2025	17,835	1,485	-	19,320
Recognised	106	-	-	106
Reversed	(5,726)	(1,485)	-	(7,211)
Allowance for expected credit losses as at 31 Dec 2025	12,215	-	-	12,215
Net carrying amount of loans to related parties as at 31 Dec 2024	1,461,983	123,424	-	1,585,407
Net carrying amount of loans to related parties as at 31 Dec 2025	1,395,490	-	-	1,395,490

As at 31 December 2025 and 31 December 2024, loans to related parties were not past due. As at 31 December 2025, due to improvement in the financial condition of related party borrowers, the Company reduced the allowance for expected credit losses to PLN 12,215 thousand (2024: PLN 19,320 thousand).

Given the improved performance of Novum Finance Sp. z o.o., loans advanced to that subsidiary were transferred from bucket 2 to bucket 1.

For information on changes in impairment losses on purchased debt portfolios measured at amortised cost, see Note 16.

The change in the allowance for expected losses on guarantees is presented in the table below.

PLN '000	Bucket 1	Bucket 2	Bucket 3	Total
Allowance for expected credit losses as at 1 Jan 2024	-	-	-	-
Recognised	6,556	-	-	6,556
Reversed	-	-	-	-
Allowance for expected credit losses as at 31 Dec 2024	6,556	-	-	6,556
Allowance for expected credit losses as at 1 Jan 2025	6,556	-	-	6,556
Recognised	-	-	-	-
Reversed	(2,383)	-	-	(2,383)
Allowance for expected credit losses as at 31 Dec 2025	4,173	-	-	4,173

28.2. Liquidity risk

Material accounting policies

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 separate 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.*

Financial information

Liquidity risk exposure

As at 31 Dec 2025

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	12,660	12,660	12,660	-	-	-	-
Trade and other receivables, net of tax receivables	46,237	46,237	46,237	-	-	-	-
Investments in debt portfolios*	32,754	137,740	11,120	10,732	19,066	41,425	55,397
Loans to related parties	1,395,490	1,595,294	39,003	476,165	166,692	854,931	58,503
Secured borrowings	(538,378)	(620,963)	(70,024)	(26,177)	(134,802)	(384,273)	(5,687)
Debt securities (unsecured liabilities)	(3,460,890)	(4,303,551)	(273,921)	(242,025)	(803,807)	(2,335,094)	(648,704)
Lease liabilities	(62,486)	(70,324)	(8,783)	(8,798)	(19,292)	(22,868)	(10,583)
Trade and other payables	(27,586)	(27,586)	(27,586)	-	-	-	-
	(2,602,199)	(3,230,493)	(271,294)	209,897	(772,143)	(1,845,879)	(551,074)
Off-balance-sheet contingent liabilities							
Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries**	(5,981,343)	(5,981,343)	(5,786,343)	-	-	(195,000)	-
	(8,583,542)	(9,211,836)	(6,057,637)	209,897	(772,143)	(2,040,879)	(551,074)

As at 31 Dec 2024

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)	-
Debt securities (unsecured liabilities)	(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)

** 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 2025 and 31 December 2024, KRUK S.A. saw nothing to indicate 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 Company's liquidity gap is managed through cash inflows/outflows related to investments in subsidiaries.

For information on liquidity risk of hedging instruments, see Note 24.

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 2025 and 31 December 2024, 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 2025, the undrawn revolving credit facility limit available to the Company was PLN 366,447 thousand (31 December 2024: PLN 269,682 thousand). The limit is available until 31 January 2031.

28.3. Market risk

Material accounting policies

Market risk is related to changes in such market factors as exchange rates, interest rates or stock prices, which affect the Company's performance or the value of financial instruments it holds. The objective of the market risk management policy implemented at the Company is to control and maintain the Company's exposure to market risk within the assumed values of parameters, while simultaneously optimising the rate of return.

It has been concluded that effective implementation of the Company's growth strategy requires, among other elements, a proper interest rate risk management policy. The interest rate risk management policy covers:

- *the Company's objectives in terms of interest rate risk,*
- *methods of interest rate risk monitoring,*
- *the Company's permissible exposure to the interest rate risk,*
- *procedures in case of exceeding the Company's permissible exposure to the interest rate risk,*
- *interest rate risk management rules of the Company.*

The currency risk management policy outlines:

- *the Company's currency risk management objectives,*
- *the key principles of currency risk management at the Company,*
- *acceptable impact of currency risk on the Company's profit or loss and equity (currency risk appetite),*
- *methods of measuring and monitoring currency risk and currency risk exposure,*
- *procedures to be followed in the case of exceeding permitted currency risk appetite and specified currency risk limits,*
- *currency risk hedging policies,*
- *roles and responsibilities in the currency risk management process.*

The Company uses financial instruments to hedge its interest rate risk and currency risk (Note 24).

Financial information

As at 31 December 2025, financial assets denominated in foreign currencies accounted for 9.4% of total assets, while liabilities denominated in foreign currencies represented 9.7% of total equity and liabilities (31 December 2024: 13.9% and 13.5%, respectively).

Cash recoveries in foreign currencies are reinvested to purchase debt portfolios in the same currency.

Currency risk exposure

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	Currency risk exposure					
	31 Dec 2025			31 Dec 2024		
	EUR	RON	CZK	EUR	RON	CZK
Cash	1,480	4,981	726	2,848	639	101
Investments in debt portfolios	-	24,935	408	87	25,236	676
Loans to related parties	855,639	14,837	-	1,099,212	31,536	10,548
Borrowings, other debt securities and leases	(926,090)	(2,321)	(19,352)	(1,136,176)	-	-
Currency risk exposure	(68,971)	42,432	(18,218)	(34,029)	57,411	11,325

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

PLN '000	Analysis of sensitivity of currency risk exposure to +10% increase in exchange rates					
	31 Dec 2025			31 Dec 2024		
	EUR	RON	CZK	EUR	RON	CZK
Cash	148	498	73	285	64	10
Investments in debt portfolios	-	2,494	41	9	2,524	68
Loans to related parties	85,564	1,484	-	109,921	3,154	1,055
Borrowings, other debt securities and leases	(92,609)	(232)	(1,935)	(113,618)	-	-
Currency risk exposure	(6,897)	4,244	(1,821)	(3,403)	5,742	1,133

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

PLN '000	Analysis of sensitivity of currency risk exposure to 10% decrease in exchange rates					
	31 Dec 2025			31 Dec 2024		
	EUR	RON	CZK	EUR	RON	CZK
Cash	(148)	(498)	(73)	(285)	(64)	(10)
Investments in debt portfolios	-	(2,494)	(41)	(9)	(2,524)	(68)
Loans to related parties	(85,564)	(1,484)	-	(109,921)	(3,154)	(1,055)
Borrowings, other debt securities and leases	92,609	232	1,935	113,618	-	-
Currency risk exposure	6,897	(4,244)	1,821	3,403	(5,742)	(1,133)

As at 31 December 2025 and 31 December 2024, an appreciation/depreciation of PLN against EUR, RON and CZK would have resulted in an increase/decrease of profit for the current period by the amounts shown below. The analysis is based on the assumption that other variables, in particular interest rates, remain unchanged.

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.

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

PLN	Average exchange rates*		End of period (spot rates)	
			31 Dec 2025	31 Dec 2024
	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024		
EUR 1	4.2400	4.3075	4.2267	4.2730
USD 1	3.7774	3.9815	3.6016	4.1012
RON 1	0.8412	0.8658	0.8291	0.8589
CZK 1	0.1717	0.1715	0.1746	0.1699

*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. The calculation also includes the mid rate quoted for the last day of the previous financial year.

Interest rate risk exposure

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

PLN '000	Carrying amount	
	31 Dec 2025	31 Dec 2024
Fixed-rate financial instruments*		
Financial assets	862,576	923,976
Financial liabilities	(183,228)	(208,915)
Fixed-rate financial instruments before hedging	679,348	715,061
Hedge effect (notional amount)	(3,207,713)	(2,743,732)
Fixed-rate financial instruments after hedging	(2,528,365)	(2,028,671)
Variable-rate financial instruments**		
Financial assets	761,919	924,991
Financial liabilities	(3,919,445)	(3,547,780)
Variable-rate financial instruments before hedging	(3,157,526)	(2,622,789)
Hedge effect (notional amount)	3,207,713	2,743,732
Variable-rate financial instruments after hedging	50,187	120,943

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

Derivative instruments are presented as fixed-rate financial instruments.

** 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.

Hedging instruments are presented as variable-rate financial instruments.

Interest rate concentration risk is defined by the Company as the risk arising from significant exposure to individual financial instruments.

The Company mitigates the impact of interest rate risk by entering into IRS and CIRS hedging transactions (see Note 24).

Sensitivity analysis of fair value of fixed-rate financial instruments

The Company does not hold any fixed-interest financial assets or liabilities measured at fair value through profit or loss, nor does it use derivative transactions (IRSs) as fair value hedges. Therefore, a change of an interest rate would have no material effect on current period's profit or loss.

Sensitivity analysis of cash flows from variable-rate financial instruments

The Company purchases derivative instruments in order to hedge interest rate risk.

A change of an interest rate by 100 basis points would increase (decrease) equity and pre-tax profit by the amounts shown below. The following analysis is based on the assumption that other variables, in particular exchange rates, remain unchanged.

PLN '000	Profit or loss for the current period		Equity excluding profit or loss for the current period	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
31 Dec 2025				
Variable-rate financial assets	6,246	(6,246)	1,374	(1,374)
Variable-rate financial liabilities	(39,062)	39,062	(133)	133
31 Dec 2024				
Variable-rate financial assets	8,107	(8,107)	1,143	(1,143)
Variable-rate financial liabilities	(35,264)	35,264	(214)	214

29. Fair values

Material accounting policies

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 2024–2025, no transfers were made between the levels.

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 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 as well as the current interest rate. Loans to related parties are granted on terms incorporating either a variable interest rate plus an agreed margin, or a fixed interest rate.

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, taking into account the current interest rate.

Fair value estimated for the purpose of disclosure is calculated based on the present value of future cash flows from repayment of principal and payment of interest, discounted using the market interest rate effective as at the end of the reporting period.

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.

Trade and other payables with short maturities and liabilities for which interest rates are adjusted for changes in base rates on an on-going basis are not discounted because their carrying amount is approximately equal to their fair value.

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.

Financial information

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 separate statement of financial position.

PLN '000	31 Dec 2025		31 Dec 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets and liabilities measured at fair value				
Hedging instruments (IRS)	(13,275)	(13,275)	(19,107)	(19,107)
Hedging instruments (CIRS)	137,354	137,354	112,081	112,081
Derivatives (FORWARD)	(58)	(58)	(105)	(105)
	<u>124,021</u>	<u>124,021</u>	<u>92,869</u>	<u>92,869</u>
Financial assets and liabilities other than measured at fair value				
Investments in debt portfolios	32,754	32,410	32,494	32,084
Loans to related parties	1,395,490	1,395,490	1,585,407	1,585,407
Trade and other receivables, net of tax receivable	46,237	46,237	107,630	107,630
Trade and other payables	(27,586)	(27,586)	(28,884)	(28,884)
Secured borrowings	(538,378)	(538,378)	(584,002)	(584,002)
Debt securities (unsecured liabilities)	(3,460,890)	(3,669,009)	(3,109,702)	(3,289,856)
	<u>(2,552,373)</u>	<u>(2,760,836)</u>	<u>(1,997,057)</u>	<u>(2,177,621)</u>

Interest rates used for fair value estimation

	31 Dec 2025	31 Dec 2024
Investments in debt portfolios*	3.76%-150.75%	8.75%-139.33%
Secured borrowings	3.03%-8.59%	4.71%-8.54%
Loans to related parties	4.41%-11.10%	5.34%-12.25%

* Applicable to 99.6% of debt portfolios.

Hierarchy of financial instruments

In 2024–2025, no transfers were made between the levels.

<i>PLN '000</i>	<u>Level 1</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Financial assets and liabilities other than measured at fair value		
As at 31 Dec 2025		
Debt securities (unsecured liabilities)	(3,460,890)	(3,669,009)
As at 31 Dec 2024		
Debt securities (unsecured liabilities)	(3,109,702)	(3,289,856)
<i>PLN '000</i>	<u>Level 2</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Financial assets and liabilities measured at fair value		
As at 31 Dec 2025		
Hedging instruments (IRS)	(13,275)	(13,275)
Hedging instruments (CIRS)	137,354	137,354
Derivatives (FORWARD)	(58)	(58)
As at 31 Dec 2024		
Hedging instruments (IRS)	(19,107)	(19,107)
Hedging instruments (CIRS)	112,081	112,081
Derivatives (FORWARD)	(105)	(105)
<i>PLN '000</i>	<u>Level 3</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Financial assets and liabilities other than measured at fair value		
As at 31 Dec 2025		
Investments in debt portfolios	32,754	32,410
Loans to related parties	1,395,490	1,395,490
Trade and other receivables, net of tax receivable	46,237	46,237
Trade and other payables	(27,586)	(27,586)
Secured borrowings	(538,378)	(538,378)
As at 31 Dec 2024		
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)

30. Related-party transactions

Remuneration of the Management – Management Board

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

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Base pay/managerial contract (gross)	8,556	8,167
Additional benefits (incl. social security contributions)	161	167
Share-based payments	24,035	16,807
	<u>32,752</u>	<u>25,141</u>

* The management stock option plans are described in Note 21.

Remuneration of the Management – Supervisory Board

Remuneration of members of the Supervisory Board was as follows:

PLN '000	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Base pay/managerial contract (gross)	1,630	1,529
Additional benefits	44	37
	<u>1,674</u>	<u>1,566</u>

Other transactions with the Management

As at 31 December 2025, members of the Management Board and persons closely associated with them held 9.7% of the total voting rights at the Company's General Meeting (31 December 2024: 9.8%).

In 2025 and 2024, there were no material transactions with close family members of the Company's key management personnel that are not disclosed in these separate financial statements.

Members of the Management Board and Supervisory Board and close family members of the Company's key management personnel did not provide any guarantees or sureties to other related companies.

Members of the Management Board and Supervisory Board and close family members of the Company's key management personnel did not receive any guarantees or sureties from other related companies.

Other related-party transactions

The Company has receivables from related entities for the provision of debt collection services and support services. The terms of these services are described in Note 4.1.

The Company has liabilities towards related entities under: non-transferred recoveries collected as part of debt collection services provided by the Company and liabilities under debt collection services provided to the Company by related entities.

Receivables, liabilities, loans advanced and received are unsecured and will be settled by offsetting mutual claims. In the financial year under analysis, the Company recognised an allowance for expected credit losses on loans advanced of PLN 12,215 thousand (2024: PLN 19,320 thousand). For information on expected credit losses on loans advanced, see Note 28.1.

Transactions with related parties were made on an arm 's-length basis and are presented below.

Transactions with subsidiaries as at and for the period ended 31 December 2025 and 31 December 2024

Balance of receivables, liabilities and loans from and to subsidiaries as at 31 December 2025 and 31 December 2024

PLN '000	31 Dec 2025							31 Dec 2024						
	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	-	-	-	-	-
Corbul Capital S.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	2	-	-	-	-	-	-	2	-	-	-	-	-	-
InvestCapital Ltd.	-	889	851,944	11,191	(7,496)	-	-	-	641	1,071,909	10,150	(11,350)	-	-
ItaCapital S.r.l.	-	11	-	-	-	-	-	-	9	-	-	-	-	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	444	4,415	21,000	-	(182)	-	-	1,405	3,109	7,200	-	(76)	-	-
KRUK Česká a Slovenská republika s.r.o.	-	166	-	-	-	39,283	146	41	278	38,941	593	(491)	-	-
KRUK Deutschland GmbH	-	-	-	-	-	-	-	-	18	-	-	-	-	-
KRUK España S.L.U.	19	1,263	-	-	-	34,236	1	-	1,680	-	-	-	22,220	283
KRUK Immobiliare S.r.l.	-	9	-	-	-	-	-	-	8	-	-	-	-	-
KRUK Investimenti S.r.l.	-	9	-	-	-	-	-	-	8	-	-	-	-	-
KRUK Italia S.r.l.	306	1,519	-	-	-	4,227	-	143	2,111	-	9	-	-	12
KRUK Romania S.r.l.	91	6,061	-	-	-	2,321	-	-	2,356	-	-	-	-	-
KRUK TECH s.r.l.	19	-	-	-	-	-	-	-	-	-	-	-	-	-
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	-	14,234	-	-	-	-	-	1	74,373	-	-	-	-	-
Novum Finance Sp. z o.o.	252	701	99,142	-	(859)	-	-	24	1,401	86,742	-	(2,337)	-	-
Presco Investments S.a.r.l.	217	-	-	-	-	-	-	368	1,049	-	-	-	-	-
Presco NFW FIZ (closed-end investment fund)	6	221	-	-	-	-	-	4	347	-	-	-	-	-
Prokura NFW FIZ	4,515	11,921	-	-	-	-	-	5,415	13,933	-	-	-	-	-
Rocapital IFN S.A.	-	-	14,592	375	(130)	-	-	-	7	31,693	177	(334)	-	-
SeCapital S.à.r.l	1,685	-	-	-	-	-	-	4,455	-	-	-	-	-	-
Wonga.pl Sp. z o.o.	26	36	409,456	5	(3,548)	-	-	68	52	356,343	-	(3,738)	-	-
Zielony Areał Sp. z o.o.	-	4	-	-	-	775	-	-	9	970	-	(994)	-	-
	7,582	41,459	1,396,134	11,571	(12,215)	80,842	147	11,926	101,427	1,593,798	10,929	(19,320)	22,220	295

Income from intra-group transactions in the periods ended 31 December 2025 and 31 December 2024

PLN '000	1 Jan–31 Dec 2025			1 Jan–31 Dec 2024		
	Revenue from sale of materials and other services	Revenue from debt collection and credit management services	Interest	Revenue from sale of materials and other services	Revenue from debt collection and credit management services	Interest
AgeCredit S.r.l.	121	-	-	102	-	-
Corbul Capital S.r.l.	-	-	-	-	-	-
InvestCapital Ltd.	42,038	-	86,830	41,761	-	83,691
ItaCapital S.r.l.	5	-	-	5	-	-
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	-	-	-	-	-	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	34,485	-	1,421	23,377	-	304
KRUK Česká a Slovenská republika s.r.o.	629	-	777	1,672	-	3,423
Kruk Deutschland GmbH	-	-	-	-	-	-
KRUK España S.L.U.	10,392	-	-	7,125	-	-
KRUK Italia S.r.l.	10,612	-	-	7,301	-	77
KRUK Immobiliare S.r.l.	-	-	-	-	-	-
KRUK Investimenti S.r.l.	-	-	-	-	-	-
KRUK TECH s.r.l.	-	-	-	-	-	-
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	4,000	193,905	-	1,506	293,003	-
KRUK Romania S.r.l.	11,286	-	-	7,528	-	845
Novum Finance Sp. z o.o.	1,600	1,690	10,560	1,621	2,225	8,869
Presco Investments S.a.r.l.	9	864	-	11	1,031	-
Presco NFW FIZ (closed-end investment fund)	-	-	-	-	-	-
Prokura NFW FIZ	6,702	-	-	10,815	-	-
Rocapital IFN S.A.	205	-	1,862	62	-	471
SeCapital S.à.r.l.	9	109	-	11	65	-
Wonga.pl Sp. z o.o.	461	121	42,722	389	56	42,333
Zielony Areal Sp. z o.o.	43	-	19	35	-	117
	122,597	196,689	144,191	103,321	296,380	140,130

Expenses on intra-group transactions in the periods ended 31 December 2025 and 31 December 2024

PLN '000	1 Jan–31 Dec 2025		1 Jan–31 Dec 2024	
	Purchase of services	Interest	Purchase of services	Interest
AgeCredit S.r.l.	-	-	-	6
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	20	-	-	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	4,673	-	4,698	-
KRUK Česká a Slovenská republika s.r.o.	203	337	505	-
KRUK España S.L.U.	-	1,137	-	1,069
KRUK Italia S.r.l.	928	117	541	200
KRUK Romania S.r.l.	2,846	283	4,386	-
Wonga.pl Sp. z o.o.	42	-	253	-
Novum Finance Sp. z o.o.	13	-	-	-
Zielony Areał Sp. z o.o.	-	27	-	-
	8,725	1,901	10,383	1,275

31. Other notes

31.1. Notes to the separate statement of cash flows

The table below presents the reasons for differences between changes in certain items of the separate statement of financial position and the separate statement of profit or loss and changes resulting from the separate statement of cash flows:

<i>PLN '000</i>	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Change in trade and other receivables presented in the separate statement of financial position	57,173	(61,166)
Receivables under redeemed investment certificates and dividends not paid	(1,050)	(432)
Offset against accounts receivable and dividends declared but not paid	15,352	13,014
WHT offset	(1,019)	-
Foreign exchange differences	(17)	238
Change in trade and other receivables presented in the separate statement of cash flows	70,439	(48,346)
<i>PLN '000</i>	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Net finance costs presented in the separate statement of profit or loss	131,993	102,828
Other exchange differences	(834)	(556)
Net finance costs presented in the separate statement of cash flows	131,159	102,272
<i>PLN '000</i>	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Change in trade and other payables presented in the separate statement of financial position	(2,226)	1,025
Foreign exchange differences	(176)	(114)
Change in trade and other payables presented in the separate statement of cash flows	(2,402)	911
<i>PLN '000</i>	1 Jan–31 Dec 2025	1 Jan–31 Dec 2024
Change in provisions presented in the separate statement of financial position	(830)	(37,288)
Reversal of unused provision relating to concluded tax audit	1,607	26,947
Change in provisions presented in the separate statement of cash flows	777	(10,341)

The Company offsets its dividends receivable from subsidiaries against amounts owed to those companies for amounts collected.

31.2. Risk of negative impacts on the natural environment

As part of its ESG Strategy adopted in 2023, the Company defined key directions for action and – where practicable – set specific objectives relating to its environmental impact. These objectives are aligned with the United Nations Sustainable Development Goals (SDGs) and the goals of the European Green Deal.

As at the issue date of this Report, no on-balance sheet items were identified whose measurement would be materially dependent on the climate-related risks analysed.

32. Auditor's fees

PLN '000

1 Jan–31 Dec 2025 1 Jan–31 Dec 2024

Audit of financial statements	2,604	2,154
Other assurance services, including review of financial statements*	617	795
	3,221	2,949

* The table above does not include the auditor's fee for performing the sustainability assurance engagement, which amounted to PLN 90 thousand in 2025.

33. Contingent liabilities and security created over the Company's assets

Security created over KRUK S.A.'s assets as at 31 December 2025 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 525,000 thousand	No later than 31 December 2034	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 1,132,500 thousand	Until all obligations under the multi-currency revolving credit facility agreement are satisfied No later than 31 December 2033	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-revolving 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 6,696 thousand	No later than 20 September 2029	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-revolving working capital facility agreement
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-revolving 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 17,160 thousand	No later than 13 December 2029	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-revolving working capital facility agreement

Surety for PROKURA NFW FIZ's liabilities towards Pekao S.A. under the overdraft facility agreement of 1 February 2022, as amended, between PROKURA NFW FIZ, KRUK S.A. and Pekao S.A.	Pekao S.A.	PLN 105,000 thousand	No later than 31 January 2034	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-revolving 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 27,720 thousand	No later than 21 August 2030	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-revolving 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, as amended on 26 February 2025.	BANKINTER S.A.	EUR 7,000 thousand	Until all obligations under the direct debit collection management contract of 7 July 2022, as amended on 26 February 2025, are satisfied.	InvestCapital Ltd's failure to pay amounts due to the Bank under the direct debit collection management contract of 7 July 2022, as amended on 26 February 2025.
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-revolving 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 40,109 thousand	No later than 7 February 2032	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-revolving working capital facility agreement
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-revolving working capital facility agreement of 20 December 2024 between PROKURA NFW FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 53,333 thousand	No later than 19 December 2032	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-revolving working capital facility agreement
Guarantees obtained				
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 2026	KRUK S.A.'s failure to repay its liabilities and properly perform its obligations under the rental agreement secured with the Guarantee

Security created 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-revolving 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-revolving working capital facility agreement
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-revolving 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-revolving working capital facility agreement

Separate financial statements for the year ended 31 December 2025 prepared in accordance with the IFRS endorsed by the EU (PLN thousand)
The published XHTML report is the binding version of financial statement

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-revolving 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-revolving 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-revolving 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-revolving 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

* The surety amount depends on the limit available to InvestCapital Ltd; as at 31 December 2025 and 31 December 2024, the limit was 0.

Granting of credit sureties or guarantees, security pledges

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 repayment of Prokura NFW FIZ's liabilities under the agreement:

- 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 Article 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 2025, the value of all portfolios pledged in favour of PKO BP S.A. was PLN 227,533 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 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 24 June 2025, KRUK S.A. and its subsidiaries: InvestCapital Ltd., KRUK Romania S.R.L., PROKURA NFW FIZ and KRUK Espana S.L.U. (the borrowers) executed an agreement amending the revolving multi-currency credit facility agreement of 3 July 2017, as amended, with the bank syndicate comprising DNB Bank ASA of Oslo, ING Bank Śląski S.A. of Katowice, Santander Bank Polska S.A. of Warsaw, PKO BP S.A. of Warsaw and Bank Polska Kasa Opieki S.A. of Warsaw (the Lenders) (the Amendment Agreement). The Amendment Agreement provided for an increase in the facility limit up to EUR 740,000 thousand. In accordance with the Amendment Agreement, KRUK S.A., KRUK Romania S.R.L. and Kruk España S.L.U. issued a surety for all liabilities of the borrowers under the revolving multi-currency credit facility agreement, and the borrowers signed relevant amendments to the pledge agreements reflecting the Amendment Agreement. In addition, on 25 June 2025 and 26 June 2025, respectively, Prokura NFW FIZ and KRUK S.A. submitted notarised consents to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to EUR 1,110,000 thousand, which will expire on or before 31 December 2032.

On 30 October 2025, KRUK S.A. and its subsidiaries: InvestCapital Ltd., KRUK Romania S.R.L., PROKURA NFW FIZ and KRUK Espana S.L.U. (the borrowers) executed an agreement amending the revolving multi-currency credit facility agreement of 3 July 2017, as amended, with the bank syndicate comprising DNB Bank ASA of Oslo, ING Bank Śląski S.A. of Katowice, Santander Bank Polska S.A. of Warsaw, PKO BP S.A. of Warsaw and Bank Polska Kasa Opieki S.A. of Warsaw (the Lenders) (the Amendment Agreement). Under the Amendment Agreement, the facility limit was increased to EUR 755,000 thousand and the availability period of the facility was extended by another 12 months, i.e. until 3 July 2030. In accordance with the Amendment Agreement, KRUK S.A., KRUK Romania S.R.L. and Kruk España S.L.U. issued a surety for all liabilities of the borrowers under the revolving multi-currency credit facility agreement, and the borrowers signed relevant amendments to the pledge agreements reflecting the Amendment Agreement. On 3 November 2025, Prokura NFW FIZ and KRUK S.A. submitted notarised consents to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to EUR 1,132,500 thousand, which will expire on or before 31 December 2033.

To secure liabilities under the revolving multi-currency credit facility agreement of 3 July 2017, as amended:

- On 22 January 2025, 22 May 2025, 17 September 2025, and, subsequent to the reporting date, on 28 January 2026 InvestCapital LTD and the Lenders signed an agreement under Spanish law creating a pledge over debt portfolios purchased by InvestCapital LTD on the Spanish market;
- On 31 January 2025, Prokura NFW FIZ and DNB Bank ASA, acting as the security agent, signed an agreement under Polish law creating a registered pledge over debt portfolios purchased by Prokura NFW FIZ on the Polish market;
- On 3 December 2025, InvestCapital LTD and DNB Bank ASA, acting as the security agent, signed an agreement under Romanian law to create a pledge over debt portfolios purchased by InvestCapital LTD on the Romanian market.

As at 31 December 2025, the value of security created in favour of the Lenders was PLN 7,366,871 thousand.

In order to secure the repayment of Prokura NFW FIZ's liabilities under the overdraft facility agreement, as amended, executed on 1 February 2022 between Prokura NFW FIZ, KRUK S.A. and Bank Polska Kasa Opieki S.A. of Warsaw:

- On 12 June 2025, Prokura NFW FIZ entered into an agreement with Bank Polska Kasa Opieki 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 120,000 thousand.

As at 31 December 2025, the value of all portfolios pledged in favour of Bank Polska Kasa Opieki S.A. was PLN 137,058 thousand.

On 15 September 2025, a guarantee facility agreement was concluded between KRUK S.A. and Santander Bank Polska S.A. The facility was granted up to an amount of EUR 550 thousand, valid until 30 April 2029, to secure all obligations under office lease contracts. As security for liabilities resulting from the agreement:

- On 15 September 2025, KRUK S.A. granted a power of attorney over its bank accounts held with Santander Bank Polska S.A.; and
- On 18 September 2025, KRUK S.A. submitted a notarised consent to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to EUR 825 thousand, which will expire on or before 31 December 2032.

The guarantees obtained by KRUK S.A. under the bank guarantee agreement concluded with Santander Bank Polska S.A. on 17 December 2014 were debited against the limit of the aforementioned guarantee facility agreement. Consequently, the bank guarantee agreement was terminated.

On 26 September 2025, an amendment to the revolving working capital facility agreement of 28 February 2024 was executed between KRUK S.A. and VeloBank S.A. of Warsaw, raising the facility limit up to PLN 138,000 thousand and extending the availability period until 28 February 2030.

Accordingly:

- On 2 October 2025, KRUK S.A. submitted a notarised consent to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to PLN 207,000 thousand, which will expire on or before 1 March 2033;
- On 3 October 2025, an amendment to the agreement on financial and registered pledges over investment certificates of 7 March 2024, as amended, was executed between KRUK S.A. and VeloBank S.A. The registered pledge was created up to the maximum amount of PLN 207,000 thousand.

On 13 October 2025, an amendment to the overdraft facility agreement of 1 February 2022, as amended, was executed between Prokura NFW FIZ, KRUK S.A. and Bank Polska Kasa Opieki S.A. of Warsaw under which the availability period of the facility was extended until 31 January 2031.

Accordingly:

- On 15 October 2025, an amendment to the agreement creating a financial pledge over a bank account of 8 February 2022 was executed between Prokura NFW FIZ and PEKAO S.A.;
- On 16 October 2025, Prokura NFW FIZ submitted a notarised consent to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to PLN 105,000 thousand, which will expire on or before 31 January 2034;
- On 17 October 2025, an amendment to the deed of suretyship dated 4 February 2022 was executed between KRUK S.A. and PEKAO S.A. under which the surety expiry date was extended until 31 January 2034;
- On 23 October 2025, KRUK S.A. submitted a notarised consent to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to PLN 120,000 thousand, which will expire on or before 31 January 2034.

On 13 October 2025, an amendment to the overdraft facility agreement of 1 February 2022, as amended, was executed between KRUK S.A. and Bank Polska Kasa Opieki S.A. of Warsaw under which the availability period of the facility was extended until 31 January 2031.

Accordingly:

- On 16 October 2025, KRUK S.A. submitted a notarised consent to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to PLN 52,500 thousand, which will expire on or before 31 January 2034.

On 20 November 2025, an amendment to the revolving credit facility agreement of 8 April 2011, as amended, was executed between KRUK S.A. and Santander Bank Polska S.A. of Warsaw under which the repayment dates were extended. Current repayment dates:

- Credit Facility of up to PLN 270,000 thousand or its equivalent in EUR – end of availability period and final repayment date set for 31 October 2030,
- Additional Credit Facility of up to PLN 105,000 thousand or its equivalent in EUR – end of availability period and final repayment date set for 31 October 2028.

On 21 November 2025, an agreement amending 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 facility limit was increased up to PLN 350,000 thousand and the availability period of the facility was extended until 18 December 2030.

Accordingly:

- On 25 November 2025, an amendment to the financial pledge over a bank account 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 2034;
- On 25 November 2025, an amendment to the surety agreement of 2 July 2015 was executed between KRUK S.A. and mBank S.A. under which the surety expiry date was extended until 18 December 2034;
- On 27 November 2025, Prokura NFW FIZ and KRUK S.A. submitted notarised consents to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to PLN 525,000 thousand, which will expire on or before 31 December 2034;
- On 15 December 2025, Prokura NFW FIZ entered into an agreement with mBank S.A. to create a registered pledge over a set of rights (debt portfolios owned by Prokura NFW FIZ). The registered pledge was created after the reporting date up to the maximum amount of PLN 525,000 thousand.

As at 31 December 2025, the value of portfolios pledged in favour of mBank S.A. was PLN 415,536 thousand.

On 29 December 2025, a credit limit agreement was executed between KRUK S.A. and Alior Bank S.A. under which an overdraft facility of up to PLN 200,000 thousand or its equivalent in EUR was granted until 31 December 2030. In order to secure the repayment of KRUK S.A.'s liabilities under the agreement:

- On 29 December 2025, an amendment was executed to the financial and registered pledge over investment certificates agreement dated 15 January 2025 between KRUK S.A. and Alior Bank S.A. whereby the security originally established under the credit facility agreement of 20

December 2024 was transferred to secure the credit limit agreement. The registered pledge remains valid up to the maximum amount of PLN 300,000 thousand;

- After the reporting date, on 8 January 2026, KRUK S.A. submitted a notarised consent to enforcement under Article 777(1)(5) of the Code of Civil Procedure for up to PLN 300,000 thousand, which will expire on or before 31 December 2034.

As of the date on which the credit limit agreement referred to above was executed, the revolving credit facility agreement of 20 December 2024 was terminated ahead of its scheduled maturity date.

Until the date of issue of this Report, there were no changes in other contingent liabilities or contingent assets. Events subsequent to the reporting date had no impact on the financial data as at 31 December 2025 presented in these separate financial statements.

34. Glossary of terms

- ASI** – Alternative Investment Company; explained in the text, possible explanation in the glossary
- CAPM** – Capital Asset Pricing Model; a model used to estimate the expected rate of return on an investment based on its systematic risk
- Catalyst** – an organised trading system for debt financial instruments operated by the Warsaw Stock Exchange and BondSpot S.A.
- CCIRS** – Cross-Currency Interest Rate Swap
- CFC tax** – tax on income of foreign companies controlled by Polish tax residents
- CGU** – cash-generating unit
- CIRS** – Currency Interest Rate Swap; a foreign exchange and interest rate risk hedging instrument used by the Group to hedge future cash flows and net investments in foreign operations
- CIT** – Corporate Income Tax
- CSRD** – Corporate Sustainability Reporting Directive; Directive (EU) 2022/2464 of the European Parliament and of the Council as regards corporate sustainability reporting
- DCF** – Discounted Cash Flow; an asset valuation model based on discounted future cash flows
- DPD** - Days Past Due, days past the payment due date
- EBITDA** – Earnings Before Interest, Taxes, Depreciation and Amortisation; understood as gross profit less administrative expenses
- EPS** – Earnings Per Share; net profit per one share
- ESG** – Environmental, Social, Governance; a set of principles and disclosure processes relating to a company’s environmental, social and corporate governance impacts
- EURIBOR** – Euro Interbank Offered Rate; the reference rate for deposits and loans in the euro interbank market
- EWMA** – Exponentially Weighted Moving Average; a technique used for estimating the volatility of future returns
- EU** – European Union
- FIFO** – First In, First Out; the approach used by the Group for redemption of investment fund certificates
- FORWARD** – a derivative instrument constituting a contract for the purchase or sale of an underlying instrument on a predetermined future date and at a predetermined price
- FVOCI** – Fair Value through Other Comprehensive Income; measurement of equity instruments at fair value through other comprehensive income
- FX** – Foreign Exchange; an exchange rate between currencies
- FX Forward** – a contract under which the exchange rate for the purchase or sale of a currency is agreed for settlement at a predetermined future date
- GDP** – Gross Domestic Product
- GHG Protocol** – Greenhouse Gas Protocol; carbon footprint calculation standard including requirements and guidelines for estimating GHG emissions
- Gross profit** – revenue less direct and indirect costs
- Group, KRUK Group** – KRUK S.A., its subsidiaries and entities controlled through personal links
- IAS** – International Accounting Standards

IFRS – International Financial Reporting Standards

Interest coverage ratio – measures how many times the company’s operating profit covers its interest expenses

IPO – Initial Public Offering of the Company

IRS – Interest Rate Swap; an interest rate risk hedging instrument used by the Group to hedge future cash flows

LGD – Loss Given Default; the share of an asset that is lost if a borrower defaults

LIFO – Last In, First Out; the approach used by the Group to determine the order of redemption of shares in subsidiaries

Management Board – the Management Board of KRUK S.A.

NBP – National Bank of Poland, the Polish central bank

Net Debt to Cash EBITDA ratio – indicates how many years it would take the company to repay its net financial debt, assuming the current level of cash EBITDA generation is maintained

Net Debt to Equity ratio – shows the relationship between net financial debt and equity, indicating the extent to which the company’s operations are financed by debt relative to shareholders’ funds

NFW FIZ – Non-Standardised Debt Closed-End Investment Funds

OECD – Organisation for Economic Co-operation and Development

Parent – KRUK S.A.

PFRON – State Fund for the Rehabilitation of the Disabled

PIT – Personal Income Tax

Pillar Two – regulations that require taxpayers being multinational enterprise groups to pay a top-up tax, representing the difference between the effective tax rate (calculated in accordance with the principles set out in the Act) applicable in a given jurisdiction and the minimum rate of 15%

POCI – Purchased or Originated Credit-Impaired; financial assets that are credit-impaired at initial recognition due to credit risk

Rating – assessment of the creditworthiness of an entity or a financial instrument, issued by specialised credit rating agencies

SPPI test – Solely Payments of Principal and Interest; a qualitative assessment of whether the contractual cash flows of a financial asset represent solely payments of principal and interest

WIBOR – Warsaw Interbank Offered Rate; the reference rate for loans in the Polish interbank market

WSE – Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)

35. Events subsequent to the reporting date

- As part of the strategy adopted for the years 2025–2029 which assumes business development through an increase in the scale of operations, improvement of process efficiency and digital transformation, the Company has commenced work on the separation of operational and investment structures within the Group. This process includes, among others, the establishment of special purpose vehicles to which selected areas of activity are planned to be transferred. At the same time, in connection with the actions undertaken, the Company is considering the possibility of obtaining the status of an alternative investment company (AIC) while remaining a company listed on the Warsaw Stock Exchange. In the opinion of the Management Board, the above organisational changes will enable more effective implementation of the strategy for the years 2025–2029.

The Company notes that the implementation of the above changes and their final scope will depend on a number of factors partially or entirely beyond the Company's control, including the obtaining of administrative opinions and decisions, as well as regulatory approvals (in particular from the Polish Financial Supervision Authority) and corporate approvals, including those at the level of the General Meeting.

On 4 March 2026, K-NEXT Alternative Investment Company joint-stock company in organisation was incorporated with 100% of its shares subscribed for by KRUK S.A. The company's business activity will include the management of an alternative investment company, including introducing such alternative investment company to trading, as well as raising assets from multiple investors for the purpose of investing them in the interest of those investors, in accordance with a defined investment policy.

- On 5 March 2026, the Management Board of the Company resolved to exercise the option of early mandatory redemption of AL3 series bonds with a total nominal value of PLN 120 million. The redemption of the bonds will take place in April 2026 together with the payment of an early redemption premium. Furthermore, on 5 March 2026, the Management Board of the Company adopted a resolution regarding the issuance of AL6 series bonds with a total nominal value not exceeding PLN 600 million. The issuance is planned to be carried out by 30 June 2026 under the First Programme of Non-Prospectus Bond Issues.

Subsequent to the end of the reporting period, there were no other reportable material events whose disclosure in these consolidated financial statements would be required.

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 keeping accounting records

Hanna Stempień

*Person responsible for preparing the separate
financial statements*

Wrocław, 9 March 2026