

REPORT OF THE SUPERVISORY BOARD OF KRUK S.A. FOR THE YEAR 2022

Appendix to Resolution No. 2/2023 of the Supervisory Board of KRUK S.A. dated March 9, 2023

- I. Report from the evaluation of:
 - 1) KRUK S.A.'s separate financial statements for the fiscal year ending December 31, 2022;
 - 2) KRUK Group's consolidated financial statements for the fiscal year ending December 31, 2022;
 - 3) KRUK S.A. Management Board's report on the operations of the KRUK Group and KRUK S.A. for 2022;
 - 4) the Management Board's proposal on the distribution of profit or coverage of loss for 2022;

- II. Report from the evaluation of:
 - 1) the situation of the Company on a consolidated basis, including an evaluation of systems of internal control, risk management, compliance and the internal audit function, together with information on the actions the supervisory board took to make this evaluation;
 - 2) the Company's application of the principles of corporate governance and the manner in which it fulfills its disclosure obligations regarding their application, as defined in the Rules of the Stock Exchange and the regulations on current and periodic information provided by issuers of securities, together with information on the actions that the supervisory board took to make this evaluation;
 - 3) reasonableness of expenses incurred by the Company and the Group to support culture, sports, charitable institutions, the media, social organizations, trade unions, etc.;
 - 4) extent to which the diversity policy is implemented with respect to the management board and the supervisory board.
 - 5) implementation by the management board of the obligations referred to in Article 380¹ of the Commercial Companies Code;
 - 6) manner in which the Management Board prepares or submits to the Supervisory Board information, documents, reports or explanations requested pursuant to Article 382 § 4 of the Commercial Companies Code.

- III. Summary of the activities of the Supervisory Board and its committees in 2022.

- IV. Information on the total remuneration payable by the Company for

audits commissioned by the Supervisory Board during the fiscal year in accordance with Article 382¹ of the Commercial Companies Code.

V. Resolutions adopted and motions to the General Meeting of KRUK S.A.

**I. REPORT SUBMITTED IN ACCORDANCE WITH THE REQUIREMENTS OF ART.
382 § 3 OF THE COMMERCIAL COMPANIES CODE.**

With a view to fulfilling the obligation under Article 382 § 3 of the Commercial Companies Code and § 15 (2)(1) and (2) of the Company's Articles of Association, the Supervisory Board reviewed the following documents presented by the Company's Management Board:

- 1) separate financial statements of KRUK S.A. for the fiscal year ending December 31, 2022,
- 2) consolidated financial statements of the KRUK Group for the fiscal year ending December 31, 2022,
- 3) KRUK S.A. Management Board's report on the operations of the KRUK Group and KRUK S.A. for 2022;
- 4) Report of the independent auditor on the audit of the annual separate financial statements of KRUK S.A. for the fiscal year ending December 31, 2022,
- 5) Report of the independent auditor on the audit of the annual consolidated financial statements of the KRUK Group for the fiscal year ending December 31, 2022.

1) Evaluation of the separate financial statements of KRUK S.A. for the fiscal year ending December 31, 2022.

By Resolution No. 47/2021, the Supervisory Board selected PricewaterhouseCoopers Polska Sp. z o.o. to audit the Company's annual financial statements and audit the consolidated financial statements of the KRUK Group for the financial years 2022-2024. Audyt Sp.k. with its registered office in Warsaw, registered in the list of entities authorized to audit financial statements under No. 144.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards and other legal regulations applicable to the Company.

Key figures, for the period from January 1, 2022 to December 31, 2022, indicated in the financial statements:

*Appendix to Resolution No. 2/2023 of the Supervisory Board of
KRUK S.A.*

Separate statement of profit and loss

in *PLN thousands*

	<i>Note</i>	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Interest revenues: debt portfolios valued at amortized cost	5	17 502	17 273
Other revenues/(expense) from acquired debt portfolios	5	566	(467)
Revenues from the provision of other services	5	164 102	147 059
Other operating revenues	5	2 561	2 127
Result on expected credit losses	5	18 700	16 630
Operating revenues including result on expected credit losses and other income/(expense) from acquired debt portfolios		203 431	182 621
Payroll and employee benefit costs	8	(200 625)	(166 225)
Depreciation	12,13	(21 250)	(16 907)
Foreign services	6	(51 065)	(40 875)
Other operating expenses	7	(32 293)	(27 470)
		(305 233)	(251 477)
Profit/(loss) on operating activities		(101 802)	(68 856)
Financial revenues	9	46 476	19 746
Financial costs	9	(105 971)	(57 739)
<i>including interest expense on lease liability</i>		(1 645)	(814)
Net financial costs		(59 495)	(37 992)
Share of profit/(loss) of subsidiaries accounted for using the equity method	14	1 002 707	864 412
Profit/(loss) before tax		841 410	757 564
Income tax	10	(36 428)	(62 806)
Net profit/(loss) for the reporting period		804 982	694 758
Profit/(loss) per share			
Basic (PLN)	21	42,07	36,63
Diluted (PLN)	21	40,71	35,80

Separate statement of financial position

in PLN thousand	Note	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents	19	22 008	53 698
Hedging instruments	23	30 335	13 803
Trade receivables from related parties	18	27 523	27 331
Trade receivables from other entities	18	3 339	2 870
Other receivables	18	15 715	7 255
Income tax receivables		9 292	-
Inventories	17	15174	18 970
Investments	15	464 743	419 983
Investments in subsidiaries valued using the equity method	14	4 735 762	3 814 418
Property, plant and equipment	12	39 774	39 882
Intangible assets	13	30 791	9 502
Other assets		8 962	6 367
Total assets		5 403 418	4 414 079
Equity and liabilities			
Liabilities			
Trade and other liabilities	26	30 645	29170
Hedging instruments		9 824	-
Employee benefit obligations	24	28 974	24 153
Income tax liabilities		-	14 995
Liabilities from loans, borrowings, other debt securities and leases	22	1 865 886	1 565 210
Provisions	25	12 653	12 657
Deferred income tax provision	16	201 419	167 077
Total liabilities		2 149 401	1 813 262
Equity			
Share capital	20	19 319	19 013
Capital from issuance of shares above their nominal value		358 506	333 264
Reserve capital from valuation of hedging instruments	23	16 871	17 885
Foreign exchange differences on translation of foreign operations		100 448	75 708
Share of other comprehensive income of subsidiaries accounted for using the equity method	14	19 911	-
Other reserve capitals		149 896	122 202
Retained earnings		2 589 066	2 032 745
Total equity		3 254 017	2 600 817
Equity and liabilities		5 403 418	4 414 079

*Appendix to Resolution No. 2/2023 of the Supervisory Board of
KRUK S.A.*

Separate statement of cash flows

in PLN thousand

	Note	01.01.2022 - 31.12.2022	01.01.2021- 31.12.2021
Cash flow from operating activities			
Net profit/(loss) for the period		804 982	694 758
<i>Corrections</i>			
Depreciation of property, plant and equipment	12	14 297	12 205
Depreciation of intangible assets	13	6 953	4 702
Net financial costs	9	59 464	36 090
Share in (profits/losses) of subsidiaries accounted for using the equity method	14	(1 002 707)	(864 412)
(Profit/loss) on sale of property, plant and equipment		(1 550)	(46)
Equity-settled share-based payments	29	27 694	18 576
Interest revenues	5	(17 502)	(17 273)
Income tax		36 428	62 806
Change in investments in debt portfolios	15	596	1 542
Change in inventories	17	3 796	9 785
Change in trade and other receivables	18	48 215	7 382
Change in other assets		(2 595)	(411)
Change in trade and other liabilities excluding financial liabilities	26	21 188	10 121
Change in employee benefit liabilities	24	4 821	2 689
Change in provisions	25	(4)	1 377
Interest received	5	17 502	17 273
Tax paid		(29 667)	(19 321)
Net cash from operating activities		(8 089)	(22 158)
Cash flows from investing activities			
Interest received		417	5
Loans granted		(71 755)	(145 596)
Proceeds from sale of intangible assets and property, plant and equipment		503	1 989
Dividends received		19 487	38 917
Proceeds from investments in subsidiaries		119 875	471 068
Acquisition of intangible assets and property, plant and equipment		(15 897)	(7 083)
Acquisition of shares in subsidiaries		(108 115)	(196 175)
Repayment of granted loans		84 104	46 270
Net cash from investing activities		28 619	209 395
Cash flows from financing activities			
Proceeds from debt securities		545 000	535 000
Proceeds from issuance of shares		25 548	22 836
Taking out loans and credits		1 072 148	994 534
Expenses for repayment of loans and credits		(851 384)	(865 171)
Payments of obligations under finance leases (principal part)		(12 666)	(7 888)
Dividends paid	21	(248 661)	(206 140)
Redemption of debt securities		(467 926)	(540 000)
Interest paid		(114 279)	(73 304)
Net cash from financing activities		(52 220)	(140 134)
Net cash flows, total		(31 690)	47 103
cash and cash equivalents at beginning of period		53 698	6 595
cash and cash equivalents at end of period	19	22 008	53 698
- including restricted ¹		5 691	38 931
- including change in cash due to exchange rate differences		(327)	(1 139)

¹ Cash in the amount of PLN 5 691 thou. obtained from the issue of AN2 series bonds deposited a brokerage house's technical account, which were credited to the Company's bank account after the balance sheet day on 10 January 2023. Cash in the amount of PLN 38 931 thou. obtained from the issue of AM1 series bonds, deposited in a brokerage house's technical account which were credited to the Company's bank account past the balance sheet date on 4 January 2022.

* Notes and other detailed information are included in the separate financial statements of KRUK S.A. for the fiscal year ending December 31, 2022

According to the Report of the independent auditor on the audit of the annual separate financial statements of KRUK S.A. for the fiscal year ending December 31, 2022, these statements have been prepared on the basis of properly kept books of account, are consistent in form and content with the laws and regulations applicable to the Company, and give a true and fair view of the Company's assets and financial position as of December 31, 2022, and of its financial result for the fiscal year from January 1, to December 31, 2022, in accordance with the principles set forth in the Accounting Act, the International Accounting Standards, the International Financial Reporting Standards and related interpretations promulgated in the form of regulations of the European Commission applicable in the territory of the Republic of Poland.

With the above in mind, the Supervisory Board positively evaluates KRUK S.A.'s separate financial statements for the fiscal year ending December 31, 2022.

**2) Evaluation of consolidated financial statements of the KRUK Group
for the fiscal year ending December 31, 2022.**

The consolidated financial statements of the KRUK Group for the fiscal year ending December 31, 2022 have been prepared in accordance with the International Financial Reporting Standards and other applicable laws.

Key figures for the period from January 1, 2022 to December 31, 2022, indicated in the financial statements:

*Appendix to Resolution No. 2/2023 of the Supervisory Board of
KRUK S.A.*

Consolidated statement of profit or loss

in PLN thousand

	<i>Note</i>	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Interest revenues from debt portfolios and loans granted measured at amortized cost	5	1 390 066	1 081 638
Interest revenues from loans granted measured at fair value	5	10 129	40 243
Revenues from sale of receivables and loans	5	13 662	9 552
Other revenues/(expense) from acquired debt portfolios	5	(16 530)	(26 094)
Revenues from the provision of other services	5	74 372	70 783
Other operating revenues	5	6 556	4 766
Change in value of investments measured at fair value	5	3 400	(11 569)
Result on expected credit losses	5	664 135	573 364
Revenues from operations including result on expected credit losses, fair value measurement and other income/expenses from acquired debt portfolios		2 145 790	1 742 683
Payroll and employee benefit costs	8	(475 486)	(396 488)
Depreciation	12,13	(51 188)	(48 355)
Foreign services	6	(205 059)	(150 051)
Other operating expenses	7	(371 216)	(288 173)
		(1 102 949)	(883 067)
Operating profit		1 042 841	859 616
Financial revenues	9	7 319	11 479
Financial costs	9	(186 450)	(97 139)
<i>including interest expense on lease liabilities</i>		(2 878)	(2 240)
Net financial costs		(179 131)	(85 660)
Profit before tax		863 710	773 956
Income tax	10	(58 692)	(79 053)
Net profit for the reporting period		805 018	694 903
Net profit attributable to:			
Shareholders of the parent company		804 982	694 758
Non-controlling interests		36	145
Net profit for the reporting period		805 018	694 903
Profit per share			
Basic (PLN)	22	42,07	36,63
Diluted (PLN)	22	40,71	35,80

Consolidated statement of financial position

in PLN thousand

	Note	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents	19	202 160	199 164
Hedging instruments	24	46 091	13 803
Trade receivables	18	13 033	22 873
Other receivables	18	41 156	35 079
Inventories	16	16 369	20 295
Investments	15	7 137 530	5 416 512
Deferred income tax assets	17	44 921	37 560
Property, plant and equipment	12	71 422	80 249
Goodwill	14	17 026	23 840
Other intangible assets	13	70 833	43 474
Other assets	20	20 541	16 551
Total assets		7 681 082	5 909 400
Equity and liabilities			
Liabilities			
Trade and other liabilities	26	158 271	162 986
Hedging instruments	24	9 824	
Employee benefit obligations	25	59 639	48 661
Income tax liabilities		16 406	18 369
Liabilities from credits, loans, debt securities and lease	23	3 945 794	2 869 020
Provisions	27	36 431	43 060
Deferred income tax provision	17	201 420	167 077
Total liabilities		4 427 785	3 309 173
Equity			
Share capital	21	19 319	19 013
Capital from issuance of shares above their nominal value		358 506	333 264
Reserve capital from valuation of hedging instruments		32 627	17 885
Reserve capital from valuation of defined benefit plans		4 155	-
Foreign exchange differences on translation of entities operating abroad		100 448	75 708
Other reserve capitals		149 896	122 202
Retained earnings		2 589 066	2 032 745
Equity of shareholders of the parent company		3 254 017	2 600 817
Non-controlling interests		(720)	(590)
Total equity		3 253 297	2 600 227
Total capitals and liabilities		7 681 082	5 909 400

*Appendix to Resolution No. 2/2023 of the Supervisory Board of
KRUK S.A.*

Consolidated statement of cash flows

in PLN thousand

	<i>Note</i>	01.01.2022 - 31.12.2022	01.01.2021- 31.12.2021
Cash flow from operating activities			
Net profit for the period		805 018	694 903
<i>Corrections</i>			
Depreciation of property, plant and equipment	12	33 978	31048
Depreciation of intangible assets	13	17 210	17 307
Impairment losses on goodwill		7 262	-
Net financial costs		179 131	85 660
(Profit)/loss on sale of property, plant and equipment		(1 617)	(455)
Equity instrument-settled share-based payments	30	27 694	18 576
Interest revenues	5	(1 400 195)	(1 121 881)
Income tax	10	58 692	79 053
Change in loans granted	15	(53 107)	(91 692)
Change in investments in debt portfolios	15	(1 608 363)	(1 126 268)
Change in inventories	16	3 926	11 774
Change in trade and other receivables	18	3 763	(12 791)
Change in other assets	20	(3 990)	(2 715)
Change in trade and other liabilities	26	(4 715)	50 971
Change in employee benefit liabilities	25	10 978	5 801
Change in provisions	27	(6 629)	(10 064)
Minority profit sharing		(36)	(145)
Interest received		1400 195	1121 881
Tax paid		(36 967)	(39 760)
Net cash from operating activities		(567 772)	(288 797)
Cash flows from investing activities			
Interest received	9	711	45
Proceeds from sale of intangible assets and property, plant and equipment		1274	2,411
Acquisition of intangible assets and property, plant and equipment	12,13	(34 256)	(16 068)
Net cash from investment activities		(32 271)	(13 612)
Cash flows from financing activities			
Proceeds from issuance of shares	21	25 548	22 836
Proceeds from issuance of debt securities	23	545 000	535 000
Loans taken	23	2 381 102	1 894 837
Expenses for repayment of loans	23	(1 378 216)	(1 228 490)
Payments of liabilities under finance leases	23	(33 795)	(25 718)
Dividend payment	22	(248 828)	(206 583)
Redemption of debt securities	23	(467 926)	(540 000)
Interest paid		(219 846)	(95 861)
Net cash from financing activities		603 039	356 021
Net cash flows, total		2 996	53 612
Cash and cash equivalents at beginning of period		199 164	145 552
Cash and cash equivalents at end of period	19	202 160	199 164
<i>of which:</i>			
- change in cash due to exchange rate differences		130	(2 767)
- restricted cash		5 691*	38 931**

* Cash obtained from the issue of AN2 series bonds deposited a brokerage house's technical account, which were credited to the Company's bank account after the balance sheet day on 10 January 2023.

** Cash obtained from the issue of AM1 series bonds, deposited in a brokerage house's technical account which were credited to the Company's bank account past the balance sheet date on 4 January.

* Explanatory notes and other detailed information are included in the consolidated financial statements of the KRUK Group for the fiscal year ending December 31, 2022.

According to the Report of the independent auditor on the audit of the KRUK Group's annual consolidated financial statements for the fiscal year ending December 31, 2022, these statements have been prepared on the basis of properly maintained books of account, are consistent in form and content with the laws and regulations applicable to the Company, and present fairly and clearly the assets and financial position of the KRUK Group as of December 31, 2022, and its financial results for the fiscal year from January 1, to December 31, 2022.

The statements comply with the accounting principles arising from the International Accounting Standards, International Financial Reporting Standards and related interpretations promulgated in the form of regulations of the European Commission, and to the extent not regulated in these Standards – in accordance with the requirements of the Accounting Act and implementing regulations issued on its basis.

The Supervisory Board positively evaluates the consolidated financial statements of the KRUK Group for the fiscal year ending December 31, 2022.

3) Evaluation of the KRUK S.A. Management Board's report on the operations of the KRUK Group and KRUK S.A. for 2022

Having reviewed the KRUK S.A. Management Board's report on the operations of the KRUK Group and KRUK S.A. for 2022, the Supervisory Board concludes that the document contains all the elements required by the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent the information required by the laws of a non-member state, as well as all the requirements set forth in Article 49 of the Accounting Act.

The Supervisory Board concludes that this report presents fairly and clearly all information relevant to the evaluation of profitability and the financial result of the business in the fiscal year, and fairly and correctly reflects the economic events that occurred in 2022 at KRUK S.A. and the KRUK Group affecting its operations, presents relevant information about the Company's and the Group's assets and financial position, as well as the Group's development intentions for the coming years.

With the above in mind, the Supervisory Board positively evaluates the KRUK S.A. Management Board's report on the KRUK Group's and KRUK S.A.'s operations for 2022.

4) Evaluation of the Management Board's proposal for distribution of profit or coverage of the Company's net loss for 2022.

As of the date of preparation and adoption of this Report, the Company's Management Board has not adopted a resolution on the proposal for profit distribution for 2022.

II. REPORT FROM EVALUATION OF:

- 1) the situation of the Company on a consolidated basis, including an evaluation of systems of internal control, risk management, compliance and the internal audit function, together with information on the actions the supervisory board took to make this evaluation;
- 2) the Company's application of the principles of corporate governance and the manner in which it fulfills its disclosure obligations regarding their application, as defined in the Rules of the Stock Exchange and the regulations on current and periodic information provided by issuers of securities, together with information on the actions that the supervisory board took to make this evaluation;
- 3) reasonableness of expenses incurred by the Company and the Group to support culture, sports, charitable institutions, the media, social organizations, trade unions, etc.;
- 4) extent to which the diversity policy is implemented with respect to the management board and the supervisory board.
- 5) implementation by the Management Board of the obligations referred to in Article 380¹ of the Commercial Companies Code;
- 6) manner in which the Management Board prepares or submits to the Supervisory Board information, documents, reports or explanations requested pursuant to Article 382 § 4 of the Commercial Companies Code.

1) Evaluation of the situation of the Company on a consolidated basis, including an evaluation of systems of internal control, risk management, compliance and the internal audit function, together with information on the actions the supervisory board took to make this evaluation.

The Supervisory Board positively evaluates the activities of the Company's Management Board in 2022, as well as the results and current financial position of the Company and the KRUK Group.

In 2022, KRUK generated revenues totaling PLN 203 million, 11% higher than in 2021. Revenues from purchased receivables increased by 10% to PLN 37 million, revenues from debt recovery services increased by 3% to PLN 113 million, while revenues from other products increased by 36% to PLN 51 million.

KRUK S.A. is the parent company of KRUK Group, and both its financial and operating performance should be evaluated through the performance of the entire KRUK Group. In the past fiscal year, repayments from portfolios acquired by the KRUK Group amounted to PLN 2,627 million, investments in the purchase of debt portfolios amounted to PLN 2,311 million, total revenues amounted to PLN 2,146 million, and the KRUK Group's net profit amounted to PLN 805 million. KRUK Group's results in 2022 were the highest ever. In 2022, the KRUK Group reported PLN 1,094 million in EBITDA, an increase of PLN 186 million, or 20%, compared to 2021. At the same time, cash EBITDA in 2022 amounted to PLN 1,809 million, i.e. 17% more year-on-year. The increase in cash EBITDA is due to an increase in repayments from acquired portfolios,

which rose 19% year-on-year (PLN 412 million).

The Supervisory Board positively evaluates the activities of the Company's Management Board in 2022, as well as the results and current financial position of the Company and the KRUK Group.

In the opinion of the Supervisory Board, the Company has an effective system of internal control, risk management, compliance and internal audit function, adapted to the profile and scale of the Company's operations. The purpose of the internal control system is to ensure the achievement of the adopted objectives for ensuring the effectiveness and efficiency of operations, the reliability of financial reporting and the compliance of operations with laws and internal regulations. The established risk management system ensures the identification, analysis, evaluation and monitoring of non-financial risks, supports decision-making processes and enhances the security of operations. Responsibility for establishing risk management procedures, ensuring their application and supervising their implementation rests with the Management Board.

In order to effectively operate the risk management system and the internal control system, responsibilities and tasks have been separated and assigned to three independent lines of defense within these systems:

1. 1st line of defense - All Operating Units as Risk Owner;
2. 2nd line of defense: Compliance Area, Security and Operational Risk Management Area, Legal and Data Protection Area, Corporate Governance Area;
3. 3rd line of defense – Internal Audit Area.

In the opinion of the Supervisory Board, the Company duly identifies and monitors risks in the Company's operations in order to eliminate risks to the Company's operations and financial position or to reduce their impact and prevent the materialization of risks in the future. The current concept of operation of the risk management system is appropriate to the Company's needs in this regard, and the Supervisory Board positively evaluates the Company's risk management system.

In the opinion of the Supervisory Board, the Company's compliance supervision system is functioning properly. The Company has set aside an independent unit within its structure responsible for coordinating compliance risk management at the Group level – the Compliance Area. The procedures applied and the solutions adopted ensure that the activities of the Group companies comply with the applicable internal and external standards, and enable proper management of compliance risks identified in the processes operating in a given company.

In 2022, efforts to develop the compliance system at KRUK Group companies in Poland and abroad continued. As part of these activities, the Compliance Department at KRUK S.A. and the position of Compliance Specialist in Spain were created. As a result, the compliance function has been separated in all debt collection companies.

In 2022, an audit of the compliance function at the Group's debt collection companies was completed, the results of which confirmed that:

- a) The compliance system in individual Group companies is at the stage of construction and development, the most advanced being in Poland,
- b) The level of development of the function and the implementation of its components in each country depends on the level of development and maturity

of each company and on the decisions made by the General Director / management of each Company.

As part of the 2022 effort:

- A set of group "must have" standards for the risk management system, as well as for compliance risk, has been defined,
- The group model of the compliance function was revised and updated,
- An evaluation of the efficiency and effectiveness of the compliance function was conducted based on "must have" requirements, the group model and the local needs and capabilities of Group companies,
- Based on the results of the aforementioned activities, a strategy for the development of the compliance function for 2022 – 2024 was developed for each country. Based on it, a Compliance Plan will be prepared annually as an operationalization of the goals for the year,
- A list of compliance KPIs has been defined that should be reported and observed by the General Director/Management Board of the respective company,
The compliance report template has been updated,
- The group standard for monitoring changes in the law has been updated.

The year 2022 also brought significant development in the functioning of the risk management system and internal control system, as well as the internal audit function at KRUK Group companies, in particular:

a) with regard to the risk management system:

- the Outsourcing Risk Management Manual was implemented and a management process was put in place;
- risk maps were prepared on the basis of the methodology for identifying and evaluating non-financial risks in areas where the risk of risk materialization is greatest;
- the monitoring system for risk materialization cases has been implemented in foreign subsidiaries of the Group;
- on the basis of the methodology adopted by the Management Board, the risk appetite, understood as the maximum acceptable level of losses resulting from the materialization of non-financial risks (as defined in the Risk Management System Policy) was determined;
- The Management Board and the Company's General Director were regularly informed of all instances of materialization of operational risks in accordance with the quota thresholds adopted in the Risk Management System Policy;
- supervision of remediation plans resulting from cases of risk materialization was implemented. Any delays in the implementation of these plans are reported to the General Director;
- the functionality of the application supporting non-financial risk management was expanded. As the application is developed independently, it has been listed as Essential End-User Software, which means it fulfills software development standards;
- in accordance with the Outsourcing Risk Management Manual, all cases in which the Company uses an outsourcer were placed under supervision. For each case, the most significant non-financial risks were identified and appropriate risk

- minimization measures were implemented;
- b) regarding the internal control system:
- testing of an application to support the system of internal controls begun at Polish companies;
 - the control actions that risk owners take to minimize existing risks were partly verified;
 - an application was prepared to support the supervision of the reporting of inspections carried out;
 - thematic inspections were prepared on the operation of mechanisms minimizing risks in the IT area;
 - inspections were carried out on the physical security of the Company's sites in Poland;
- c) with regard to the internal audit function:
- internal audits completed in accordance with the 2022 plan and its update during the year;
 - internal audit function reviewed and self-evaluated and, based on this, a program was prepared to develop the quality of audit standards;
 - progress of the development of the Group's internal audit function was reported and the Internal Audit Area's three-year development strategy updated;
 - the methodology for conducting internal audits was standardized within the "adaptiveGRC" system;
 - the risk matrix was updated and the internal audit plan for 2023 was developed based on the result of the risk assessment;
 - reporting and flow of information on audit results at the KRUK Group management level was ensured.

The Supervisory Board positively evaluates the Company's internal audit function. In its opinion, the Company has an effective system of risk management and internal control. In 2022, management processes/systems at KRUK S.A. and foreign companies were audited. In accordance with the adopted standards, an annual evaluation of the effectiveness of the risk management system, compliance and internal control system, as well as the internal audit function was prepared together with the Management Board in accordance with the current Best Practice for WSE Listed Companies.

2) Evaluation of the Company's application of the principles of corporate governance and the manner in which it fulfills its disclosure obligations regarding their application, as defined in the Rules of the Stock Exchange and the regulations on current and periodic information provided by issuers of securities, together with information on the actions that the supervisory board took to make this evaluation.

The Supervisory Board of KRUK S.A. positively evaluates the Company's application of the principles of corporate governance and the manner of fulfilling the information obligations regarding their application, as specified in the Stock Exchange Rules and regulations on current and periodic information provided by issuers of securities. In connection with the adoption by the Exchange Board of Resolution No.

13/1834/2021 dated March 29, 2021 named "Best Practice for WSE Listed Companies" (BPLC2021), the Company's Management Board, by Resolution No. 142/2021 of July 26, 2021, adopted a statement on the application of the "Best Practice for WSE Listed Companies 2021" at KRUK S.A.

A declaration on the application of corporate governance principles expressed in the Best Practice of WSE Listed Companies 2021 was also made by the Company's Supervisory Board in Resolution No. 41/2021 of July 29, 2021, and with regard to principles addressed to the General Meeting and the Shareholders, a relevant declaration was also made by the Company's Shareholders in Resolution No. 7/2022 of the Extraordinary General Meeting of KRUK S.A. of November 16, 2022.

In the application of corporate governance principles, the Company also takes into account:

- Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR Regulation)
- Regulation of the Minister of Finance dated March 29, 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Regulation on Current and Periodic Information).
- Rules of the Warsaw Stock Exchange.

Supervisory Board for the purpose of this evaluation:

- has familiarized itself on an ongoing basis with the periodic and current reports published by the Company, the analysis of which indicates the correct application of the above-mentioned laws;
- has verified the statements adopted by the Management Board and Supervisory Board regarding the application of the Best Practice for WSE Listed Companies at KRUK S.A., positively evaluating the explanations presented by the Management Board regarding the application of corporate governance principles, verifying that the posted comments are comprehensive, substantive and up-to-date. In addition, it has taken note of the declaration on the application of corporate governance principles expressed in the Best Practice for WSE Listed Companies 2021 made by the Company's General Meeting. In the opinion of the Supervisory Board, the Company is fully implementing the obligation imposed on it in this regard. The information on the status of the application of BPLC2021 is up to date, and the explanation of the rules that have not been applied is considered complete;
- has reviewed the Company's published report on the application of BPLC2021, available on KRUK S.A.'s website under the "Best Practice for WSE Listed Companies" tab (<https://pl.kruk.eu/relacje-inwestorskie/o-spolce#dobre-praktyki-spek-notowanych-na-gpw>).

The 2022 corporate governance analysis also included:

- a) Regulations for cooperation in fulfilling information obligations within the KRUK Group,
- b) annual reports for 2021, published in 2022, containing - as part of the reports of the KRUK S.A. Management Board - a statement on the application of corporate governance principles enshrined in the documents: "Best Practice for WSE Listed Companies 2016" and "Best Practice for WSE Listed Companies 2021".
- c) interim reports published in 2022,
- d) published current report EBI No. 1/2021: information on the status of application of the Best Practice 2021 of KRUK Spółka Akcyjna,
- e) current reports from No. 1 to No. 91 for the period from January 1, 2022 to December 31, 2022,
- f) the actual state of application of the BPLC rules at KRUK S.A..

3) Evaluation of the reasonableness of expenses incurred by the Company and the Group to support culture, sports, charitable institutions, the media, social organizations, trade unions, etc.;

In the opinion of the Supervisory Board, the Company pursues a reasonable sponsorship policy in accordance with the principles set forth in the "KRUK Group Charitable Sponsorship Policy" adopted and implemented at the Company. According to the document in question, the KRUK Group conducts charitable and sponsorship activities, supporting charitable organizations in kind and financially, but also its clients, as well as KRUK Group employees who need support.

In 2022, KRUK S.A. allocated more than PLN 1,067 thousand from its budget for the implementation of charitable activities. According to the statement presented in the *Statement on Non-Financial Information*, which is part of the KRUK S.A. Management Board's Report on the Operations of the KRUK Group and KRUK S.A. for 2022, 52% of the aforementioned amount, i.e. about PLN 555 thousand, was allocated to charitable activities, including aid activities related to Ukraine, more than 46.5% of expenses, i.e. approx. PLN 497 thousand, was related to financial education, including within the framework of the strategic partnership on the development of the kapitalni.org website, while almost 1.5%, or PLN 15 thousand, was for environmental protection.

The Supervisory Board positively evaluates the reasonableness of the expenses incurred by the Company and Group companies for the purposes indicated above.

The KRUK Group's charitable and sponsorship activities in 2022 were mainly based on helping Ukraine. Countries bordering Ukraine where the KRUK Group has operations, i.e. Poland, Romania and the Czech Republic and Slovakia received a total of EUR 320 000 (about PLN 1.5 million) for aid activities in line with market size and local demand. At KRUK S.A., the activities focused on supporting the following organizations: the Employers of Poland organization, ZOBACZ MNIE, BloomPro, Nienieodpowiedzialni, Pocięcha, Wioski im. Lorisa Malaguzzi and Czerwona Linia Foundations, the UNGCNP organization under the United Business for Ukraine program, the Catholic Intelligentsia

Club organization and the Poligrodzianie Society organization. In addition, support was also given to the Run for Ukraine, an in-kind donation was made to a Wrocław kindergarten, and employees were encouraged to join in volunteering. By a resolution of the Management Board, KRUK S.A. employees were given the opportunity to engage in relief efforts for Ukrainian refugees during working hours. KRUK S.A. did not use the entire budget planned for Ukraine-related activities this year due to the staggering of aid over time, taking into account the dynamically changing geopolitical situation in the region and the continuation of the war. Assistance activities will continue into 2023.

In addition to its efforts in Ukraine, in support of local communities KRUK S.A. became involved in supporting the Prophet Elijah Hospice Foundation in Michałów. One of the organization's statutory goals is to build an inpatient hospice. This is a socially needed project that will give patients in the Podlasie region access to palliative care in the last period of their lives. Therefore, by decision of the KRUK S.A. Management Board, the cooperation with the Foundation, which began in 2021, was continued in 2022, and KRUK allocated another PLN 100 thousand to support the Foundation. There was also a focus on financial education campaigns, i.e. Debt Free Day 2022 and Debt Collection? Sure Thing, as well as promoting activities that support the environment, such as Environmental Debt Day.

In addition to Poland, support from the Ukraine aid budget went to NGOs supporting refugees from Ukraine Catholic Charity CARITAS Czech Republic in Hradec Kralove and Catholic Charity CARITAS Slovakia in Vyšné Nemecké, for a total of EUR 30 000. The amount was distributed in 2022 and used to purchase items in line with the needs of the assisted group. KRUK Romania has signed an agreement to support 3 projects in 2022 – Viata Continua in Romania (Life continues in Romania) in partnership with the Social Incubator Association, Alice Island in partnership with Zi de bine (Melania Medeleanu) and Inspectoratul General pentru Situatii de Urgenta (General Inspectorate for Emergency Situations). The total cost of the aid was EUR 60 000. The projects will run through 2023 and will focus, among other things, on raising the employment rate among Ukrainians in Romania, providing better education, as well as therapeutic and psychological support.

There is also an educational project for schools in Romania called "Credite Inteligente" (Smart Loans). The program is part of the National Education Program, and as part of the program (through cutting-edge content in video format, articles, workbooks and workshops led by company employees on a volunteer basis) students and teachers gain knowledge about responsible approaches to financial management. In 2022, KRUK Romania led several initiatives to support financial education, including a workshop to mark the International Financial Education Day. Educational activities for young people are also conducted in the Czech Republic. In addition, KRUK Group companies have engaged in numerous projects involving the publication of substantive content in traditional and social media in each of the markets where the KRUK Group does business.

In Italy, KRUK Group companies have started cooperation with an association working for the benefit of disabled people, mainly those with Down Syndrome, through

participation in the "DADI Hearts" program. The program is designed to help people with disabilities develop social skills and help them function independently in both their personal and professional lives. The cooperation has been concluded for a period of 3 years and will, among other things, include the implementation of projects aimed at equalizing the chances of young people with Down syndrome to find jobs.

The KRUK Group did not provide any financial or in-kind support in 2022 for political purposes and political organizations.

The Supervisory Board positively evaluates the Group's charitable and sponsorship objective of helping those in need, as well as financial and environmental education in the context of excessive consumerism. Charitable sponsorship activities are always conducted in compliance with applicable regulations, directives and environmental standards.

In the opinion of the Supervisory Board, these activities correlate well with the values adopted by the Company and fully reflect the KRUK Group's commitment to helping those most in need and financial education aimed at local communities. These activities also support building the company's image as a socially and environmentally responsible company, as well as the image of a good employer.

4) Evaluation of the degree of implementation of the diversity policy with respect to the management and the supervisory board.

As of the date of preparation and adoption of this Report, the Company has not implemented a diversity policy with respect directly to members of the Management Board and Supervisory Board. However, the Company and the Group have a document entitled *Diversity Policy at the KRUK Group*, adopted by a resolution of the Management Board of December 8, 2015. The purpose of the adopted Diversity Policy is to foster a diverse, multicultural workplace by providing equal access to the organization and guaranteeing equal opportunities for advancement and professional development to every employee regardless of gender, age, disability, health status, race, nationality, religion, beliefs, sexual orientation, family status, lifestyle or any other criterion that may affect less favorable treatment of an individual relative to others.

The KRUK Group is also a signatory to the European Diversity Charter and implements the resulting principles on diversity management and equal treatment within the organization. The provisions of the document apply throughout the KRUK Group and are taken into account, among other things, during recruitment processes.

By April 14, 2022, there were a total of 3 women out of 12 seats on the Management Board and Supervisory Board, amounting to 25%. Due to the expiration of the term of the Company's existing Supervisory Board, as of April 14, 2022, there are a total of 5 women on the Company's Management Board and Supervisory Board for a total of 12 seats, accounting for approximately 42% of the composition of these bodies.

The President of the Board is appointed and dismissed by the Supervisory Board. Similarly, the Supervisory Board appoints the other members of the Management Board

upon the proposal of the President of the Board. The Company's Management Board is comprised exclusively of persons with the relevant experience, professional background, knowledge and competence to act in the interests of the Company and its shareholders.

According to the members of the Supervisory Board, the principle of diversity, understood primarily as diversity of professional experience, education and skills, is applied in the appointment of Board members. In the opinion of the Supervisory Board, each member of the Management Board has knowledge of the Company's business and other key competencies in the areas of finance, financial reporting, ESG and risk management, among others.

The Company's Management Board in 2022 consisted of five members, including 1 woman and 4 men. Thus, share of women on the Management Board was 20% and men 80%.

Members of the Management Board have a diverse educational background, providing competence and expertise in legal and economic sciences, as well as managerial and technical competence.

The President of the Board, Piotr Krupa, is a graduate of the Faculty of Law and Administration at the University of Wrocław and served his judicial and legal training. Piotr Kowalewski, member of the Management Board serving as COO, is a graduate of the University of Economics, majoring in Managerial Econometrics, and the Wrocław University of Science and Technology, majoring in Computer Science and Management. He also completed postgraduate studies at the School of Banking in the field of "Psychology in Business."

Urszula Okarma, member of the Management Board who serves as the Company's CIO, graduated with a degree in Finance and Banking at the Wrocław University of Economics as well as numerous management training courses.

Michał Ząsepa, member of the Management Board who serves as CFO, graduated from the Warsaw School of Economics with a degree in management and marketing. In addition, he studied at the University of Wisconsin under a Batory Foundation Scholarship, and at the Stockholm School of Economics.

Adam Łodygowski, member of the Management Board who serves as CDTO and is responsible for data processing and modeling as well as IT at KRUK S.A., graduated from the Poznań University of Technology and the University of Hannover, Germany, in the area of numerical methods in construction with a master's degree in engineering. He also earned doctoral and master's degrees in financial mathematics from Louisiana State University (USA).

In the opinion of the members of the Supervisory Board, on the basis of their education, as a result of the courses and training they have completed and the professional experience they have gained, the members of the Management Board have acquired specialized knowledge in business management, finance, investor relations, analysis, business strategy management, people management, risk management, new technologies and digital transformation.

Of the Board's members, 60% have more than 20 years of professional experience, 20% have 15 to 20 years of experience, and another 20% have 10 to 15 years of professional

experience. On the other hand, analyzing the Board members' experience in the industry in which the Company operates, 40% of the Board members have more than 20 years of experience, 40% of those on the board have experience in the 15-20 year range, and 20% in the 10-15 year range.

Analyzing the composition of the Board in terms of experience at KRUK S.A., 20% of the Board has more than 20 years of experience at the Company, 60% has between 15 and 20 years of experience, and 20% of the Board has less than 5 years of experience at the Company.

All the Board Members have Polish citizenship.

80% of the Board Members are between the ages of 40 and 50. 20% of the Management Board is made up of people over the age of 50.

Members of the Supervisory Board are appointed by the Company's General Meeting of Shareholders from among persons with relevant experience, professional background, knowledge and competence to act in the interests of the Company and its shareholders. As of April 14, 2022, the Supervisory Board consisted of 7 members, including 2 women and 5 men. Thus, 28% of the Board's members were women and 72% were men. In connection with the expiration of the term of the Company's Supervisory Board, on April 14, 2022, the Annual General Meeting of KRUK S.A. appointed the Supervisory Board for a new term. The Supervisory Board currently consists of 7 members, including 4 women and 3 men. Thus, 57% of the Board's members are women and 43% are men. The current composition of the Supervisory Board, in the opinion of the Board, reflects the diligence to have the broadest possible diversity of its members both in terms of their professional experience and their knowledge and skills. In the opinion of the members of the Supervisory Board, its members' university degrees from foreign and Polish universities, postgraduate studies, numerous trainings and courses and certificates obtained, and in particular their experience, complement and expand the knowledge and skills possessed by the Company's Management Board.

Ms. Katarzyna Beuch is a graduate of the Faculty of Management and Computer Science at the Wroclaw University of Economics, and completed postgraduate studies in financial risk and asset and liability management organized by USAID and the University of South Carolina at the Warsaw Institute of Banking. She has been ACCA qualified since 2000 (FCCA since 2005). She began her career at Bank Zachodni in the Asset and Liability Management Department. She has 10 years of experience in auditing the financial statements of public companies, including banks and insurers (Ernst & Young Audit; 1996-2006). From 2006 to 2012, she worked at Getin Holding S.A., rising to the level of CFO and gaining extensive experience in integration and transformation processes, as well as acquisitions, mergers and demergers during a period of intense growth for the Group. From 2014 to 2016, she managed, as Director, the Accounting Department of Santander Consumer Bank S.A., from 2016 to 2018, she served as Chief Controlling and Economic Analysis Director at KGHM S.A. Since 2020, she has been Chief Financial Officer at Benefit Systems S.A. She is the author of publications on the application of International Financial Reporting Standards. She is an independent member of supervisory boards. Chairperson of the Audit Committee at Kruk S.A. since 2013, Chairperson of the Audit Committee at ATM Grupa S.A. since 2020 and member of the Audit Committee of WP Holding S.A. since 2021.

Izabela Felczak-Poturnicka – graduate in economics from the Lazarski University in Warsaw. She also completed doctoral studies in management and finance at the Warsaw School of Economics and postgraduate studies in methods of valuing capital companies (SGH). Since 2005, she has been member of the Center for Information and Organization of Research in Public Finance and Tax Law of Central and Eastern European Countries at the Faculty of Law of the University of Białystok. Author and co-author of scientific materials on economics. She has more than 17 years of professional experience related to, among other things, corporate governance of capital companies and capital market transactions. Currently Managing Director of Corporate Affairs at the PZU Group, having previously served as Director of the Corporate Governance Department at the Ministry of State Assets. Since January 2017, she has served as Minister Counselor coordinating the work of the Ownership Policy Team at the Ministry of Energy. In 2018-2019, Deputy Director at the Prime Minister's Chancellery. From 2005 to 2016, she worked at the Ministry of the Treasury. She has 15 years of experience in the work of supervisory bodies of capital companies. She is Chairperson of the Supervisory Board of Polski Holding Nieruchomości S.A. and member of the Supervisory Board of PZU Zdrowie S.A. She has served on the supervisory boards of companies: PKN ORLEN S.A. and Enea S.A. (serving as chairperson of the Supervisory Board), as well as Jastrzębska Spółka Węglowa S.A., ZEW Niedzica S.A., MERAZET S.A., Z.Ch. ZACHEM S.A. and MERITUM BANK ICB S.A. Since 2022, she has served as member of the Supervisory Board of KRUK S.A.

Mr. Krzysztof Kawalec graduated from the Faculty of Organization and Management at the Lodz University of Technology, where she received the title of Master of Engineering in Enterprise Management; he completed Postgraduate Studies in Goodwill Management at the Warsaw School of Economics and completed Postgraduate Studies in Management Accounting and Controlling at the Warsaw School of Economics; he graduated from the MBA program at the PAM Center University of Łódź, University of Maryland. From 1998 to 2001 he held the position of Manager at IFFP Fund Sp. z o.o. (International Fast Food Polska Sp. z o.o.) based in Warsaw. In 2001–2002, he served as Head of the Contracting Department at Magellan S.A. In 2002–2003, he served as Member of the Management Board and Chief Financial Officer of the Company. Since 2003, he was Vice President of the Board and Chief Operating Officer of the Company; since July 1, 2008 he served as President of the Board of Magellan S.A. and since 2018 he has served as President of the Board of BFF Polska S.A., which is part of the BFF Banking Group, listed on Borsa Italiana. He also currently serves as Branch Manager of BFF Bank SpA in Poland. He is also member of the Supervisory Boards of BFF Slovakia s.r.o. and BFF MedFinance s.r.o., operating in Slovakia and the Czech Republic. Since 2009 he has been associated with KRUK S.A. and the KRUK Group, being a member of the Supervisory Board of KRUK S.A. and member of the Supervisory Board of KRUK TFI S.A. In addition, since 2022 he has also served as Vice Chairperson of the KRUK S.A. Supervisory Board.

Ms. Ewa Radkowska – Świątoń is a graduate of the Banking and Finance Department at the Warsaw School of Economics. She is certified as CFA (Chartered Financial Analyst) and FRM (Financial Risk Manager). In the past, she was President of the Board of

Skarbiec Towarzystwo Funduszy Inwestycyjnych S.A and Vice President and then President of the Board of Skarbiec Holding S.A., a WSE-listed company. From 2008 to 2017, she served as Member of the Management Board and then Vice President of Nationale Nederlanden Powszechnie Towarzystwo Emerytalne S.A., where she was responsible for investments and corporate governance of Poland's largest open-ended pension fund. She also worked as a fund manager at Aviva Investors Polska S.A., as well as ING TFI S.A. (now NN Investment Partners), and as an equity analyst at Bank Handlowy S.A.'s Capital Operations Center. She is an independent member of the Supervisory Board and chairman of the Audit Committee at Ipopema Securities S.A., and also serves as a member of the Supervisory Committee of Capital Market Benchmarks at WSE Benchmark S.A. and as a member of the Risk Committee of KDPW_CCP S.A.. She is also president of the Association of Independent Supervisory Board Members and an expert at the Institute for Sustainable Development and Environment at Lazarski University. Since 2019, she has been an independent member of the Supervisory Board and Audit Committee and serves as Chairperson of the Remuneration and Nomination Committee at KRUK S.A.

Beata Stelmach is a graduate of the Faculty of Finance and Statistics at SGH Warsaw School of Economics, and also holds MBA degrees from Calgary University and an MBA from INSEAD. She has been involved in the capital and financial markets for many years – from the beginning of the economic transition, she worked at the Securities and Exchange Commission; as a consultant to the World Bank, she advised on the establishment of capital markets in other countries. She has served on boards of directors in capital market entities, including Intrum Justitia TFI S.A., MCI Capital TFI S.A., and headed the Association of Stock Exchange Issuers. She has served (or is serving) on the supervisory boards of Bank BPH S.A., HSBC Bank Polska S.A., Bank Millennium S.A., among others. She also has managerial experience in other industries: from 2001 to 2005 she sat on the board of Prokom Software SA; from 2013 she served as CEO and General Director for Poland and the Baltic States at General Electric for five years. Between 2018 and 2020, she assumed the position of SVP at Leonardo Helicopters and President of PZL Świdnik S.A. From 2011 to 2013, she served as Undersecretary of State at the Ministry of Foreign Affairs with responsibility for global economic policy and public and cultural diplomacy. She has completed a number of specialized training courses, including in the area of financial instruments at the New York Institute of Finance, and in artificial intelligence at Oxford University. Awarded the Knight's Cross of the Order of Polonia Restituta for outstanding service in foreign service and for achievements in professional work and diplomatic activities undertaken for the benefit of the country. She is involved in a number of social initiatives, including economic education for the youngest; for years she has supported efforts to increase the activity and role of women in economic and social life. She has also served as a member of the KRUK S.A. Supervisory Board since 2022.

Mr. Piotr Stępniak is a graduate of Guelph University, Canada - BA double major: Economics, Management; ESC Rouen, France; Purdue University, U.S.A., EMBA and Purdue University, U.S.A., M.S.M. He has extensive professional experience: between 2001 and 2004 he served as vice president of LUKAS Bank, where he was responsible for retail banking. Chairperson of Getin Holding S.A. from 2005 to 2008. Currently a

member of the Management Board of BFF Banking Group and Chairperson of the Supervisory Board of BFF Polska S.A. In addition, Chairperson of the Supervisory Board of Grupa Kęty S.A. and member of the Supervisory Board of VRG S.A. and its subsidiary, W.Kruk S.A., as well as former member of the Supervisory Board of Deni Cler S.A. He has been member of the Supervisory Board of KRUK S.A. since 2008 and Chairperson of the Supervisory Board of the Company since 2013. In addition, he is member of the Company's Audit Committee.

Mr. Piotr Szczepiórkowski is a graduate of the Faculty of Chemical and Process Engineering at Warsaw University of Technology. Expert in pension systems, asset management and capital markets. During his career, he completed the training program leading to the ACCA qualification by passing all 14 exams, and completed Executive Management Development courses organized by Ashridge Management School, CEDEP (Fontainebleau), Columbia University and Wharton School of Business. He holds an investment advisor license (No. 136), is full member of the Polish Society of Actuaries, and is member of the CFA Society Poland (CFA Charterholder). He has worked at the Ministry of Finance (Financial Institutions Department) and the Bank Gospodarstwa Krajowego (Monetary Economy Department). For many years he was professionally connected with Commercial Union Polska Group (Aviva Polska), first in the Financial Department of the Life Insurance Company as an accountant, Deputy Financial Director, Deputy Director responsible for Investments, and then at Commercial Union PTE as Vice President - Investment Director. Since 2001, President of the Board of the Polish Economic Society. From 2008 to 2015, Vice President of the Board of Aviva Towarzystwo Ubezpieczeń na Życie. He is currently member of the Supervisory Boards of the following WSE-listed companies: FM Forte S.A., Decora S.A., ZEW Kogeneracja S.A., Octava S.A., as well as member of the Supervisory Board and chairperson of the Audit Committee at Ipopema TFI SA and vice chairperson of the Supervisory Board of Polski Gaz Towarzystwa Ubezpieczeń Wzajemnych na Życie. He has been on the Supervisory Board of KRUK SA since 2019, where he currently serves as an independent member of the Audit Committee and as member of the Remuneration and Nomination Committee.

Analyzing the above data in terms of professional experience, it can be pointed out that 86% of the current Supervisory Board members have more than 20 years of professional experience, while 14% have 15 to 20 years of professional experience. In contrast, 43% of the Supervisory Board members have 0 to 5 years of experience in the Company's industry. Another 14% of the body's members claim 15-20 years of experience in the industry, and 43% have more than 20 years of experience. However, analyzing the criterion of experience gained in the Company, 57% of the members of the Supervisory Board have 0 to 5 years of experience in the Company, 14% have 6 to 10 years of experience, and 29% of the Board members qualify in the range of 11 to 15 years of experience in the Company.

All Members of the Supervisory Board have Polish citizenship.

According to the Board's members, its current composition provides diversity in terms of the age of its members, as 29% of the Board's members are between the ages of 40

and 50, another 57% are between the ages of 50 and 60, and 14% are over the age of 60.

5) Evaluation of the implementation by the Management Board of the obligations referred to in Article 380¹ of the Commercial Companies Code

In order to ensure the proper operation of the Supervisory Board and the actual exercise of its powers and effective supervision, the Company's Management Board provided the Supervisory Board with ongoing access to reliable and complete information about the Company. The information presented allowed the Supervisory Board to objectively and fully evaluate the Company's situation and to create a complete and reliable information base for more effective cooperation between the two bodies.

Acting on the basis of Article 380¹ of the Commercial Companies Code and § 9 (11) of the Company's Articles of Association, the Management Board duly provided information, in particular about:

- 1) board resolutions adopted and their subject matter;
- 2) the situation of the Company and KRUK Group companies, including with regard to its assets, as well as important circumstances in the conduct of the Company's affairs, particularly in the operational, investment and personnel areas;
- 3) progress in the implementation of the set directions for the development of the Company's and the KRUK Group's business, any deviations from the previously set directions and the reasons for these deviations;
- 4) transactions and other events or circumstances that materially affected or could affect the Company's financial position, including its profitability or liquidity;
- 5) changes to information previously provided to the Supervisory Board, if such changes materially affected or could affect the Company's situation.

The Management Board provided comprehensive information in the above-mentioned scopes at each meeting of the Supervisory Board within the framework of the materials sent to Board members and subject of the meeting, as well as each time at the request of the Board or the occurrence of justifying circumstances.

In view of the above, the Supervisory Board positively evaluates the Board's fulfillment of the obligations referred to in Article 380¹ of the Commercial Companies Code.

6) Evaluation of the manner in which the Management Board prepares or submits to the Supervisory Board information, documents, reports or explanations requested pursuant to Article 382 § 4 of the Commercial Companies Code.

In order to secure the proper performance of the duties incumbent on the Supervisory Board and access to data, the Company's Management Board effectively and adequately allowed the Supervisory Board access to all information related to the Company's situation, in particular, the Supervisory Board was free to examine the Company's documents, review the Company's assets and request the preparation and submission of any information, documents, reports or explanations concerning the

Company, in particular its operations and assets. The Management Board at each meeting of the Supervisory Board, and additionally at the request of the Board or on an ad hoc basis, provided comprehensive information in areas of special interest to the Supervisory Board, in particular, provided regular access to information and data on the situation of the Company, information on significant events as well as on planned activities and development directions. The Company's Management Board interacted effectively with the Supervisory Board, guaranteeing a smooth flow of information between the bodies and preventing the emergence of asymmetry in this area. With the above in mind, the Supervisory Board positively evaluates the manner in which the Management Board prepares and submits to the Supervisory Board information, documents, reports or explanations requested under the procedure set forth in Article 382 § 4 of the Commercial Companies Code.

III. SUMMARY OF THE ACTIVITIES OF THE SUPERVISORY BOARD AND ITS COMMITTEES IN 2022

COMPOSITION OF THE SUPERVISORY BOARD OF KRUK S.A. IN 2022.

During the period from January 1, 2022 to April 14, 2022, the Supervisory Board of KRUK S.A. (Company; KRUK Company) had 7 (seven) members, and its composition was as follows:

1) Piotr Stępnik	Chairperson of the Supervisory Board
2) Katarzyna Beuch	Member of the Supervisory Board
3) Tomasz Bieske	Member of the Supervisory Board
4) Krzysztof Kawalec	Member of the Supervisory Board
5) Mateusz Melich	Member of the Supervisory Board
6) Ewa Radkowska- Świątoń	Member of the Supervisory Board
7) Piotr Szczepiórkowski	Member of the Supervisory Board

In connection with the expiration of the term of the Company's Supervisory Board, on April 11, 2022, Mr. Piotr Krupa made a statement on exercising the powers granted by the Company's Articles of Association and appointed Mr. Piotr Stępnik and Mr. Krzysztof Kawalec to the Supervisory Board of the new term, effective April 14, 2022. At the same time, Mr. Krzysztof Kawalec was appointed Vice Chairperson of the Supervisory Board. On April 14, 2022, the Annual General Meeting of KRUK S.A. appointed as members of the KRUK S.A. Supervisory Board as of the same date Ms. Katarzyna Beuch, Ms. Ewa Radkowska-Świątoń, Ms. Izabela Felczak-Poturnicka, Mr. Piotr Szczepiórkowski and Ms. Beata Stelmach.

From April 14, 2022 to December 31, 2022, the composition of the Supervisory Board was as follows:

1) Piotr Stępnik	Chairperson of the Supervisory Board
2) Krzysztof Kawalec	Vice Chairperson of the Supervisory Board
3) Katarzyna Beuch	Member of the Supervisory Board
4) Izabela Felczak-Poturnicka	Member of the Supervisory Board
5) Ewa Radkowska- Świątoń	Member of the Supervisory Board
6) Beata Stelmach	Member of the Supervisory Board
7) Piotr Szczepiórkowski	Member of the Supervisory Board

The above composition also remains valid as of the date of adoption of this report.

The professional biographies of the Supervisory Board members are presented in Part II of the Report, under Item 4) *Assessment of the degree of implementation of the diversity policy with respect to the Management Board and Supervisory Board*, as well as on KRUK S.A.'s website under the Investor Relations tab.

On 14.04.2022, the Company's General Meeting of Shareholders adopted an amendment to the Articles of Association, according to which the independence of

Supervisory Board members is assessed according to the criteria set forth in the Act of 11.05.2017 on Auditors, Audit Firms and Public Supervision (Journal of Laws of 2017, item 1089, as amended) (hereinafter: Act on Auditors). Up to that point, the evaluation of the independence of Supervisory Board members also took into account the criteria set forth in Annex II to the European Commission Recommendation 2005/162/EC of February 15, 2005 on the role of non-executive directors or directors being members of the supervisory board of listed companies and committees of the board (hereinafter: EC Recommendations). Members of the Supervisory Board shall, at least once a year, submit to the Supervisory Board and the Company's Management Board declarations that they meet the criterion of independence, as well as that they have no real and significant ties with a shareholder holding at least 5% of the total number of votes in the company.

According to the declarations completed and submitted by members of the Board, the criterion of independence specified in the aforementioned documents was met by the following members of the Supervisory Board of the 6th term:

- Katarzyna Beuch,
- Tomasz Bieske
- Mateusz Melich,
- Ewa Radkowska - Świątoń,
- Piotr Szczepiórkowski.

In connection with the appointment on April 14, 2022 of the Supervisory Board of the new term, the following members of the Board submitted declarations regarding meeting the independence criteria:

- Katarzyna Beuch
- Piotr Szczepiórkowski
- Ewa Radkowska- Świątoń
- Beata Stelmach
- Izabela Felczak-Poturnicka

On the other hand, Piotr Stępnik and Krzysztof Kawalec submitted declarations that they did not meet the criterion of independence.

All members of the Supervisory Board have declared that they have no real and material ties with a shareholder holding at least 5% of the total number of votes in the company. Statements submitted by members of the Supervisory Board are subject to annual review.

As of April 14, 2022, the Supervisory Board consisted of 7 members, including 2 women and 5 men. Thus, 28% of the Board's members were women and 72% were men. In connection with the expiration of the term of the Company's Supervisory Board, on April 14, 2022, the Annual General Meeting of KRUK S.A. appointed the Supervisory Board for a new term. The Supervisory Board currently consists of 7 members, including 4 women and 3 men. Thus, 57% of the Board's members are women and 43% are men. Information on the composition of the supervisory board in the context of its diversity is

presented in detail in Part II of the Report, under Item 4) *Evaluation of the degree of implementation of the diversity policy with respect to the management and supervisory boards.*

DISCUSSION OF THE ACTIVITIES OF THE SUPERVISORY BOARD OF KRUK S.A. IN 2022.

In 2022, the Supervisory Board acted within the scope of its powers and in accordance with the procedure provided for in the Commercial Companies Code, the Company's Articles of Association and the Supervisory Board Regulations. In 2022, the Supervisory Board met six times at meetings held in March, twice in April, in September, in November and in December, respectively. All meetings were held at the Company's headquarters, using means of direct remote communication. In addition, members of the Supervisory Board met, as the need arose, by teleconference, discussing both current and planned matters in this mode. During the fiscal year 2022, all Supervisory Board members were engaged in the work of the Board, attending all meetings and additional teleconferences.

The Supervisory Board has been in contact with the Company's Management Board and the independent auditor.

In 2022, the Supervisory Board discussed the following issues, among others:

1. the economic, financial and operational performance of the Company and Group companies,
2. amendments to the financial plan for 2022 and the financial plan for 2023,
3. the Company's activities in the previous and current fiscal year,
4. adoption of the Remuneration Report of Members of the Management Board and Supervisory Board of KRUK S.A. in Wroclaw for 2021;
5. selection of auditor to prepare evaluation by the independent auditor of the Remuneration Report,
6. provision of opinions on amendments to the Remuneration Policy,
7. appointment of the Audit Committee, Remuneration and Nomination Committee, Finance and Budget Committee, and election of the Chairpersons of these committees in connection with the election of the Supervisory Board for a new term,
8. changes in the management contracts of Board members,
9. provision of opinions on resolutions to be adopted by the Company's General Meeting,
10. allocation of warrants to members of the Management Board under the Group's incentive program,
11. issuing of opinions on amendments to the Procedure for selecting an auditor to audit the KRUK Group's financial statements,
12. provision of opinions on amendments to the Company's corporate documents in connection with changes to the Commercial Companies Code,
13. changes in the law affecting the operations of KRUK Group companies,
14. approval of risk appetite and negative scenario, in accordance with the Exchange Rate Risk Management Policy at KRUK Group,

15. familiarization with the updated AML identification and evaluation,
16. charitable donations and humanitarian aid in connection with the emergency situation in Ukraine,

17. carrying out other ongoing tasks assigned to the Board by the Company's Articles of Association.

In 2022, the Supervisory Board passed a total of 43 resolutions, including:

- 32 resolutions were passed at meetings of the Supervisory Board,
- 11 resolutions were passed in writing.

As part of the supervision carried out over the Company's day-to-day operations, the subject of systematic analysis by the Supervisory Board was the financial position and results of operations, as well as market information, taking into account the impact of the geopolitical situation on operational processes and financial results achieved.

The Supervisory Board performs continuous and ongoing supervision of the Company's activities through:

- analyzing materials received from the Board,
- obtaining information and detailed explanations from Board Members and other employees during the meetings of the Supervisory Board,
- ongoing cooperation with the Head of Internal Audit,
- Audit Committee activities,
- activities described in the section on evaluation of the Company's application of corporate governance principles and the manner of fulfilling its disclosure obligations,
- analyzing the results of the review and examination of financial and accounting records and the financial statements prepared based on them carried out by the independent auditor,
- monitoring of auditing activities and cooperation with the auditing firm that audits the Company's and Group's financial statements.

In accordance with the provisions of the Regulations of the Supervisory Board, the Board has the following Committees:

- Audit Committee,
- Remuneration and Nomination Committee,
- Finance and Budget Committee.

The composition of the aforementioned Committees and their activities in 2022 are discussed later in this section of the Report.

Supervisory Board and its committees as of December 31, 2022

Name	Position in SB	Independence criteria in accordance with the Act on Statutory Auditors	Experience in finance and accounting and listed companies	Knowledge and skills in accounting or auditing	industry knowledge and skills	Audit Committee	Remuneration and Nomination Committee	Finance and Budget Committee
Piotr Stępnik	Chairperson	does not	meets	meets	meets	Member	X	X
Krzysztof Kawalec	Vice Chairperson	does not meet	meets	meets	meets	X	Member	Member
Katarzyna Beuch	Member	meets	meets	meets	meets	Chairperson	X	X
Izabela Felczak-Poturnicka	Member	meets	meets	meets	does not meet	X	X	X
Ewa Radkowska-Swiętoń	Member	meets	meets	meets	meets	Member	Chairperson	Member
Beata Stelmach	Member	meets	meets	meets	meets	X	X	Chairperson
Piotr Szczepiórkowski	Member	meets	meets	meets	meets	Member	Member	X

In performing its duties, the Supervisory Board used information and documents presented by the Company's Management Board. In the opinion of the Board, cooperation with the Company's management was smooth and satisfactory. Members of the Supervisory Board were involved in the work of the Board, attending its deliberations in full.

All members of the Supervisory Board have adequate knowledge and qualifications necessary for their duties, taking into account the specific nature of the Company's and the KRUK Group's operations. Meeting the requirements for companies under the provisions of the Act on Auditors, Audit Firms and Public Oversight, as well as the Best Practice for WSE Listed Companies, all of the seven members of the Supervisory Board have knowledge and skills in accounting or auditing, and most members have knowledge and skills in the industry in which the Company operates.

The current composition of the Supervisory Board reflects an effort to ensure the broadest possible diversity of its members, both in terms of their professional experience, their knowledge and skills, and their gender. Thanks to the wide range of knowledge and skills represented by its members, the Supervisory Board is able to provide an objective view and evaluation of the Company's situation.

In view of the above, the Supervisory Board recommends that the members of the Supervisory Board be granted discharge of their duties in the 2022 fiscal year.

REPORT ON THE WORK OF THE SUPERVISORY BOARD COMMITTEES

Report on the work of the Audit Committee

The Audit Committee consists of at least three members, and a majority of the Audit Committee members, including its chairperson, should be independent members within the meaning of the Act on Auditors. The Audit Committee should include at least one member with knowledge and skills in accounting or auditing. Audit Committee members should have knowledge and skills in the industry in which the Company operates.

The main purpose of the Audit Committee is to assist the Board in exercising financial oversight of the Company and to provide authoritative information and opinions to efficiently make appropriate decisions on financial reporting, internal control and risk management.

The tasks of the Audit Committee include, in particular:

- 1) monitoring of the:
 - a) financial reporting process,
 - b) effectiveness of internal control and risk management systems and internal audit, including financial reporting,
 - c) performance of auditing activities, in particular, the audit firm's performance of the audit, taking into account any conclusions and findings of the Audit Supervision Committee arising from the audit conducted at the audit firm;
- 2) controlling and monitoring the independence of the auditor and the audit firm, particularly when services other than auditing are provided to the auditing firm;
- 3) informing the management board of the results of the audit and explaining how the audit contributed to the integrity of financial reporting at the Company, as well as what role the audit committee played in the audit process;
- 4) evaluating the auditor's independence and approving the auditor's provision of permitted non-audit services to the Company;
- 5) developing a policy for selecting an audit firm to conduct the audit;
- 6) developing a policy for the provision of permitted non-audit services by the audit firm, by affiliates of the audit firm, and by member of the audit firm's network;
- 7) determining the procedure for the selection of an audit firm by the Company;
- 8) providing the supervisory board with the recommendation referred to in Article 16 (2) of Regulation No. 537/2014, in accordance with the policies referred to in items 5 and 6;
- 9) submitting recommendations to ensure the integrity of the Company's financial reporting process.

During the period from January 1, 2022 to December 31, 2022, the Audit Committee operated with the following composition:

1. Katarzyna Beuch - Chairperson of the Committee,
2. Ewa Radkowska - Świętoń - Member of the Committee,
3. Piotr Stępnik - Committee Member,
4. Piotr Szczepiórkowski - Committee Member.

The composition of the Committee has not changed as a result of the appointment on April 14, 2022 of the Supervisory Board of the new term and remains valid also as of the date of this report.

Three of the four current members of the Audit Committee of KRUK S.A.'s Supervisory Board, i.e. Audit Committee Chairperson, Ms. Katarzyna Beuch, and Committee Members, Ms. Ewa Radkowska-Świętoń and Mr. Piotr Szczepiórkowski, meet the criteria for independence both within the meaning of the Act on Auditors, Audit Firms and Public Supervision and as defined in Annex II to the European Commission Recommendations of February 15, 2005 concerning the role of non-executive or supervisory directors of listed companies and committees of the (supervisory) board. All

members of the Audit Committee have knowledge and skills in accounting or auditing, as well as knowledge and skills in the industry in which the Company operates, acquired in the course of their education and professional work.

The professional biographies of the members of the Audit Committee, with particular emphasis on their skills and professional experience, are presented in Part II of the Report, under item 4) *Evaluation of the degree of implementation of the diversity policy with respect to the Management Board and Supervisory Board*, and on KRUK S.A.'s website, under the Investor Relations tab (<https://pl.kruk.eu/relacje-inwestorskie/ospolce/rada-nadzorcza>).

In addition to carrying out statutory tasks in FY2022, the Audit Committee dealt in particular with the following issues:

- discussion of the results of the audit of the 2021 annual report,
- discussion of the supplementary report to the Audit Committee for 2021.
- results of the review of interim financial statements,
- analysis and evaluation of the Company's internal control and internal audit system in operation, together with a summary of the findings of the 2021 internal audits,
- discussion of the degree of implementation of internal audit recommendations and setting the audit plan for 2022,
- analysis of the Company's Evaluation Report including evaluation of risk management, compliance, information security and internal audit systems in 2021,
- discussion of the operation of the compliance area at the KRUK Group, the effectiveness and efficiency of the compliance function and the reconstruction of the function model at the Group,
- information security and fraud detection and prevention system, whistleblower protection,
- Company and Group risk management, risk map analysis
- discussion of portfolio revaluation along with the methodology of this valuation,
- analysis of the level of provisions at Wonga.pl,
- pre-authorization of non-audit services for 2022 and acceptance of the non-audit services report for 2021,
- discussion of the Group's ongoing inspections by regulators, tax audits and significant litigation,
- incident management,
- analysis of the matter of estimation of deferred tax liabilities,
- analysis and discussion of tax issues and an overview of regulatory developments,
- periodic evaluation of related party transactions.

In 2022, the Audit Committee held four meetings, meeting in March, April, September and December. The meetings were attended by all members of the Committee. In addition, members of the Audit Committee deliberated by teleconference at additional meetings held to discuss a particular issue in detail.

Report on the work of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee shall consist of at least three members, with at least one with expertise and experience in remuneration policy; the majority of the members of the Remuneration and Nomination Committee should be independent members of the Board.

During the period from January 1, 2022 to April 14, 2022, the Remuneration and Nomination Committee operated with the following composition:

1. Tomasz Bieske - Chairperson of the Committee
2. Mateusz Melich - Member of the Committee
3. Piotr Szczepiórkowski - Member of the Committee

In connection with the appointment on April 14, 2022 of the Supervisory Board of the new term, for the period from April 14, 2022 to December 31, 2022, the composition of the Remuneration and Nomination Committee was as follows:

1. Ewa Radkowska- Świątoń - Chairperson of the Remuneration and Nomination Committee
2. Krzysztof Kawalec - Member of the Remuneration and Nomination Committee
3. Piotr Szczepiórkowski - Member of the Remuneration and Nomination Committee

The above composition of the Committee is also current as of the date of this report.

Two of the three members of the Remuneration and Nomination Committee, i.e. the Chairperson of the Remuneration and Nomination Committee, Ms. Ewa Radkowska-Świątoń, and a member of the Committee, Mr. Piotr Szczepiórkowski, meet the independence criteria.

The tasks of the Remuneration and Nomination Committee include, in particular:

- 1) planning the remuneration policy for Board members;
- 2) aligning remuneration of Board members with long-term interests of the Company and financial performance;
- 3) recommending to the Supervisory Board candidates for members of the Management Board;
- 4) periodically evaluating the structure, number of members, composition and performance of the Management Board and recommending to the Board any changes in this regard, as well as
- 5) presenting to the Board a periodic evaluation of the skills, knowledge and experience of individual Board Members.

In 2022, members of the Remuneration and Nomination Committee dealt in particular with the following issues:

- participated in the preparation of the Remuneration Report for Members of the Management Board and Supervisory Board of KRUK S.A. for 2021. For this purpose, Committee members worked with the Company, the Audit Committee, legal counsel and the auditor evaluating the Report. They then presented their position to the entire Supervisory Board;
- opined on the draft amendments to the Remuneration Policy submitted by the Management Board, which was then presented to the General Meeting.

Amendments to the Remuneration Policy were adopted by resolution of the Extraordinary General Meeting on 16.11.2022;

- opined, outside the meeting, on draft resolutions of the Supervisory Board regarding fulfillment of conditions for allocation of subscription warrants and allocation of warrants to members of the Management Board under Tranche I of the 2021-2024 Managers' Option Program;
- discussed issues concerning the HR strategy for the Group, its main priorities and the stages of its implementation. The work of the Remuneration and Nomination Committee also discussed, among other things, the division of HR responsibilities and differences in approaches to payroll and benefits in different countries.

Members of the Committee deliberated in the form of meetings, as well as by teleconference and in Supervisory Board meetings, also held by means of remote communication. All members of the Committee were involved in its work, participating in meetings and teleconferences.

Report on the work of the Finance and Budget Committee

During the period from January 1, 2022 to April 14, 2022, the Finance and Budget Committee operated with the following composition:

1. Mateusz Melich - Chairperson of the Committee,
2. Katarzyna Beuch - Committee Member,
3. Tomasz Bieske - Committee Member,
4. Krzysztof Kawalec - Committee Member,
5. Ewa Radkowska-Świętoń - Committee Member.

In connection with the appointment of the Management Board on April 14, 2022, the Supervisory Board of the new term, for the period from April 14, 2022 to December 31, 2022, the composition of the Finance and Budget Committee was as follows:

1. Beata Stelmach - Chairperson of the Finance and Budget Committee
2. Krzysztof Kawalec - Member of the Finance and Budget Committee
3. Ewa Radkowska-Świętoń - Member of the Finance and Budget Committee

The above composition of the Committee also remains valid as of the date of this report.

The tasks of the Finance and Budget Committee include, in particular:

- 1) ongoing analysis of the Company's financial performance and situation,
- 2) preparing a draft budget resolution, reviewing and evaluating draft resolutions of the Supervisory Board adopted in matters related to the Company's finances,
- 3) work related to supporting the supervision of the implementation of the budget adopted in the Company,
- 4) matters related to the operation of the Company's adopted system of money, credit, taxation, financial plans, budget, property insurance.

In 2022, the Finance and Budget Committee mainly dealt with the Company's and

Group's budget issues and financial matters related to the Company's operations. Members of the Finance and Budget Committee, within the scope of their authority, reviewed the Company's and the Group's current performance at monthly performance meetings with the Company's Management Board, monitoring financial results on an ongoing basis. In addition, they gave their opinions on the proposed amendments to the Group's financial plan for 2022 and the Company's and Group's draft budget for 2023. Committee members deliberated in Committee meetings organized by means of direct remote communication, and held consultations by teleconference.

All members of the Committee were involved in its work, participating in meetings and teleconferences.

IV. INFORMATION ON THE TOTAL REMUNERATION PAYABLE BY THE COMPANY FOR ALL AUDITS COMMISSIONED BY THE SUPERVISORY BOARD DURING THE FISCAL YEAR PURSUANT TO ART. 3821 Commercial Companies Code

In 2022, the Supervisory Board did not exercise its authority to enter into agreements to have a certain matter relating to the Company's business or its assets examined at the Company's expense by a consultant selected by the Board.

V. RESOLUTIONS ADOPTED AND MOTIONS TO THE GENERAL MEETING

In view of the above Report, the Supervisory Board on March 9, 2023 adopted the following resolutions:

- 1) Resolution No. 1/2023 on: making declarations stating that the audit firm performing the audit of the separate and consolidated annual financial statements was selected in accordance with the regulations, including those regarding the selection and procedure for selecting the audit firm, that the regulations regarding the appointment, composition and operation of the audit committee are observed, and that the audit committee performed the tasks of the audit committee as provided by the applicable regulations.
- 2) Resolution No. 2/2023 on: adoption of the KRUK S.A. Supervisory Board Report for 2022.
- 3) Resolution No. 3/2023 on evaluation of the separate financial statements of KRUK S.A. for the fiscal year ending December 31, 2022.
- 4) Resolution No. 4/2023 on evaluation of the consolidated financial statements of the KRUK Group for the fiscal year ending December 31, 2022.
- 5) Resolution No. 5/2023 on evaluation of the report of the Management Board of KRUK S.A. on the operations of KRUK Group and KRUK S.A. for 2022,
- 6) Resolution No. 6/2023 on evaluation of KRUK S.A. Management Board's report on the KRUK Group's and KRUK S.A.'s operations for 2022, as well as the separate and consolidated financial statements for the fiscal year ending December 31, 2022, with respect to their conformity with the books, documents and facts,
- 7) Resolution No. 7/2023 on adoption of the Remuneration Report for Members of the Management Board and Supervisory Board of KRUK S.A. in Wroclaw for 2022.
- 8) Resolutions No. 8/2023 - 12/2023 on motions to the General Meeting of KRUK S.A. on granting discharge to the President of the Board and Members of the Management Board of KRUK S.A.

The Supervisory Board requests the General Meeting to:

- 1) approve KRUK S.A.'s separate financial statements for the fiscal year ending December 31, 2022,
- 2) approve the KRUK Group's consolidated financial statements for the fiscal year ending December 31, 2022,
- 3) approve KRUK S.A. Management Board's report on the operations of the KRUK Group and KRUK S.A. for 2022;
- 4) issue an opinion on the Remuneration Report for Members of the Management Board and Supervisory Board of KRUK S.A. in Wroclaw for 2022
- 5) grant the President of the Board and Members of the Company's Management Board a discharge of their duties in fiscal year 2022,
- 6) grant members of the Supervisory Board a discharge of their duties for the fiscal year ending 2022.

The report was prepared and approved by the Supervisory Board composed of:

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