



# Quarterly report

part III

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

Unaudited data  
for the period from 1 January to 31 March 2025

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## KEY ACHIEVEMENTS IN THE THREE MONTHS TO 31 MARCH 2025

			
Investments in debt portfolios	Recoveries	Cash EBITDA	Net profit
<b>PLN 229 million</b>	<b>PLN 923 million</b>	<b>PLN 618 million</b>	<b>PLN 252 million</b>
<b>-32%</b>	<b>+8%</b>	<b>+2%</b>	<b>-26%</b>
			
ROE	Net profit margin	Net debt/ cash EBITDA	Net debt/ equity
<b>21%</b>	<b>31%</b>	<b>2.6</b>	<b>1.3</b>
<b>(26%)</b>	<b>(45%)</b>	<b>(2.3)</b>	<b>(1.2)</b>

	31 Mar 2025 (PLN million)	31 Mar 2024 (PLN million)	change	31 Mar 2025 (EUR million)	31 Mar 2024 (EUR million)
Expenditure on debt portfolios	229	335	-32%	55	78
Gross recoveries	923	854	8%	221	198
Carrying amount of purchased portfolios	10,388	8,778	18%	2483	2041
Estimated remaining collections (ERC)	22,760	18,653	22%	5,440	4,337
Total revenue <sup>1</sup>	802	748	7%	192	173
Revenue from purchased portfolios	715	685	4%	171	158
EBIT	393	418	-6%	94	97
EBITDA <sup>2</sup>	409	434	-6%	98	100
Cash EBITDA <sup>3</sup>	618	604	2%	148	140
Net profit	252	338	-26%	60	78
Basic EPS (PLN   EUR)	12.98	17.51	-26%	3.10	4.05
Diluted EPS (PLN   EUR)	12.35	16.55	-25%	2.95	3.83
ROE <sup>4</sup>	21%	26%	-	-	-
Net profit margin <sup>5</sup>	31%	45%	-	-	-
Interest-bearing net debt to equity ratio	1.3	1.2	-	-	-
Interest-bearing net debt to cash EBITDA ratio	2.6	2.3	-	-	-
Cash EBITDA to interest on debt	5.7	6.5	-	-	-

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

<sup>2</sup> EBITDA = EBIT + depreciation and amortisation.

<sup>3</sup> Cash EBITDA = EBITDA - revenue from purchased portfolios + purchased portfolio collections.

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

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



**PLN 10.4 billion**  
**(+18% y/y)**

carrying amount of  
debt portfolio



**International  
expansion**

92% of investments and 59%  
of recoveries in markets outside  
Poland



**PLN 618 million**  
**(+2% y/y)**

Cash EBITDA



**Investor Relations  
Leader**

according to  
*Parkiet* daily



**PLN 7.3 billion**

KRUK ranks as the world's  
largest debt collection company  
in terms of market capitalisation<sup>6</sup>



**Listed Company  
of the Year**

The KRUK S.A. Management  
Board topped the *Puls Biznesu*  
daily's ranking of listed  
companies in the 'Management  
Expertise' category



**Technological advances**

we have set out on a digital  
transformation journey



**Ethical Audit Certificate**

awarded by the Association of  
Financial Companies in Poland



**Women hold 59%**

of senior managerial positions

<sup>6</sup>\* Source: stooq.pl as at 31 March 2025

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

## 1.1. RESULTS FOR THE THREE MONTHS TO 31 MARCH 2025

### Net profit and return on equity (ROE)

Net profit earned in the three months to 31 March 2025 was PLN 252 million, down by PLN 87 million (or 26%) year on year. The decline in net profit was largely attributable to an increase in the costs of operations, of PLN 79 million, partly offset by a PLN 54 million growth in revenue.

Cash EBITDA as at 31 March 2025 came in at PLN 618 million, up PLN 14 million (or 2%) year on year.

As at 31 March 2025, return on equity for the twelve months ended on that date was 21%, compared with 26% the year before.

### Revenue

In the three months to 31 March 2025, the Group's total revenue reached PLN 802 million, having increased by PLN 54 million, or 7%, from PLN 748 million in the first quarter of 2024. Revenue from purchased debt portfolios in the three months ended 31 March 2025 amounted to PLN 715 million, up 4% (PLN +30 million) year on year. The largest year-on-year growth in revenue from purchased debt portfolios in the three months to 31 March 2025 was observed on the Italian market (PLN +23 million, or 17%), partly offset by a decline in revenue recorded on the Spanish market (PLN -15 million, or -14%).

In the three months ended 31 March 2025, the Group booked a PLN 133 million revaluation of projected recoveries, down by PLN 11 million on the same period the year before. 70% of the total revaluation of projected recoveries from unsecured retail portfolios in the first quarter of 2025 was attributable to the revaluation of projected recoveries until May 2027 (over the next 26 months). The deviation between actual and projected recoveries was PLN 51 million, compared with PLN 105 million the year before<sup>7</sup>.

### Costs of operations

Costs of operations incurred in the three months to 31 March 2025 (excluding amortisation) amounted to PLN 393 million, having increased by PLN 79 million (+25%) year on year, due mainly to an increase in court fees (up by PLN 43 million, or +45%) and a rise in salaries and employee benefits expense (up by PLN 15 million, or +11%). The increase in court fees was most pronounced in Spain (PLN +31 million y/y), mainly owing to the accelerated submission of debt cases to the courts. a

### Finance costs

In the three months to 31 March 2025, net finance costs amounted to PLN 113 million, up by PLN 20 million year on year. The increase was driven by a higher debt amount (up by PLN 1,029 million), partly offset by a decrease in 1M/3M EURIBOR rates (the average of quotations for the last day of each month in the period from January to March 2025 was 2.49%/2.46%).

The effect of interest rate increases on the Group's finance costs was partly offset by a positive effect of interest rate hedges, which amounted to PLN +16 million in the three months to 31 March 2025. IRS and CIRS contracts used for hedging purposes and fixed-rate bonds (a total of PLN 3,820 million) represented 61% of the Group's total debt as at 31 March

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

2025. WIBOR-sensitive debt accounted for 15% (PLN 938 million) and EURIBOR-sensitive debt – for 24% (PLN 1,504 million) of the Group's total debt as at 31 March 2025.

## Purchased debt portfolios

### Recoveries from purchased portfolios

Amounts recovered in the three months to 31 March 2025 from portfolios purchased by the KRUK Group reached PLN 923 million, marking an 8% increase year on year. 59% of that amount was collected in foreign markets. The year-on-year increase of PLN 69 million in the three months to 31 March 2025 was mainly attributable to a PLN 31 million growth in recoveries on the Italian market (up +16% year on year) and PLN 30 million growth in recoveries on the Polish market (up +9% year on year).

**Table 1. Recoveries from purchased portfolios in the three months to 31 March 2025, by market**

	Recoveries in Q1 2025 (PLN million)	Share of total recoveries	Recoveries in Q1 2024 (PLN million)	Share of total recoveries	Change y/y
Poland	379	41%	348	41%	9%
Romania	167	18%	160	19%	4%
Italy	227	25%	196	23%	16%
Spain	128	14%	126	15%	1%
Other markets	24	3%	23	3%	1%
<b>KRUK Group</b>	<b>923</b>	<b>100%</b>	<b>854</b>	<b>100%</b>	<b>8%</b>

Similar to previous quarters, recoveries in the three months to 31 March 2025 exceeded budgeted figures, with a positive deviation<sup>8</sup> of PLN 51 million, or 6%.

**Table 2. Actual vs projected recoveries from purchased debt portfolios**

PLN million	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Actual recoveries	854	883	864	935	923
<b>B. Deviation between actual and projected recoveries and related items<sup>8</sup></b>	105	103	91	53	51
<b>C. Percentage deviation (B/(A-B))<sup>2</sup></b>	14%	13%	12%	6%	6%

## Investments in new portfolios

In the three months ended 31 March 2025, the KRUK Group invested PLN 229 million in debt portfolios with a nominal value of PLN 1.1 billion, compared with PLN 335 million of debt investments with a nominal value of PLN 2.2 billion in the first quarter of 2024. These investments were almost exclusively allocated to unsecured retail debt portfolios. Romania

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

and Italy accounted for the largest shares of total purchases in the first quarter of 2025, representing 33% and 32% respectively.

**Table 3.** Expenditure on debt portfolios in the three months to 31 March 2025, by market

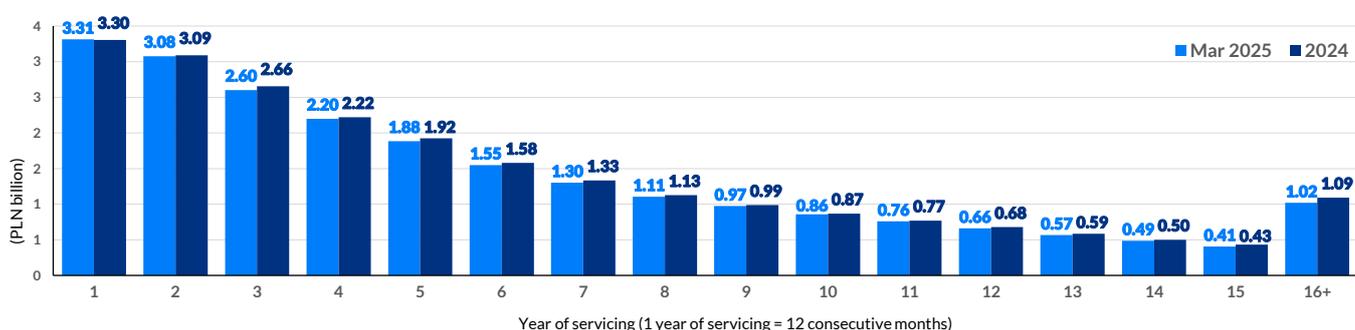
	Expenditure in Q1 2025 (PLN million)	Share of total expenditure	Expenditure in Q1 2024 (PLN million)	Share of total expenditure	Change y/y
Poland	19	8%	132	39%	-85%
Romania	75	33%	23	7%	224%
Italy	74	32%	134	40%	-44%
Spain	14	6%	27	8%	-49%
Other markets	47	20%	19	6%	142%
KRUK Group	229	100%	335	100%	-32%

In the three months ended 31 March 2025, KRUK also invested PLN 47 million in debt portfolios in the French market, which is included in the 'Other markets' segment.

## Estimated remaining collections (ERC)

Estimated remaining collections (ERC) as at 31 March 2025 stood at PLN 22,760 million, down by PLN 387 million, or 2%, on 31 December 2024. The movement primarily reflects investment activity: throughout 2024, the KRUK Group invested a total of PLN 2,828 million (including PLN 1,185 million in Q4 2024) in debt portfolios with a nominal value of PLN 14,607 million (including PLN 5,424 million in Q4 2024), while in the first quarter of 2025, the Group's investments totalled PLN 229 million, securing portfolios with an aggregate nominal value of PLN 1,089 million. 70% of the total revaluation of projected recoveries from unsecured retail portfolios in the first quarter of 2025 was attributable to the revaluation of projected recoveries until May 2027 (over the next 26 months). The breakdown of ERC according to the collection period is presented in the charts below.

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



## Credit management services

In the three months ended 31 March 2025, revenue from fee-based credit management services was PLN 13.6 million, down 8.5% year on year. The decrease mainly reflects the business line's lower revenue in Poland. Banks remained the Group's main business partners in the credit management segment. Gross profit amounted to PLN 3.8 million, compared with PLN 4.3 million a year earlier.

## Consumer loans (Novum and Wonga)

In the three months to 31 March 2025, the KRUK Group companies advanced 77 thousand cash loans, compared with 57 thousand the year before. The principal amount of the loans advanced in the period was PLN 224 million (January-March 2024: PLN 152 million). The number of Novum cash loans advanced in Poland and Romania was 5.7 thousand, and their principal amount was PLN 37.1 million. Wonga.pl disbursed 71.4 thousand cash loans in Poland, with a net amount of PLN 187 million.

In the three months ended 31 March 2025, Wonga's revenue amounted to PLN 59.8 million (up 52% y/y), while Novum operations in Poland and Romania generated a combined revenue of PLN 11.8 million (up 54% y/y), including PLN 7.9 million in Poland (up 26% y/y). Wonga's net revenue includes a non-recurring effect of an improvement in the expected recovery rate on outsourced collections, recognised as a change in the allowance for expected credit losses. This effect was PLN 20.6 million and also necessitated recognising a PLN 3.6 million increase in deferred tax expense for the period.

Wonga's EBITDA for the three months to 31 March 2025 was PLN 36.2 million (up 81% y/y). In the same period, Novum operations in Poland and Romania delivered EBITDA of PLN 6.2 million (up 100% year on year), of which Novum Poland accounted for PLN 4.1 million (up 36% y/y).

## 1.2. KRUK GROUP'S PERFORMANCE BY GEOGRAPHY

(PLN million)	Poland		Romania		Italy		Spain		Other markets		Unallocated		Head Office		KRUK Group	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024						
Expenditure on debt portfolios	19	132	75	23	74	134	14	27	47	19	N/A	N/A	N/A	N/A	229	335
Recoveries	379	350	167	160	227	196	128	126	24	23	N/A	N/A	N/A	N/A	923	856
Carrying amount of purchased debt portfolios (PLN billion)	4.0	3.3	1.7	1.4	2.7	2.1	1.8	1.7	0.2	0.1	N/A	N/A	N/A	N/A	10.4	8.8
Percentage of total portfolio carrying amount	38%	38%	16%	16%	26%	25%	18%	19%	2%	2%	N/A	N/A	N/A	N/A	100%	100%
Revenue	367	337	160	148	160	137	98	113	15	12	2	2	N/A	N/A	802	748
Purchased debt portfolios	294	284	156	581	157	134	94	109	15	12	N/A	N/A	N/A	N/A	715	685
Credit management services	6	7	0	0	3	3	4	4	N/A	N/A	N/A	N/A	N/A	N/A	14	15
Wonga	60	39	N/A	N/A	N/A	N/A	N/A	N/A	60	39						
Other activities	8	6	4	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	8
Gross profit	264	249	133	117	80	78	17	68	10	6	0	-1	N/A	N/A	504	516
EBITDA	237	224	125	109	69	68	9	61	8	3	0	-1	-40	-31	409	434
Cash EBITDA	322	288	136	123	139	130	43	78	17	15	0	-1	-40	-31	618	604

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

## Poland

In the three months ended 31 March 2025, KRUK's investments in Poland amounted to PLN 19 million, representing 8% of the Group's total expenditure in the period. The nominal value of the purchased portfolios was PLN 39 million. In Poland, KRUK invested primarily in unsecured retail debt. The investment activity in this geography was broadly in line with expectations, with KRUK anticipating higher expenditure in the coming quarters.

At PLN 379 million (up 8% y/y), amounts collected in Poland represented 41% of the Group's total recoveries in the period.

Compared with the same period in 2024, the Group's revenue from the Polish market increased by 9%, to PLN 367 million. The revaluation of projected recoveries totalled PLN 61 million, down from PLN 72 million in the previous year. The majority of revenue (80%) was derived from the core business line of purchased debt portfolios. Higher interest income drove the Group's revenue from purchased debt portfolios up by 4% year on year. In Poland, KRUK also recorded an excess of actual cash recovered over projected recoveries.

Thanks primarily to the higher recoveries, gross profit on the Polish market for the first quarter of 2025 came in at PLN 264 million, relative to PLN 249 million in the comparative period, up 6% year on year.

In Poland, EBITDA stood at PLN 237 million, up 6% year on year.

Cash EBITDA stood at PLN 322 million, up 12% on the same period the year before, mainly on higher year-on-year recoveries.

The carrying amount of purchased debt portfolios as at 31 March 2025 was PLN 4 billion, up 20% year on year. Polish portfolios accounted in total for 38% of the carrying amount of all debt portfolios held by the KRUK Group.

## Romania

Purchases made in Romania accounted for 33% of the Group's total investments in the period, as it spent PLN 75 million on debt with a nominal value of PLN 173 million. KRUK invested primarily in unsecured retail debt portfolios.

In the three months ended 31 March 2025, recoveries in Romania reached PLN 167 million, representing a 4% increase year on year and accounting for 18% of total recoveries in the period.

Total revenue from the Romanian market generated in the three months to 31 March 2025 amounted to PLN 160 million, up 8% year on year. The increase reflected a higher upward revaluation of projected recoveries in the reporting period than in the comparative period (PLN 54 million vs PLN 48 million), as well as higher interest income. In Romania, KRUK also recorded an excess of actual recoveries over estimated amounts.

Gross profit came in at PLN 133 million, having increased from PLN 117 million a year earlier (up 14% y/y), largely as a result of higher revenue.

The Group's operations in Romania delivered EBITDA of PLN 125 million, up 15% year on year,

with cash EBITDA amounting to PLN 136 million, up 11% year on year.

As at 31 March 2025, the carrying amount of purchased debt portfolios was PLN 1.7 billion, up 15% on 31 March 2024. The Romanian portfolios accounted in total for 16% of the carrying amount of all debt portfolios held by the KRUK Group.

## Italy

In the first quarter of 2025, KRUK's investments in Italy amounted to PLN 74 million, which represented 32% of the Group's total expenditure on debt portfolios. These investments were allocated to unsecured retail debt portfolios with a nominal value of PLN 409 million.

Recoveries in Italy represented 25% of the Group's total recoveries in the first quarter of 2025, amounting to PLN 227 million, up 16% year on year.

The amount posted in revenue from the Italian market in the first three months of 2025 was PLN 160 million (up 17% y/y). Revenue from the purchased debt portfolio business contributed 98% of total revenue, having risen to PLN 157 million from PLN 134 million the year before.

One of the drivers of this growth was a year-on-year increase in interest income. In the three months to 31 March 2025, the Group recognised a PLN 17 million revaluation of projected recoveries from the Italian portfolios, up by PLN 0.6 million year on year. In Italy, KRUK also recorded an excess of actual recoveries over estimates.

Revenue from the credit management business was PLN 3.4 million, relative to PLN 3 million in the corresponding period of 2024.

The year-on-year revenue growth led to a gross profit of PLN 80 million, up 2% from PLN 78 million recorded a year earlier.

In Italy, EBITDA for the first quarter of 2025 reached PLN 69 million, compared with PLN 68 million a year earlier, representing a 2% increase.

Higher recoveries also bolstered cash EBITDA, which amounted to PLN 139 million, reflecting a 7% increase year on year.

As at 31 March 2025, the carrying amount of purchased debt portfolios was PLN 2.7 billion, up 22% on 31 March 2024. The Italian portfolios accounted for 26% of the total carrying amount of all debt portfolios held by the KRUK Group.

## Spain

The first quarter of 2025 saw the KRUK Group invest PLN 14 million in Spain, primarily in unsecured retail debt, which represented 6% of the Group's total expenditure on portfolio purchases in the period. The nominal value of the purchased portfolios was PLN 67 million.

In the three months ended 31 March 2025, recoveries in Spain reached PLN 128 million, representing a 1% increase year on year and accounting for 14% of total recoveries in the period.

Revenue generated on the Spanish market in the first three months of 2025 amounted to PLN 98 million, down 13% year on year. 96% of revenue on the Spanish market was derived from the purchased portfolio business: PLN 94 million, compared with PLN 109 million a year earlier. In the three months to 31 March 2025, the deviation between actual and projected recoveries was nominal, and no revaluation of projected recoveries for future periods was recognised, as no indicators of either positive or negative revaluation were identified.

Revenue from the credit management business in Spain came to PLN 4 million, up 2% year on year.

In anticipation of procedural reforms to the Spanish court system coming into effect from April 2025, KRUK accelerated the filing of cases during the first quarter of 2025, which drove operating expenses (court fees) up by PLN 31 million relative to the comparative period. As a result, gross margin declined to PLN 17 million, down 78% year on year.

The higher court fees led to a reduction in EBITDA achieved in Spain to PLN 9 million, down 85% year on year (Q1 2024: PLN 61 million).

Cash EBITDA stood at PLN 43 million, down by 45% year on year.

As at 31 March 2025, the carrying amount of debt portfolios in Spain was PLN 1.8 billion (up 9% year on year), representing 18% of the total carrying amount of the Group's debt portfolios.

## Other markets (France, the Czech Republic, Slovakia, Germany)

Investments in the segment amounted to PLN 47 million, representing 20% of the Group's total debt purchases. All of this expenditure was incurred in France and was allocated exclusively to unsecured retail debt. The nominal value of the purchased portfolios was PLN 401 million.

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

asset disposals. The Group is likewise assessing strategic options for exiting the German market, where it holds a relatively small pool of portfolios acquired between 2015 and 2018 and conducts no direct operational activity.

Recoveries in the segment totalled PLN 24 million, up by 1% year on year, representing 3% of total recoveries posted for the period.

Revenue in the segment, generated entirely from purchased portfolios, totalled PLN 15 million in the first quarter of 2025, marking a 24% year-on-year increase, due largely to higher interest income.

The KRUK Group recognised a PLN 0.2 million positive revaluation of projected recoveries from the 'Other markets' segment, compared with a PLN 0.1 million negative revaluation a year earlier.

Gross profit was PLN 10 million, up 60% year on year.

EBITDA came in at PLN 8 million, up 136% year on year, driven mainly by revenue growth in France. Cash EBITDA stood at PLN 17 million, down by 13% year on year.

As at 31 March 2025, the carrying amount of debt portfolios in the 'Other markets' segment was close to PLN 0.2 billion, up 64% year on year, representing 2% of the total carrying amount of the Group's debt portfolios.

### 1.3. FINANCIAL AND LIQUIDITY POSITION

As at 31 March 2025 and the issue date of this report, the Group's financial and liquidity position remained stable.

As at 31 March 2025, the KRUK Group's cash and cash equivalents amounted to PLN 229 million, down PLN 56 million and PLN 14 million on 31 March 2024 and 31 December 2024, respectively. As at 31 March 2025, credit facilities available to the KRUK Group totalled PLN 3,880 million, with PLN 3,237 million already drawn, leaving PLN 643 million still available for utilisation (translated from EUR at the mid rate quoted by the National Bank of Poland for 31 March 2025). As at March 31st 2025, the carrying amount of the Group's investments in debt portfolios accounted for 89% of its assets. The Group's equity accounted for 41% of its financing sources.

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

- to protect the Kruk Group against the loss of ability to pay its liabilities;
- to secure funds to finance the Group's day-to-day operations and growth;
- to effectively manage the available financing sources.

As at 31 March 2025, the financial ratios defined below were as follows:

- 1.3x – Net Debt / Equity Ratio
- 2.6x – Net Debt / Cash EBITDA Ratio
- 5.7x – Cash EBITDA / Interest on Debt ratio;

where:

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

**Financial Liabilities** means total financial liabilities under:

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

**Equity** means the KRUK Group's equity;

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

In 2024, the debt ratios measured for the entire Group, specified in the terms and conditions of bonds issued on the Polish market, were as follows: the net debt to equity ratio stood at 1.3x (the maximum contractual level being 3x in the case of issues for which financial debt limits have been defined), the net debt to cash EBITDA ratio was 2.6x (versus the maximum contractual level of 4.0x) and the cash EBITDA to interest on debt ratio was 5.7x (with the maximum contractual level set at 3.0x)

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

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

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

In the period 1 January–31 March 2025, the Parent executed related-party transactions. For details, see the condensed interim separate financial statements for 1 January to 31 March 2025, section 12. *Related-party transactions*.

In the three months to 31 March 2025, all intragroup transactions were concluded on an arm's length basis.

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

In the reporting period, KRUK S.A. and the Group companies issued sureties for repayment of loans and guarantees. For details, see the condensed interim separate financial statements for 1 January to 31 March 2025, section 17. *Information on changes in contingent liabilities or contingent assets subsequent to the end of the previous financial year*.

## **1.6. SIGNIFICANT AGREEMENTS EXECUTED BY COMPANIES OF THE KRUK GROUP**

In the first quarter of 2025 and as at the issue date of this Report, none of the KRUK Group companies entered into any significant agreements.

## **1.7. KRUK GROUP'S STRATEGY**

### **1.7.1. STRATEGIC PLAN 2025–2029**

On 16 January 2025, the Management Board of KRUK S.A. adopted a new strategy for 2025–2029. Key aspects of the KRUK Group's new strategic plan are outlined below.

#### **Mission, vision and values of the KRUK Group**

In developing the new strategy, the KRUK Group's Management Board decided to refresh its mission and vision statements, ensuring they better reflect KRUK's market position, efforts to reshape industry perception, and its role within the economic and social landscape.

## MISSION:

We guide our clients toward a path out of debt. We operate ethically and effectively, while educating the public about responsible finances.

## VISION:

We are building a world of financial balance based on mutual trust, where promises and commitments are fully honoured.

Our **VALUES** stay the same and comprise:

### RESPECT

Mutual respect is the cornerstone of our business. We treat everyone the way we want to be treated.

### COOPERATION

Together we can do more. We build relationships based on partnership, and clear rules. We call things by their name.

### ACCOUNTABILITY

Everyone is responsible for their decisions, actions or inaction and their consequences.

### SIMPLICITY

Simplicity is beautiful. We simplify our processes and eliminate waste. Done is better than perfect.

### DEVELOPMENT

We are committed to continuous improvement. We have an incessant inner drive to progress, even when we succeed.

## Strategic Plan 2025–2029

The key objective over the new strategy period (2025–2029) is to drive continued business growth by upscaling, enhancing process efficiency, and digital transformation.



The KRUK Group is set for a major business expansion, planning to invest as much within the next five years as it has throughout its operating history (approximately PLN 15 billion). With this investment level, KRUK could be handling around 20 million cases by the end of the strategy period. At the same time, KRUK aims to maintain nearly the same workforce size, keeping the number of employees across its existing markets below 4,000. To achieve this, it must further enhance operational efficiency, focusing on: shortening turnaround times, expanding self-service solutions and leveraging behavioural science. To support these goals, KRUK will continue its digital transformation, with a strong focus on three areas: data management, technology and data-driven processes, KRUK's way of working. At the core of this change are engaged, highly skilled employees and a robust risk management system.

### Key elements of the Group's strategy:

- ~PLN 15 billion → new investments in debt portfolios
- Ambition for recoveries from existing debt portfolios at PLN 29 billion over the next 20 years
- Profit growth potential both during the strategy period and over the long term
- ~20% ROE
- PLN 20 billion → doubling of the portfolio carrying amount
- PLN 0.5 billion → investment in digital transformation
- Optimising costs through continuous process improvements, economies of scale, and technological advances
- Maintaining the net debt-to-cash EBITDA ratio below 3.0, allowing for a temporary exceedance if necessary

### Investment excellence

Throughout its 27-year history, the KRUK Group has invested PLN 17.6 billion. Over the next strategy period spanning five years, it expects to invest approximately PLN 15 billion.

The base strategic scenario is to pursue organic growth with a focus on five major European markets: Poland, Romania, Italy, Spain, and France. With combined populations of 232 million, these countries are among Europe's largest NPL markets with further growth potential.

Despite upbeat macroeconomic forecasts and an expected increase in lending activity, the KRUK Group has adopted a cautious market outlook for its base-case scenario, including the following key assumptions:

- modest growth in debt sales across the Group's operating markets from 2025 to 2029;
- following record-high investments in 2023 and 2024, a more moderate investment target has been set for 2025 (approximately PLN 2.5 billion), to grow incrementally in subsequent years; average annual investments are expected to remain in line with the levels of the past two years;
- investments will be made at an average IRR comparable to KRUK's 2024 performance;
- the Group's historical market share in unsecured consumer debt acquisitions on the primary market, averaging 30–40%, will be maintained, ensuring KRUK's continued leadership in the segment;
- other asset classes will account for no more than around a dozen per cent of total investments.

## Operational excellence

The KRUK Group aims to drive further growth by expanding its balance sheet and focusing on maximising recoveries from existing debt portfolios.

The key objective is to double the carrying portfolio amount.

Over the course of the strategy, the Group plans to establish pathways to achieve a realistic target for recoveries from its existing debt portfolios, at PLN 29 billion over the next 20 years.

By 2030, KRUK expects to have acquired a total of over 20 million cases (compared with the current level of approximately 13.1 million). Despite this expansion, the Group projects only a slight increase in headcount (with FTE<sup>3</sup> rising to a maximum of 4,000, from approximately 3,500 at the end of December 2024).

Accordingly, the operational strategy focuses on process reengineering, aimed to explore opportunities for efficiency gains. The key strategic objective is to reduce the portfolio lead time by one year, meaning a faster break-even point (when the investment expenditure and direct operating costs are fully covered by amounts collected). The Group plans to achieve this by doubling the share of self-payers (i.e. the percentage of amicable and hybrid collections where clients make payments without adviser intervention) and doubling the automation rate in legal enforcement (i.e. the share of fully automated document processing in court and bailiff referrals). KRUK anticipates that these initiatives will also drive up the recoveries per FTE ratio (reflecting total recoveries across all purchased portfolios relative to the number of FTE in the purchased portfolio and Head Office functions).

## Digital transformation

Delivery of the KRUK Group's ambitious financial and operational goals will be driven by the continuation of its digital and Lean transformation efforts. The strategic transformation plan has been built on a thorough assessment of the current state, potential growth scenarios, and best practices, conducted with support from an external advisor (for details, see the section concerned with strategy execution for the previous period). As a result of the work carried out so far, KRUK has defined its target future state, a structured roadmap to achieve it, and the necessary resources. The adopted plan is holistic, focused on enhancing processes, tools, and ways of working, to ensure a seamless and effective transition.

The KRUK Group estimates that its investment in the transformation plan will reach approximately PLN 500 million over five years, targeting a minimum 20% IRR, with the break-even point expected after the strategy period (post-2029).

The plan is based around three pillars:

- Analytics & Technology (implemented through the New Horizon programme)

- Data Governance
- KRUK's Way of Working

## **Analytics and Technology**

The KRUK Group has launched New Horizon, a bold initiative aimed at constructing a next-generation analytics and technology ecosystem. This end-to-end (E2E) system will seamlessly support processes from start to finish, ensuring they are data-driven, highly secure, and fully controllable. It will be supported by cutting-edge technologies, including a cloud-first model and AI-powered solutions. Artificial intelligence will play a pivotal role in operational processes, with applications such as AI-driven bots and chatbots facilitating interactions with self-payers, automated document processing – enabling AI to read and respond to correspondence, and decision models – supporting data-driven decision-making and personalising the client journey. By revolutionising its technological backbone, KRUK is setting the stage for rapid and agile development of tools and solutions that will evolve in sync with changing client needs.

## **Data Governance**

Data is a critical asset and source of competitive advantage for the KRUK Group. Therefore the Group's strategic objective is to maximise the benefits of data utilisation in operational processes. Over the new strategy period, KRUK will continue implementing a comprehensive, best practice-based Data Governance framework. This initiative will encompass:

- defining key roles and responsibilities in data management (structure);
- implementing standards and processes to enhance data accessibility, usability and security;
- refining decision-making models and fostering a culture of data-driven decision-making.

The robust Data Governance strategy will also lay the groundwork for wider adoption of advanced technologies, particularly AI.

## **KRUK's Way of Working**

The KRUK Group has embarked on the implementation of a new Way of Working, integrating the best practices of Lean and Agile. The aim is to create systemic solutions that would transform the Group into a truly self-learning organisation. Lean principles are already embedded in KRUK's organisational DNA, ensuring that processes are designed with a relentless focus on value while eliminating resource wastage, by leveraging the talents and potential of employees. Meanwhile, the Agile approach will enable faster implementation of defined improvements and novel solutions. In building the new ecosystem, KRUK is shifting to agile product development, where work is carried out in cross-functional teams, bringing together expertise from across the organisation as business and IT professionals collaborate toward shared goals. The adoption of KRUK's Way of Working includes guiding employees through this transformation, providing support in adapting to change and developing the necessary skills to thrive in an evolving workplace.

## **Risk management**

Effective risk management is a cornerstone of the KRUK Group's ability to execute its strategic plan. The framework is geared towards enhancing organisational resilience through proactive and deliberate approach to identifying, assessing, and responding to risks.

The strategic goal for KRUK's risk management system is to elevate its maturity and integration, which will be achieved through initiatives focused on:

- enhancing early threat detection and enabling swift action in response;
- deepening the system's integration within the organisational culture and decision-making processes;
- strengthening adaptability to emerging risks;
- improving accuracy in the assessment and quantification of identified threats;
- ensuring reliability of data derived from risk management processes.

## People – our greatest asset

The competencies, experience, and dedication of the KRUK Group's employees are not only fundamental to achieving its business goals, but also serve as a key source of competitive advantage. Recognising this, the Group's strategy includes initiatives aimed at fostering continuous employee development. KRUK is committed to creating an inspiring and supportive workplace, where every individual feels valued, motivated, and empowered to grow. The strategy will focus on four key pillars:

- Employer of Choice – streamlining recruitment processes to efficiently attract top talent;
- Talent Development & Retention – personalised career paths, coaching, mentoring, and internal growth opportunities to nurture talent; Fostering engagement, and cultivating an organisational culture that promotes innovation and collaboration;
- Diversity, Equity, and Inclusion (DEI) – ensuring a work environment where all employees feel respected and valued;
- Well-being – implementing well-being programmes to make KRUK an even more rewarding and fulfilling place to work.

## Summary of the base scenario

- In summary, the KRUK Group's strategic plan under the base-case scenario includes:
- investing approximately PLN 15 billion in debt portfolios over the next five years across the Group's existing markets, including France. Actual expenditure on portfolio purchases will depend on market competition, as well as the Group's financial leverage and operational efficiency;
- maintaining the net debt-to-cash EBITDA ratio below 3.0, allowing for a temporary exceedance if necessary;
- targeting recoveries from existing debt portfolios of PLN 29 billion over the next 20 years;
- doubling the carrying amount of the Group's portfolios from approximately PLN 10.5 billion at the end of 2024 to PLN 20 billion by the end of 2029;
- shortening the portfolio lead time (needed to reach break-even) by 20% to four years;
- raising the recoveries per FTE ratio by 50%, including through automation and development of self-payer solutions for clients;
- lowering the ratio of operating costs to recoveries in the purchased portfolio business, driven by continuous process improvements, economies of scale, and technological advances;
- achieving ROE of approximately 20%. However, should the KRUK Group become subject to the GloBE tax, ROE may fall below this level;
- sustained profit growth, both within the strategy period (driven by expected recoveries from existing portfolios combined with market opportunities for new investments) and in the long run (with major benefits from the digital transformation expected post-2029);
- investing approximately PLN 500 million in the digital transformation over five years, targeting a minimum 20% IRR and achieving break-even beyond the strategic horizon (post-2029);
- minimal workforce expansion, to no more than 4,000 FTEs by the end of the strategy period from the current 3,500 (resulted FTE), despite nearly doubling investments and handling over 50% more cases.

The KRUK Group has also identified additional growth potential beyond the base scenario, which may be driven by:

- higher recoveries from existing portfolios achieved through continuous process improvements or favourable macroeconomic trends;
- accelerated benefits from the digital transformation;

- faster expansion of the primary market for unsecured retail debt (relative to conservative base-case assumptions);
- expansion of the secondary market for unsecured retail debt;
- higher investments or higher-than-expected returns on unsecured retail portfolios, driven by ongoing consolidation within the sector;
- increased investments in corporate, SME, and mortgage debt (non-core debt assumed to remain capped at 25% of the total portfolio value);
- higher investments in the French market. The base-case scenario assumes conservative expansion, but if operational efficiencies are confirmed and the market continues to expand, the market could contribute more significantly to the KRUK Group's investment plans;
- entry into new markets beyond France, with expansion driven by factors such as population size and the scale of local banking sectors;
- further growth of the consumer lending business in Poland and other markets.

To strengthen the KRUK Group's management of climate change, social matters, and corporate governance, we are integrating sustainable development into our business strategy.

The goals outlined in the ESG Strategy for the KRUK Group in 2023 will be reviewed in 2025 to ensure alignment with the new business strategy and results of the double materiality assessment carried out in 2024.

### **1.7.2. EXECUTION OF THE STRATEGIC PLAN 2025–2029**

In the first quarter of 2025, KRUK unveiled its latest Strategy, covering the period from 2025–2029. As part of the related internal communication efforts, the Management Board of KRUK S.A. held employee town-hall meetings across all geographies. These events focused on clearly articulating the strategic objectives, enhancing employee awareness of the Group's future development paths, and encouraging active involvement in implementing the Strategy's key initiatives. Attendance exceeded 80%, reflecting strong employee engagement and commitment to the success of the Group's long-term Strategy.

Progress achieved within each of the Strategy's pillar is summarised below:

#### **Investment excellence**

In the first quarter of 2025, the Group's investments in debt portfolios totalled PLN 229 million, with Romania and Italy accounting for the largest shares in these purchases. In France, the Group continued investments under an existing forward flow agreement and acquired an additional portfolio to further diversify its asset base. Investments outside Poland represented 92% of the Group's total investment spending.

In compliance with KRUK's liquidity management policy, which restricts incurring new debt to a level repayable from the Group's existing assets, i.e. without requiring refinancing, net debt to cash EBITDA stood at 2.6x as at 31 March 2025, comfortably below the 3.0x cap.

#### **Operational excellence**

The Group successfully delivered on the operational objectives defined in its Strategy during the reporting period, achieving lead time acceleration, an increase in self-payers, enhanced automation, and higher recoveries to FTEs.

In parallel with seeking these operational efficiency gains, the Group undertook re-engineering efforts aimed at designing and implementing breakthrough process improvements. Workshops were held, which were attended by employees from across the Group's markets and which resulted in the identification of key Group-wide enhancements to the debt recovery process. In addition, the Group established a comprehensive standard to guide future re-engineering initiatives.

## Transformation

The KRUK Group's strategic transformation programme is built upon three core pillars:

- Analytics & Technology (New Horizon)
- Data Governance
- KRUK's Way of Working

In the first quarter of 2025, implementation of the programme progressed as planned.

The key milestones achieved as part of the work to develop a new technology ecosystem for the Group (New Horizon) included:

- Establishing the governance framework for the transformation programme, covering the programme structure, decision-making processes, reporting requirements, and risk monitoring;
- Refining the master plan for the nearest 18 months to enable identification of the required resources and interdependencies between teams;
- Initiating vendor selection processes for key technology solutions, including proof-of-concept evaluations;
- Testing process analytics and automation tools for the legal enforcement stage;
- Deploying new tools for client advisers;
- Developing initial concepts for a mobile application and enhanced personalisation capabilities;
- Commencing development of the new core system.

In the Data Governance pillar, ongoing efforts included expanding data governance structures across various data domains in all Group entities, clarifying data definitions, setting quality metrics, and developing data warehouse concepts.

With regard to KRUK's Way of Working, initiatives were focused on:

- Establishing interdisciplinary "tribes" in each market;
- Conducting agile training and implementing new working methodologies for tribes within both the Head Office and local subsidiaries;
- Further developing Lean practices, including defining a skills matrix focused on problem-solving competencies and conducting workshops aimed at achieving process optimisation at the legal enforcement stage in Spain.

## People

In the first quarter of 2025, HR initiatives were primarily focused on supporting the ongoing transformation. This included facilitating structural changes, managing internal recruitment and external talent acquisition, preparing employees for their new roles, developing essential competencies required for subsequent phases of the transformation, and guiding employees through these changes using the ADKAR change management model.

## Risk Management

Risk management activities during the period concentrated on enhancing and optimising processes within the Group's risk management framework. The main emphasis was on refining supplier risk management processes in response to regulatory changes and the needs driven by the transformation agenda. Additionally, work began on implementing requirements for managing risks associated with artificial intelligence (AI) services, including defining AI-related risks, assigning responsibilities for their management and monitoring, and establishing core steps in the AI risk management process.

## 1.8. OPERATIONS – MILITARY CONFLICT IN UKRAINE

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

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

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

## 2. ASSESSMENT OF FINANCIAL RESOURCES MANAGEMENT

### 2.1. PERFORMANCE FORECASTS

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

### 2.2. ASSESSMENT OF FUTURE FINANCIAL CONDITION

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

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

## 3. RISK FACTORS AND THEIR MANAGEMENT

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

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

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

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

In the period from 1 January to 31 March 2025, there were no material changes to the risk management approach, therefore the Management Board of KRUK S.A. identified the same risks as those specified in the full-year KRUK S.A. Directors' Report on the operations of KRUK S.A. and the KRUK Group in 2024, in section 7. *Risk factors and their management*. The report is available on the Company's website at: <https://en.kruk.eu/media/article/file/cgkruk2024dro-27-03-2025-v4.pdf>.

## 4. SHAREHOLDERS

### 4.1. SHAREHOLDING STRUCTURE (MAJOR HOLDINGS)

The table below lists the shareholders holding directly or indirectly major holdings of KRUK S.A. shares as at the date of issue of the previous periodic report, i.e. 27 March 2025.

**Table 4.** Major holdings of KRUK S.A. shares as at the issue date of the previous periodic report (this shareholding structure remains valid as at the issue date of this Report)

Shareholder	Number of shares/voting rights	Percentage of share capital/total voting rights at GM
NN OFE	2,488,000*	12.84
Allianz OFE	2,033,441**	10.48
Piotr Krupa directly and indirectly through Krupa Fundacja Rodzinna	1,716,965*	8.86
Generali OFE	1,650,065*	8.51
VIENNA OFE	1,044,523*	5.39
PZU OFE	989,865*	5.11

(\*) Data based on the list of shareholders eligible to attend the Extraordinary General Meeting on 30 January 2025.

(\*\*) Data based on the Shareholder's Notification (see Current Report No. 22/2025).

Source: Company.

## 4.2. TREASURY SHARES

The Company holds no treasury shares.

## 4.3. MANAGEMENT OR SUPERVISORY BOARD MEMBERS HOLDING SHARES OR RIGHTS TO SHARES

The table below presents the holdings of Company shares or rights to Company shares by members of KRUK S.A.'s management and supervisory personnel as at the date of filing its previous periodic report, i.e. 27 March 2025.

**Table 5.** KRUK S.A. shares held by management and supervisory personnel as at 27 March 2025

Name and surname	Position	Number of shares held	Total par value (PLN)
Piotr Krupa directly and indirectly through Krupa Fundacja Rodzinna	President of the Management Board	1,716,965	1,716,965
Piotr Kowalewski	Member of the Management Board	22,263	22,263
Adam Łodygowski	Member of the Management Board	-	-
Urszula Okarma	Member of the Management Board	113,718	113,718
Michał Zasępa	Member of the Management Board	49,000	49,000

Source: Company

In the reporting period following the issue date of the previous period report, one transaction was executed, which affected a Management Board member's holding of KRUK S.A. shares:

**Table 6. Urszula Okarma – transactions in 2025**

DATE OF NOTIFICATION	DATE OF TRANSACTION	VOLUME	TRANSACTION TYPE	AVERAGE PRICE	PLACE OF TRANSACTION
31 March 2025	28 March 2025	9,000	sale	PLN 393.88	WSE

**Table 7. KRUK S.A. shares held by management and supervisory personnel as at 28 April 2025**

Name and surname	Position	Number of shares held	Total par value (PLN)
Piotr Krupa directly and indirectly through Krupa Fundacja Rodzinna	President of the Management Board	1,716,965	1,716,965
Piotr Kowalewski	Member of the Management Board	22,263	22,263
Adam Łodygowski	Member of the Management Board	-	-
Urszula Okarma	Member of the Management Board	104,718	104,718
Michał Zasępa	Member of the Management Board	49,000	49,000

Source: Company

As at 28 April 2025, members of the Management Board of the Company held no rights to KRUK S.A. shares other than those under the subscription warrants presented in detail in section 4.4 Incentive Scheme.

## 4.4. INCENTIVE SCHEME

### Incentive scheme for 2021–2024

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

For the purposes of the 2021–2024 Incentive Scheme, the General Meeting approved a conditional increase of the Company's share capital by up to PLN 950,550.00, through an issue of up to 950,550 Series H ordinary bearer shares. In accordance with the terms of the Scheme, the number of warrants to be allotted and offered to members of the Management Board throughout the term of the Scheme is 40% of all warrants.

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

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

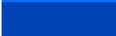
EPS growth is calculated according to the following formula:

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

**Table 8.** Time horizon for calculating the average annual EPS growth under the 2021–2024 Incentive Scheme

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

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

Source: Company

For details of the 2021–2024 Incentive Scheme, see the Directors' Reports on the operations of the KRUK Group in 2024.

**Table 9.** Execution of the 2021–2024 Incentive Scheme as at the issue date of this Report

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

Source: Company

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

**Table 10.** Number of Tranche 1, 2 and 3 warrants awarded to and subscribed for by Management Board members under the 2021–2024 Incentive Scheme, held as at the issue date of this periodic report

Name and surname	Number of Tranche 1 warrants awarded and subscribed	Number of Tranche 2 warrants awarded and subscribed	Number of Tranche 3 warrants awarded and subscribed
Piotr Krupa	22,812	22,812	22,812
Piotr Kowalewski	13,308	13,308	13,308
Adam Łodygowski	13,308	13,308	13,308
Urszula Okarma	13,308	13,308	13,308
Michał Zasępa	13,308	13,308	13,308

Source: Company

In the reporting period and as at the date of issue of this report, members of the Management Board of the Company held no rights to KRUK S.A. shares other than the rights under the subscription warrants issued under the 2021–2024 Incentive Scheme, as shown in Table 13. Members of the Supervisory Board do not hold any subscription warrants issued under the 2021–2024 Incentive Scheme.

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

### Incentive scheme for 2025–2028

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

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

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

#### Conditions for offering Subscription Warrants under the 2025–2028 Incentive Scheme, by Tranche

**Target** 12.00% or higher average annual increase in PBTPS in the fiscal year immediately preceding the year in which the warrants are offered.

EPS growth is calculated according to the following formula:

$$\text{increase in PBTPS}_{2024+n} = \sqrt[n]{\frac{PBTPS_{2024+n}}{PBTPS_{2024}}} - 1$$

for n = 1,2,3,4

**Table 11. Time horizon for calculating the average annual PBTPS growth under the 2025–2028 Incentive Scheme**

Time horizon for the 2025–2028 Incentive Scheme										
Tranche	Period included in the calculation of the average annual PBTPS growth in the fiscal year immediately preceding the year in which the warrants are offered									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Tranche 1 for 2025		x								
Tranche 2 for 2026		x	x							
Tranche 3 for 2027		x	x	x						
Tranche 4 for 2028		x	x	x	x					

	reference year
x	PBTPS average annual growth period
	lock-up possibility of redemption

Source: Company

For details of the 2025–2028 Incentive Scheme, see the Directors' Reports on the operations of the KRUK Group in 2024. As at the date of issue of this report, no subscription warrants were awarded under the 2025–2028 Incentive Scheme.

## 4.5. DIVIDENDS PAID (OR DECLARED)

Net profit earned by the Company in 2024 will be distributed in accordance with the KRUK S.A. Dividend Policy, adopted by the Management Board on 2 December 2021.

On 16 January 2025, the Management Board passed a resolution to adopt the KRUK S.A. Dividend Policy for the period from the financial year beginning on 1 January 2025 to the financial year ending on 31 December 2029. According to the Policy, KRUK S.A.'s goal is to ensure sustainable growth and long-term value creation, leading to profitability improvements and regular dividend payouts, while maintaining appropriate liquidity and observing the principles of sustainable development (ESG). The Dividend Policy ("Policy") establishes clear and consistent criteria for the distribution of the Company's earnings. The Management Board expects that it will submit to each Annual General Meeting a recommendation to pay out dividend amounting to 30% or more of the KRUK Group's consolidated net profit for the previous financial year, attributable to owners of the Parent. This is subject to the condition that, after accounting for the proposed dividend payment, the net debt-to-cash EBITDA ratio remains at or below 3.0. The Dividend Policy is available on the Company's website at: <https://en.kruk.eu/investor-relations/dividend-policy>.

As at the preparation or issue date of this Report, the Company's Management Board did not resolve on a proposed allocation of the Company's net profit for 2024.

## 4.6. PERFORMANCE OF COMPANY SHARES ON THE WARSAW STOCK EXCHANGE

### 4.6.1. Share price

Over the three months to 31 March 2025, the KRUK share price on the stock exchange dropped by 9.24%, to PLN 377.40 per share. The share performance lagged behind the WIG and WIG20 indices, which achieved rates of returns of 20.58% and 22.68%, respectively.

On the last trading day of the first quarter of 2025, the Company's market capitalisation stood at PLN 7.3 billion (compared with PLN 8.6 billion the year before). As at that date, KRUK ranked 28th in terms of market capitalisation on the WSE.

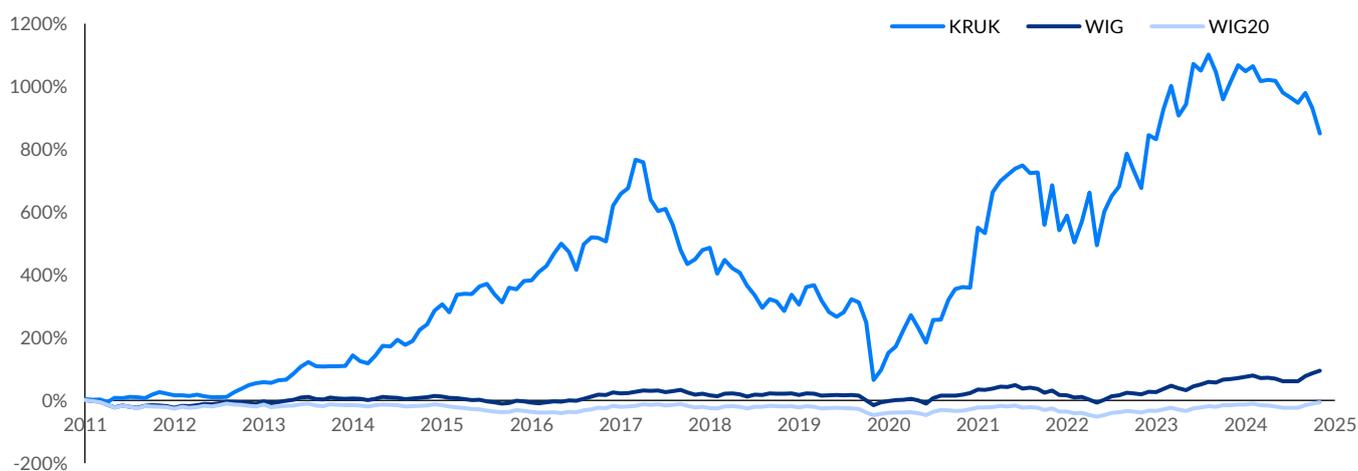
**Table 12.** Rates of return on KRUK stock, WIG and WIG20 in the three months to 31 March 2025 – at close

Date	KRUK	WIG	WIG20
Rate of return	-9.24	20.58	22.68

Source: GPW.pl

From the IPO on the Warsaw Stock Exchange in May 2011 to 31 March 2025, the rate of return on KRUK shares reached 820%. Over the same period, the all-cap WIG index rose 94.50%, while the blue-chip WIG20 index dropped -6.28%.

**PERFORMANCE OF KRUK STOCK AGAINST WIG AND WIG20 FROM THE COMPANY'S IPO ON THE WSE IN MAY 2011 TO 31 MARCH 2025**

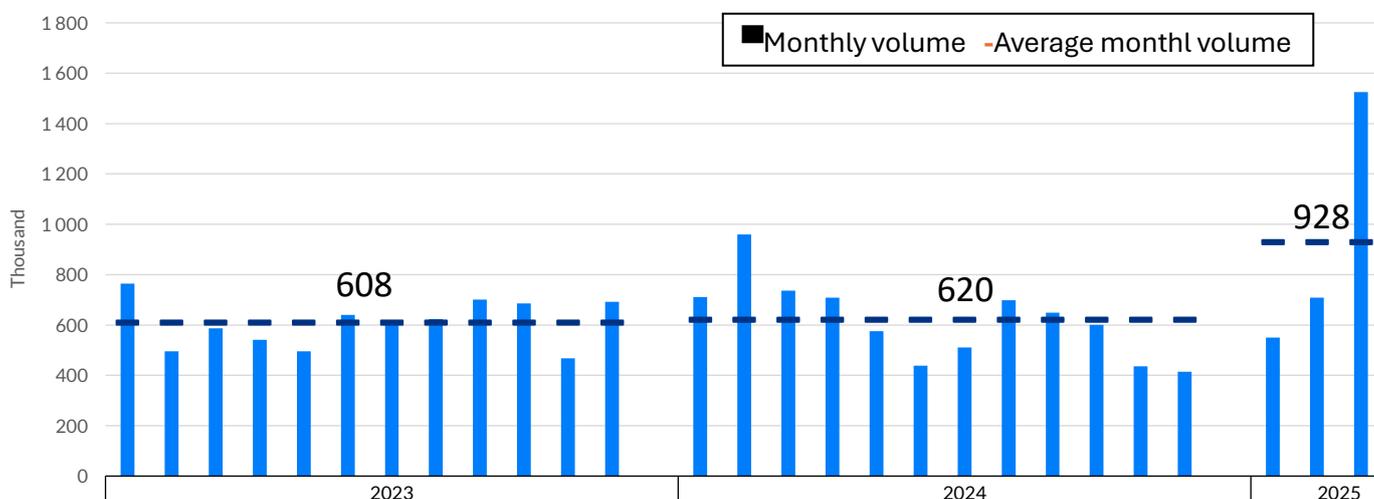


Source: in-house analysis, based on stooq.pl

### 4.6.2. Stock liquidity

The total volume of KRUK S.A. shares traded in the three months to 31 March 2025 was 2.8 million, and the total value of trading reached PLN 1.1 billion. The total volume of KRUK S.A. shares traded in the same period of the previous year was

**MONTHLY VOLUME IN INDIVIDUAL MONTHS AND THE YEAR'S AVERAGE MONTHLY VOLUME OF TRADE IN KRUK SHARES IN 2023-Q1 2025**

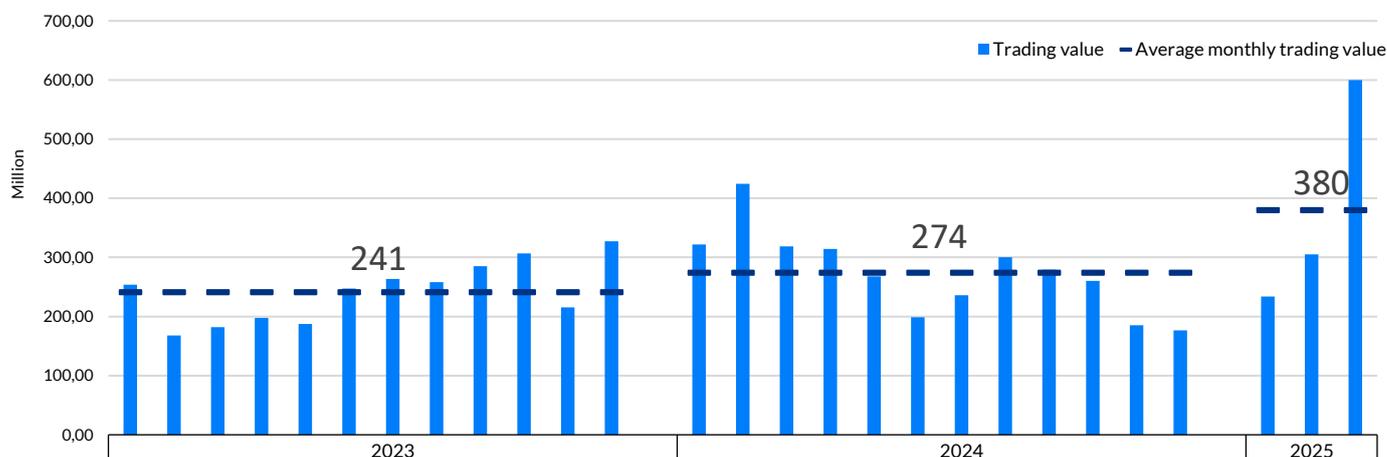


2.4 million, and the total trading value was PLN 1.1 billion. The average daily trading volume of KRUK shares was 45 thousand shares, and the average daily trading value stood at PLN 18.4 million. KRUK was the 20th most liquid stock on the WSE (in terms of the total annual trading value of trades).

Source: in-house analysis based on [www.stooq.pl](http://www.stooq.pl)

## MONTHLY VALUE IN INDIVIDUAL MONTHS AND THE YEAR'S AVERAGE MONTHLY VALUE OF TRADE IN KRUK SHARES IN 2023-Q1 2025

### AVERAGE DAILY TRADING VALUE IN 2024: PLN 11.5 MILLION



Source: in-house analysis based on [www.gpw.pl](http://www.gpw.pl)

## 5. COMPANY BONDS

### 5.1. ISSUE

In the first quarter of 2025, the Company issued Series AP3 bonds with a total nominal value of PLN 100 million and a price per bond equal to its nominal value of PLN 100. The bonds were issued under the prospectus-based Eleventh Bond Issue Programme. The bonds were offered to retail investors.

**Table 13.** Bond issues in the three months to 31 March 2025

Series	Nominal value	Issued in	Maturing in	Interest rate	Interest payment
AP3	PLN 100 million	February 2025	February 2031	floating 3M WIBOR + margin of 2.80pp	every 3 months

Source: Company

### 5.2. REDEMPTION

In the three months ended 31 March 2025, the Company redeemed, in accordance with the relevant terms and conditions, a part of Series AL2 bonds through amortisation of their nominal value, which was PLN 150 per bond. In the same period, the Company redeemed at maturity Series AE4 bonds with a total nominal value of PLN 115 million.

**Table 14.** Bond amortisation in the three months to 31 March 2025

Series	Redemption date	Amortisation value
AL2	February 2025	PLN 52.5 million

**Table 15. Bond redemption in the three months to 31 March 2025**

Series	Redemption date	Number of bonds	Nominal value
AE4	March 2025	115,000	PLN 115 million

### 5.3. LIABILITIES UNDER BONDS

As at 31 March 2025, the nominal value of outstanding bonds issued by the Company was PLN 3,025 million (amounts in EUR translated into PLN at the mid exchange rate quoted by the NBP for 31 March 2025).

**Table 16. Bonds to be redeemed by the end of 2025**

Series	Redemption date	Number of bonds	Nominal value
AH1	June 2025	50,000	PLN 50 million
AK1	September 2025	250,000	PLN 25 million

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

As at 31 March 2025:

- Debt Ratio stood at 1.3x
- Net Debt to Cash EBITDA ratio was 2.6x

where:

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

## 6. CREDIT RATING

### 6.1. CORPORATE RATING

On 13 March 2023, the KRUK Group was assigned a corporate rating of Ba1, outlook stable, by Moody's Investors (Moody's). On 12 December 2024, the KRUK Group's corporate rating of Ba1, outlook stable, was reaffirmed by Moody's Investors Service.

Standard & Poor's (S&P) assigned it a rating of BB-, outlook stable. On 26 April 2024 and 5 March 2025, Standard & Poor's (S&P) reaffirmed the KRUK Group's rating of BB-, with a stable outlook. KRUK has decided to end its collaboration with S&P Global, with the rating of 5 March 2025 being the final one issued by the agency for the Group.

Agency	Corporate rating	Outlook	Link to information
Moody's	Ba1	Stable	<a href="#">Moody's rating</a>
S&P	BB-	stable	<a href="#">S&amp;P rating</a>

## 6.2. BOND RATING

On 17 April 2023, the planned issue of the Company's EUR-denominated bonds in 2023 (ISIN code: NO0012903444) was assigned ratings of Ba2 and BB-, respectively, by Moody's and S&P.

Agency	Bond rating	Link to information
Moody's	Ba2	<a href="#">Moody's rating</a>
S&P	BB-	<a href="#">S&amp;P rating</a>

## 7. GOVERNING BODIES

### 7.1. THE MANAGEMENT BOARD – MEMBERS, CHANGES IN COMPOSITION AND RULES OF APPOINTMENT

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

On 27 March 2025, the Supervisory Board of KRUK S.A. adopted Resolution No. 18-22/2025 to reappoint the existing members of the Management Board for another term of office.

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

**Table 17. Roles and remits of members of the Management Board of KRUK S.A.**

Roles and remits of members of the Management Board of KRUK S.A.	
<b>Piotr Krupa</b> President of the Management Board, Chief Executive Officer	Strategy and Transformation, Internal Audit, Corporate Governance
<b>Adam Łodygowski</b> Member of the Management Board, Chief Data & Technology Officer	IT, Debt Portfolio Valuation, Statistical Methods Development, Cybersecurity and IT International Procurement, Core System
<b>Piotr Kowalewski</b> Member of the Management Board, Chief Operating Officer	Analytical Strategy, Customer Service, Insights and Behavioural Strategy, Digital Transformation, Brand Marketing & Communications, Data & Workflow, Legal & Automation Tools
<b>Urszula Okarma</b> Member of the Management Board, Chief Investment Officer	NPL Investment Strategy, Legal, Data Protection, Operational Risk and ESG, Compliance, Human Resources
<b>Michał Zasępa</b> Member of the Management Board, Chief Financial Officer	Controlling and Liquidity Management, Investor Relations and Development, Group Accounting and Taxation
<b>Gender representation on the governing body: 20% women and 80% men</b>	

## 7.2. SUPERVISORY BOARD – MEMBERS, CHANGES IN COMPOSITION AND RULES OF APPOINTMENT

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

As at 1 January 2025, the composition of the Supervisory Board of KRUK S.A. was as presented in the table below.

**Table 18.** Composition of the Supervisory Board, satisfaction of the independence criteria by the Supervisory Board Members, and their experience, expertise, and diversity as at 1 January 2025

COMPOSITION OF THE SUPERVISORY BOARD, SATISFACTION OF THE INDEPENDENCE CRITERIA BY THE SUPERVISORY BOARD MEMBERS, AND THEIR EXPERIENCE, EXPERTISE, AND DIVERSITY					
NAME AND SURNAME	POSITION ON THE SUPERVISORY BOARD	INDEPENDENT*	FINANCE/ACCOUNTING**	ACCOUNTING/FINANCIAL REPORTING***	INDUSTRY EXPERTISE****
Ewa Radkowska-Świętoń	Chair	✓	✓	✓	✓
Krzysztof Kawalec	Deputy Chair	x	✓	✓	✓
Katarzyna Beuch	Member	✓	✓	✓	✓
Izabela Felczak-Poturnicka	Member	✓	✓	✓	✓
Beata Stelmach	Member	✓	✓	✓	✓
Piotr Stępiak	Member	x	✓	✓	✓
Piotr Szczepiórkowski	Member	✓	✓	✓	✓

Gender representation on the governing body: 57% women and 43% men

Satisfaction of the independence criteria: Satisfied by 71% of the members, not satisfied by the remaining 29%

\* Satisfaction of independence criteria under the Statutory Auditors Act

\*\* Experience in finance and accounting of listed companies

\*\*\* Knowledge and skills in financial accounting or auditing

\*\*\*\* Expertise specific to the industry

On 22 January 2025, the Company received a letter of resignation from Beata Stelmach, whereby she resigned from the position of Member of the Supervisory Board effective 29 January 2025. The Extraordinary General Meeting of KRUK S.A. held on 30 January 2025 passed Resolution No. 12/2025 to appoint Dominika Bettman as Member of the Supervisory Board.

Following the change mentioned above, as at the reporting date the composition of the Supervisory Board was as presented in the table below.

**Table 19.** Composition of the Supervisory Board, satisfaction of the independence criteria by the Supervisory Board Members, and their experience, expertise, and diversity as at the reporting date

COMPOSITION OF THE SUPERVISORY BOARD, SATISFACTION OF THE INDEPENDENCE CRITERIA BY THE SUPERVISORY BOARD MEMBERS, AND THEIR EXPERIENCE, EXPERTISE, AND DIVERSITY					
NAME AND SURNAME	POSITION ON THE SUPERVISORY BOARD	INDEPENDENT*	FINANCE/ACCOUNTING**	ACCOUNTING/FINANCIAL REPORTING***	INDUSTRY EXPERTISE****
Ewa Radkowska-Świętoń	Chair	✓	✓	✓	✓
Krzysztof Kawalec	Deputy Chair	x	✓	✓	✓
Dominika Bettman	Member	✓	✓	✓	✓
Katarzyna Beuch	Member	✓	✓	✓	✓
Izabela Felczak-Poturnicka	Member	✓	✓	✓	✓
Piotr Stępiak	Member	x	✓	✓	✓
Piotr Szczepiórkowski	Member	✓	✓	✓	✓

Gender representation on the governing body: 57% women and 43% men

Satisfaction of the independence criteria: Satisfied by 71% of the members, not satisfied by the remaining 29%

\* Satisfaction of independence criteria under the Statutory Auditors Act

\*\* Experience in finance and accounting of listed companies

\*\*\* Knowledge and skills in financial accounting or auditing

\*\*\*\* Expertise specific to the industry

As of 1 April 2025, Katarzyna Beuch ceased to meet the independence criteria as a member of the Supervisory Board.

### 7.3. GENERAL MEETING

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

The Company's Articles of Association are available under 'Corporate documents' in the 'About the Company' section of KRUK S.A.'s website at <https://en.kruk.eu/investor-relations/kruk-group#corporate-documents>.

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

On 30 January 2025, the Extraordinary General Meeting of KRUK S.A. was held at its registered office, with the agenda including: amendments to the Company's Articles of Association, an amendment to the Rules of Procedure for the Supervisory Board, an amendment to the resolution of the Annual General Meeting of KRUK S.A. of Wrocław, dated 16 June 2021, on defining the rules of an incentive scheme for 2021–2024, defining the rules of a new incentive scheme for 2025–2028, conditional increase of the Company's share capital and issue of subscription warrants with the Company existing shareholders' pre-emptive rights waived in whole with respect to shares to be issued as part of the conditional share capital increase and subscription warrants, an amendment to the Remuneration Policy for Members of the Management Board and Supervisory Board, and changes in the composition of the Supervisory Board.

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

The resolutions passed by the Extraordinary General Meeting were published in Current Report No. 13/2025.

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

As at the issue date of this Report, the Company did not hold its Annual General Meeting in 2025.

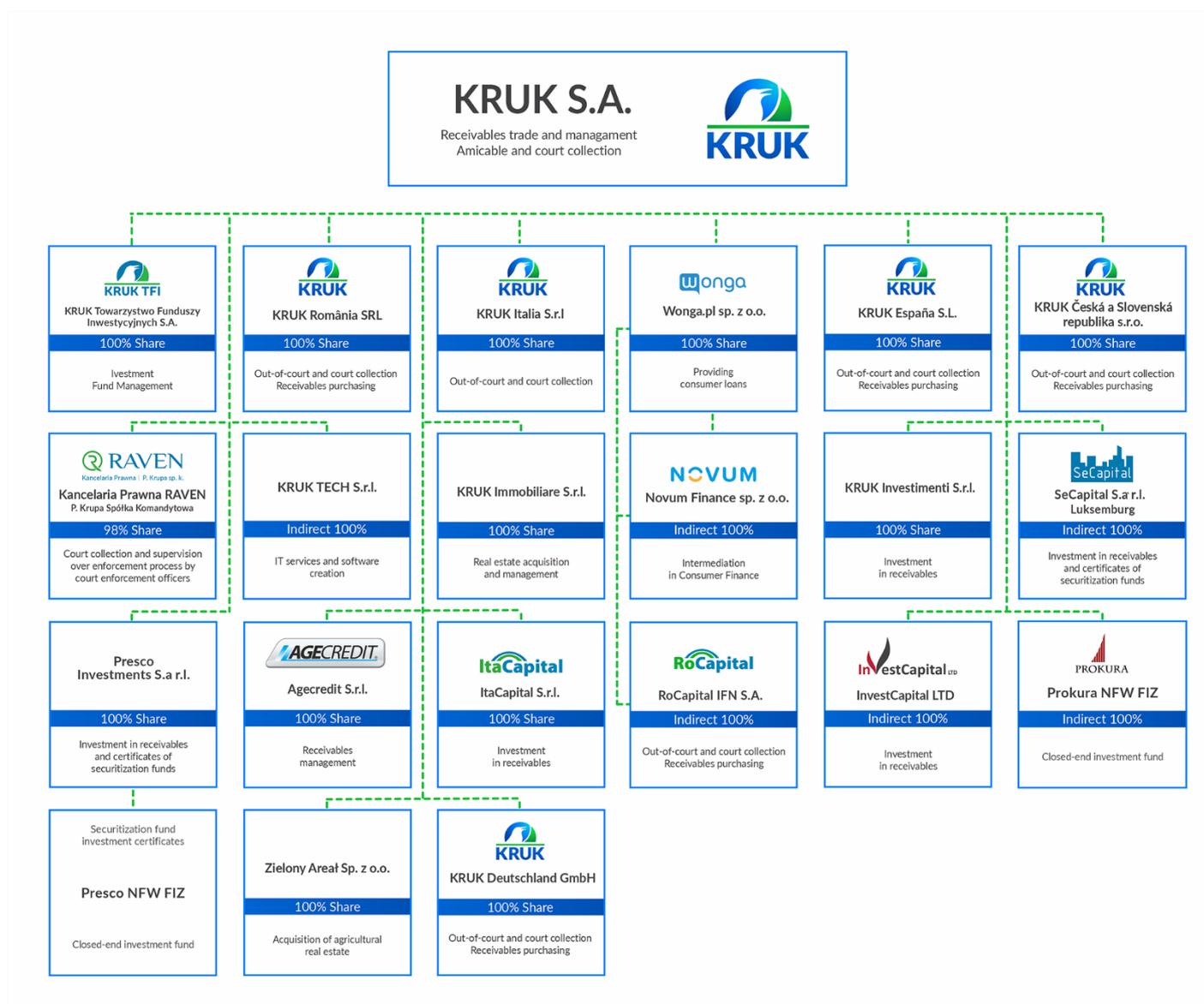
## 7.4. CHANGES IN THE KRUK GROUP'S STRUCTURE

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

Under the agreement of 31 March 2025, KRUK S.A. transferred 8,910 shares held in RoCapital IFN S.A. of Bucharest (Romania), with a total par value of RON 8,910,000, to Wonga.pl sp. z o.o. of Warsaw.

Following the transaction, the Company indirectly holds all shares in RoCapital IFN S.A., including 8,910 shares, representing a 99% ownership interest, through Wonga.pl sp. z o.o., and 90 shares, representing a 1% ownership interest, through Kruk Romania SRL.

As at 31 March 2025 and the issue date of this Report, the structure of the KRUK Group was as follows:



## 8. MATERIAL COURT, ARBITRATION OR ADMINISTRATIVE PROCEEDINGS

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

## 9. CHANGES IN THE EXTERNAL ENVIRONMENT – CHANGES IN LAW

The KRUK Group constantly monitors changes in its external environment, including legislative and regulatory changes. Section 5.3 of the Directors' Report on the KRUK Group's operations in 2024 outlines significant changes in the laws applicable to the Group companies, both those already in effect and those proposed for the future.

In the reporting period, no material changes occurred in the legal or regulatory environment applicable to the KRUK Group companies. One of the most crucial recent legislative changes remains the implementation of the NPL Directive (Directive of the European Parliament and of the Council (UE) 2021/2167 of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU) in the EU Member States where the Group operates. The Directive has already been implemented in Poland, Romania, Germany, the Czech Republic, Slovakia, France, Malta and Italy, with its impact assessed as neutral. Legislative processes are ongoing in other markets, and the draft implementing acts are undergoing numerous modifications. In Spain bill to implement the directive is still undergoing consultation. The Group has assessed the existing bill and determined its potential impact on KRUK to be neutral.

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

As at the issue date of this consolidated Report, this requirement does not apply to the KRUK Group as it does not meet the revenue criterion. The Group expects these new regulations to impact its reporting in the future but, due to the absence of final provisions, it is currently unable to assess how they might affect its financial statements.

## 10. NON-FINANCIAL STATEMENT

Throughout the first quarter of 2025, the KRUK Group continued its efforts to deliver the sustainability objectives defined in its ESG Strategy across four key areas: employees, society, environment, and corporate governance.

### Specific targets and the measures taken to achieve them in the first quarter of 2025:

#### EMPLOYEES



Target	Measures taken in the first quarter of 2025
<b>Gender equality:</b> At least 50% women in all positions, including managerial roles	As at 31 March 2025, 65% of the KRUK Group's workforce were female and 35% were male, with women holding 58% of managerial roles and representing 59% of the most senior leadership positions.
<b>Employee turnover:</b> Annual turnover not exceeding 16%.	The annual turnover in the period from 1 April 2024 to 31 March 2025 was 11.7%.
<b>Employment of persons with disabilities:</b> At least 4% of employees with disabilities by 2025.	As at 31 March 2025, employees with disabilities accounted for 2.2% of the KRUK Group's workforce.
<b>Women's representation on management boards:</b> At least 40% women's representation.	As at 31 March 2025, women held 42% of positions in the Management Board and Supervisory Board of KRUK S.A.
<b>DEI programme:</b> Training 100% of managers in diversity and inclusion by the end of 2025.	As at 31 March 2025, 90% of employees enrolled in diversity and inclusion training had completed the programme.

#### SOCIETY



Target	Measures taken in the first quarter of 2025
Measures to increase financial and digital inclusion by: 1) supporting the development of financial and digital competencies, 2) encouraging behavioural change.	Financial education workshops were conducted in partnership with the Fundacja Dobrych Inicjatyw charitable trust for youth in institutional care.

#### ENVIRONMENT



Target	Measures taken in the first quarter of 2025
Decarbonisation in Scopes 1 and 2 – 70% reduction by 2040 Scope 3 emissions management and reduction	GHG emissions of across Scopes 1, 2, and 3 are disclosed in Section 10 of the Consolidated sustainability statement of the KRUK Group as included in the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024. The next disclosure is planned for year-end 2025.

Target	Measures taken in the first quarter of 2025
Train at least 90% of employees in compliance by 2026 and maintain an employee engagement level of at least 70% within the existing compliance education programme.	By the end of the first quarter of 2025, 94% of employees of KRUK S.A. completed training on the Conflict of Interest Management Policy, 94% of employees completed training on anti-corruption and gifts policies, 92% of employees completed training on the Everyday Compliance Programme, and 93% of employees completed training on the Code of Ethics.
Supporting sustainable development in personal data protection, with a particular focus on client data, through the implementation of the GDPR Strategy.	The KRUK Group has implemented the Privacy By Design (PbD) Policy.
Train at least 90% of employees (new hires) in cybersecurity by 2025 and maintain an employee engagement level of at least 80% within the existing cybersecurity education programme.	Continued cybersecurity training

### Climate change (E1)

In the first quarter of 2025, the KRUK Group continued its climate-related initiatives aimed at reducing its environmental footprint, including by enhancing the energy efficiency of the buildings occupied by the Group.

In Poland, the head offices of KRUK S.A., Kancelaria Prawna RAVEN, KRK TFI and Novum were relocated to a new certified building, which is situated in downtown Wrocław, offering excellent connectivity throughout the metropolitan area. This location enables convenient public transport access for employees, significantly reducing reliance on private cars for both regular and occasional commuting. The new head offices were specifically designed with sustainability and energy conservation in mind. They incorporate advanced technologies such as energy management systems, energy-efficient LED lighting, and sophisticated HVAC systems. The facility has been awarded a LEED v4 Platinum certification.

In addition, in the first quarter of 2025, Green Energy Certificates were purchased for other KRUK S.A. locations in Poland, which confirm that all electricity supplied to the Group’s buildings originated from renewable energy sources.

KRUK Italia contracted a travel agency that offsets CO2 emissions generated by employee business travel through tree planting initiatives. KRUK Romania continued implementing selective waste collection practices and initiatives aimed at reducing water consumption within its offices.

### Own workforce (S1)

In the first quarter of 2025, the KRUK Group focused on integrating employee-oriented processes and strengthening its organisational culture to enhance positive impacts on its own workforce, including by seizing any related opportunities and mitigating any identified risks.

The KRUK Group organised employee wellbeing workshops, which involved ten individuals becoming certified as Chief Wellbeing Officers by the Wellbeing Institute. This training has provided the Group with qualified in-house experts who can now actively support HR initiatives aimed at promoting employee wellbeing across the Group.

It is also worth noting that in the first quarter of 2025, KRUK Italia became another KRUK Group company to commit to supporting efforts to prevent discrimination and promote diversity on a national level by signing the Italian Diversity Charter.

In March 2025, KRUK S.A., Novum, KRUK TFI, and Kancelaria Prawna RAVEN implemented a new Occupational Health and Safety (OHS) Policy, which establishes a structured approach to employee health and safety management through proactive measures, risk monitoring and assessment, compliance with applicable legal requirements, employee

involvement in OHS processes, and adherence to international standards such as ISO 45001. Additionally, OHS and first-aid training sessions were conducted across the Group throughout the first quarter of 2025.

### **Affected communities (S3)**

The KRUK Group's activities affect social groups that are at high risk of falling into debt and having their rights as indebted persons violated. These groups require additional support and financial education due to various forms of exclusion, discrimination, or difficulties arising from limited access to information or a low level of financial literacy. Such support enables them to manage their finances more effectively, protect them from unethical debt collection practices by their current or future creditors, and develop a better understanding of the role played by professional debt collection companies in the economy.

In partnership with the Fundacja Dobrych Inicjatyw charitable trust, the Group conducted financial education workshops under the *First Star of Independence* project for young individuals living in childcare facilities or foster care. KRUK S.A. also supported the Bloompro and Bloom Partners Foundation Charity Ball, which raised funds for an initiative dedicated to strengthening social skills among children and prepubescent teenagers.

To mark International Women's Day, KRUK S.A., in collaboration with the Ogólnopolski Operator Oświaty foundation, conducted a media campaign on TOK FM radio, aimed at highlighting how gender role stereotypes influence differences in the financial education of boys and girls and thus also addressing and potentially mitigating the phenomenon of economic abuse, which disproportionately affects women.

KRUK Romania continued its financial education efforts by offering an online financial personality quiz through the local e-KRUK platform to help users understand their financial responsibilities and spending habits. Additionally, during Global Money Week 2025 (17–21 March), KRUK Romania and Junior Achievement Romania launched the eighth edition of their Financial Education Module as well as organising a campaign titled "Congratulation! You're paying your debts online," targeted at e-KRUK customers who manage debt repayments digitally.

KRUK Italia established a partnership agreement with FEDUF, an NGO dedicated to financial education. The company also continued its financial literacy communications initiated during the prior year's Day Without Debt, including by launching a new initiative named Financial Stability Friday, intended to make debt management conversations more natural and common.

### **Consumers and end-users (S4)**

In the first quarter of 2025, the KRUK Group's customer-focused initiatives, i.e. aimed primarily at indebted persons, comprised measures to enhance service quality and data security.

In March 2025, the e-KRUK platform in Poland implemented major updates within its "Payments" section, including a new payment card solution. These changes are intended to simplify and harmonise payment processes and so to improve user experience.

Comprehensive phishing tests were conducted across the Group to evaluate and enhance its capabilities in detecting and responding to phishing attempts. These tests were designed to identify potential vulnerabilities and educate employees about phishing risks.

With regard to personal data protection, in the first quarter of 2025, the KRUK Group adopted a Privacy by Design (PbD) Policy, which outlines principles, processes, and practices that facilitate embedding privacy considerations in all aspects of the Group's operations. PbD assessments ensure robust protection of personal data throughout their lifecycle across all business processes, products, and services.

### **Business conduct (G1)**

In the first quarter of 2025, the KRUK Group continued efforts to build a culture of compliance and strengthen employee and associate awareness regarding responsible and ethical business practices. This included communications around compliance incident management as well as specific campaigns for the No Bribery Day and World Consumer Rights Day.

Following a successful ethical audit survey, KRUK S.A. was once again awarded the Ethical Audit Certificate by the ZPF Ethics Commission, which confirms the Company's adherence to the ZPF Code of Good Practice. The certificate is valid until 31 March 2026.

In addition, the Company engaged in the Entrepreneurship Support Foundation's Poland-wide Deregulation Project, which is aimed at simplifying and improving business legislation in Poland.

In recognition of its commitment to ethical business conduct and transparency, KRUK S.A. was once again honoured with the "Super Ethical Company" title in the "Ethical Company" competition organised by the *Puls Biznesu* daily and PwC.

In addition, the KRUK S.A. Management Board topped the *Puls Biznesu* daily's Listed Company of the Year 2024 ranking in the "Management Expertise" category.

Furthermore, KRUK S.A. received several other prestigious awards, including: *Wektor 2024* for actively contributing to Poland's economic growth; the "Top Brand of the Decade" at the Loan Magazine Awards X for innovation in non-banking finance; and a Forbes Diamond for securing the position of one of Poland's business growth leaders.

The legal team at Wonga.pl received prestigious recognition as the best in-house banking law team at Lexology's European Awards 2025.

KRUK España was honoured as the "Multinational of the Year – Leader in Financial Services and Solutions" in recognition of its consistent growth, customer-focused approach, and influential role in shaping the future of debt management in Spain.

### **Additional sponsorship activities**

In addition to donating funds to the Bloompro Foundation Charity Ball, in the first quarter of 2025 KRUK S.A. sponsored the *Paszporty Polityki* Awards, the Radio Zet Andrzej Woyciechowski Award in the Online Author category (as a recognition of online journalists' increasingly important role in shaping civic attitudes and supporting democratic values) and the Gala O!śnienia, an event honouring outstanding achievements in Polish culture.

KRUK España, in partnership with the Polish Cultural Institute in Madrid, sponsored the Ellas Crean Festival, which celebrates women's creativity and talent in fine arts, and supported the CinePOLSKA Film Festival in Madrid, another cultural initiative organised by the Institute.

## 11. GLOSSARY OF TERMS

<b>Agecredit</b>	Agecredit S.r.l. of Cesena
<b>Auditor</b>	PricewaterhouseCoopers Polska sp. z o.o. Audyt sp.k. of Warsaw
<b>CAGR</b>	Compound Annual Growth Rate
<b>Catalyst</b>	Bond market operated by the Warsaw Stock Exchange
<b>Corbul, Corbul S.r.l.</b>	Biroul de Detectivi Particulari Corbul S.r.l. of Bucharest
<b>Corporate Sustainability Reporting Directive, CSRD Directive</b>	Directive (EU) 2022/2464 of the European Parliament and of the Council as regards corporate sustainability reporting
<b>CZK</b>	Czech koruna
<b>EBIT</b>	Operating profit
<b>EBITDA</b>	Operating profit before depreciation and amortisation
<b>Cash EBITDA</b>	Profit (/loss) before tax plus finance costs, amortisation, depreciation and cash recoveries from purchased debt portfolios, less revenue from purchased debt portfolios and revaluation gains on assets other than purchased debt and consumer loans advanced, if their total amount in the last 12 months exceeds PLN 5 million; Cash EBITDA is computed for the KRUK Group for the last twelve months
<b>EPS</b>	Earnings per share
<b>ESRS</b>	European Sustainability Reporting Standards, developed by EFRAG (European Financial Reporting Advisory Group). Applicable to entities subject to the CSRD Directive.
<b>EUR</b>	Euro
<b>FMCG</b>	Fast Moving Consumer Goods
<b>GHG Protocol</b>	Greenhouse Gas Protocol – carbon footprint calculation standard including requirements and guidelines for estimating Scopes 1, 2 and 3 GHG emissions
<b>WSE</b>	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)
<b>The Group, the KRUK Group</b>	The Company as the Parent along with its subsidiaries and Non-Standardised Securitisation Closed-End Investment Funds
<b>InvestCapital:</b>	InvestCapital Ltd. of San Gwann
<b>ItaCapital</b>	ItaCapital S.r.l of Milan, Italy

<b>CSDP</b>	Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A. of Warsaw)
<b>PFSA</b>	Polish Financial Supervision Authority (Komisja Nadzoru Finansowego)
<b>KRS</b>	Polish National Court Register (Krajowy Rejestr Sądowy)
<b>KRUK, Company</b>	KRUK S.A. of Wrocław
<b>KRUK Česká a Slovenská republika</b>	KRUK Česká a Slovenská Republika s.r.o. of Hradec Kralove
<b>KRUK España</b>	KRUK España S.L. of Madrid
<b>KRUK Italia</b>	KRUK Italia S.r.l of Milan
<b>KRUK Romania</b>	KRUK Romania s.r.l of Bucharest
<b>KRUK TECH</b>	KRUK TECH s.r.l of Bucharest
<b>KRUK TFI</b>	KRUK Towarzystwo Funduszy Inwestycyjnych S.A. of Wrocław
<b>IAS</b>	International Accounting Standards as endorsed by the European Union
<b>IFRS</b>	International Financial Reporting Standards as endorsed by the European Union, including International Accounting Standards, International Financial Reporting Standards and related Interpretations endorsed by the European Union
<b>Nasdaq Stockholm</b>	Stockholmsbörsen; Securities trading market in Stockholm
<b>NBP</b>	National Bank of Poland
<b>Non-Standardised Investment Funds</b>	<b>Debt</b> Prokura NFW FIZ, Presco NFW FIZ and Bison NFW FIZ <b>Closed-End</b>
<b>Novum</b>	NOVUM FINANCE sp. z o.o. of Wrocław
<b>Deviation between actual and projected recoveries</b>	The figure includes the deviation between actual and projected recoveries, decreases on early collections in collateralised cases, and payments from the original creditor. The percentage deviation is determined as the ratio of 'deviation between actual and projected recoveries' to the difference between 'actual recoveries' and 'deviation between actual and projected recoveries'
<b>Statement</b>	Consolidated sustainability statement of the KRUK Group
<b>GDP</b>	Gross Domestic Product
<b>PLN</b>	Polish złoty
<b>Paris Agreement</b>	The agreement concluded at the 21st UN Climate Change Conference in 2015
<b>UOKiK President</b>	President of the Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów)

<b>2021–2024 Incentive Scheme</b>	An incentive scheme for 2021–2024 implemented by the Company for the Management Board Members, selected employees of the Company and selected members of the management boards and employees of the subsidiaries, under which up to 950,550 registered subscription warrants will be issued, conferring the right to subscribe for a total of 950,550 ordinary bearer shares issued as part of a conditional share capital increase
<b>2025–2028 Incentive Scheme</b>	An incentive scheme for 2025–2028 implemented by the Company for the Management Board members, selected employees of the Company and selected members of the management boards and employees of the subsidiaries, comprising the issue of up to 775,264 registered subscription warrants conferring the right to subscribe for a total of 775,264 ordinary bearer shares issued as part of a conditional share capital increase
<b>Prokura NFW FIZ</b>	Prokura Non-Standardised Debt Closed-End Investment Fund
<b>Total revenue</b>	Operating income including gain or loss on expected credit losses, fair value measurement, and other income/expenses from purchased debt portfolios including other income
<b>Supervisory Board</b>	Supervisory Board of the Company
<b>Kancelaria Prawna RAVEN</b>	Kancelaria Prawna RAVEN P. Krupa sp. k. of Wrocław
<b>RoCapital</b>	RoCapital IFN S.A. of Bucharest
<b>GDPR</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
<b>ROE</b>	Return on equity, computed as the ratio of consolidated net profit to equity as at the end of period
<b>RON</b>	Romanian leu
<b>Regulation on current and periodic information</b>	Polish Minister of Finance’s Regulation of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Dz.U.2018.757 ze zm.) of 2018, item 757, as amended)
<b>SeCapital Luksemburg</b>	SeCapital S.à.r.l. (Luxembourg)
<b>Consolidated financial statements</b>	Consolidated financial statements of the Group for the reporting period ended 31 March 2025, prepared in accordance with the IFRS
<b>Company, KRUK</b>	KRUK S.A. of Wrocław
<b>Subsidiaries</b>	The Company’s subsidiaries, as defined in the Polish Accounting Act, and Kancelaria Prawna RAVEN P. Krupa Spółka komandytowa

<b>Articles of Association</b>	Articles of Association of the Company
<b>EU Taxonomy, Taxonomy</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council
<b>UOKiK</b>	Polish Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów)
<b>USD</b>	US dollar
<b>Bonds Act</b>	Polish Act on Bonds of 15 January 2015 (Dz.U. of 2022, item 2244)
<b>General Meeting</b>	General Meeting of the Company
<b>Wonga</b>	Wonga.pl Sp. z o.o. of Warsaw
<b>Management Board</b>	Management Board of KRUK S.A.

<b>Financial Liabilities</b>	<p>Total financial liabilities under:</p> <ul style="list-style-type: none"> <li>• bonds or other similar debt securities; or</li> <li>• non-bank borrowings; or</li> <li>• bank borrowings; or</li> <li>• finance leases; or</li> <li>• promissory notes issued by way of security for liabilities of non-KRUK Group entities; or</li> <li>• guarantees or sureties provided in respect of liabilities of non-KRUK Group entities under bank or non-bank borrowings, finance leases, bonds or other similar debt securities; or</li> <li>• accession to debt owed by non-KRUK Group entities under bank non-bank borrowings, finance leases, bonds or other similar debt securities; or</li> <li>• assumption of liabilities of non-KRUK Group entities under bank or non-bank borrowings, finance leases, bonds or other similar debt securities; or</li> <li>• liabilities arising under derivatives contracts;</li> </ul>
<b>ZPF</b>	Association of Financial Companies in Poland of Gdańsk

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

Wrocław, 28 April 2025