



1. Preamble

The objective of KRUK S.A. (the “Company”, “KRUK”) is to ensure sustainable and profitable growth, resulting in increased shareholder value and the ability to pay dividends, while maintaining adequate liquidity and operating in accordance with sustainability (ESG) principles.

This Dividend Policy (the “Policy”) establishes clear and consistent criteria for the distribution of the Company’s earnings.

2. Dividend amount

The Company’s Management Board expects that it will each year submit to the Annual General Meeting a recommendation to pay out dividend amounting to 30% or more of the KRUK Group’s consolidated net profit for 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. Pursuant to Art. 348.1 of the Commercial Companies Code, the amount available for distribution to Company Shareholders may be increased by:

- retained earnings, and
- amounts transferred from distributable statutory reserve funds and capital reserves created from profit.

This amount shall be reduced by:

- losses carried forward,
- treasury shares, and
- the portion of profit from the previous financial year which, in accordance with the applicable laws or the Articles of Association, must be allocated to statutory reserve funds or capital reserves.

3. Conditions for retaining earnings in the Company and not paying dividends

In principle, the Company shall seek to distribute profit through payment of dividend.

The Company may, however, retain all earnings or pay out less than 30% of consolidated net profit as dividend if any of the following conditions occurs:

- earnings are minimal, making the dividend insignificant relative to the value of shares;
- the Company has carried forward losses and earnings are allocated to reducing those losses;
- the Group’s growth plans and prospects indicate that retaining earnings will better support value creation;
- the Company has not generated sufficient cash to pay out dividends;
- the net debt-to-cash EBITDA ratio, after accounting for the proposed dividend payment, exceeds 3.0;
- a dividend payment would materially increase the risk of breaching covenants under credit facility agreements or the terms of notes issued by the Company;

- retention of the Company's earnings follows recommendations from the authorities supervising the Company by virtue of it being engaged in regulated business activities.

4. Determinants of the Management Board's recommendation

When recommending dividend payments, the Management Board of the Company shall take into account:

- the current and projected financial position of the KRUK Group;
- overarching growth plans and prospects for the Group,
- investment financing needs,
- the Group's financial leverage, liquidity, and financial position,
- existing and future liabilities (including potential constraints under credit facility agreements or debt instruments),
- available retained earnings and funds transferable from statutory reserves and capital reserves,
- losses carried forward, treasury shares and the amount of profit for the previous financial year which, in accordance with the applicable laws or the Articles of Association, should be allocated to statutory reserve funds or capital reserves.

5. Profit distribution and dividend payment proposal

The Company's Management Board shall present to the Annual General Meeting a profit distribution proposal following endorsement by the Supervisory Board.

6. Governing body authorised to decide on dividend payment

Pursuant to Art. 395.2.2 of the Commercial Companies Code, the governing body that has the power to decide on profit distribution and dividend payment is the Annual General Meeting, which shall determine:

- the date as at which the list of shareholders eligible to receive dividend for a given financial year is prepared (dividend record date, Day D) and
- the dividend payment date (Day P)

pursuant to the general rules laid down in Art. 348.3-5 of the Commercial Companies Code.

Shareholders attending the Annual General Meeting shall in no way be bound by recommendations of the Management Board.

7. Right to dividend

Shareholders eligible for dividends are those holding KRUK S.A. shares in their securities accounts as at the dividend record date.

8. Notifying Shareholders of the dividend record date and dividend payment

The Management Board shall announce the dividend record date and payment date through current reports.

9. Conditions for dividend collection

Dividends may be collected in accordance with the relevant rules for public companies, as defined in Part 2, Section 121 et seq. of the Detailed Rules of Operation of the Central Securities Depository of Poland (consolidated text effective as of 21 October 2024).

10. Interim dividend

The Company does not rule out the option to pay out interim dividend for a financial year if all the conditions set out in Art. 349 of the Commercial Companies Code and Art. 6 of the Company's Articles of Association are met. The provisions of this Policy shall apply accordingly to payment of interim dividend.

11. Preference to receive dividends

The Company has no preference shares with special dividend rights.

12. Duration of KRUK dividend policy

This Dividend Policy shall apply to the financial years from 1 January 2025 to 31 December 2029, with the proviso that it may be periodically reviewed and/or updated by the Management Board, and decisions concerning recommendation to pay out dividend are made taking into account the market environment, the Group's financial position, growth prospects and evolving activities, investment needs, liquidity requirements, as well as any applicable legal obligations.