



# **FINANCIAL HIGHLIGHTS**

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

---

for the period 1 January–  
30 June 2024

## Financial highlights

Financial highlights	PLN '000		EUR '000	
	1 Jan–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Jan–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited
<b>For the period</b>				
Revenue	131,808	126,899	30,576	27,509
Profit/(loss) before tax	558,456	570,297	129,545	123,628
Net profit/(loss)	588,927	528,042	136,613	114,468
Net cash from operating activities	(15,034)	(18,499)	(3,487)	(4,010)
Cash recoveries	14,967	16,937	3,472	3,672
Net cash from investing activities	217,086	(761,335)	50,357	(165,041)
Net cash from financing activities	(410,709)	770,515	(95,272)	167,031
Net change in cash	(208,657)	(9,319)	(48,402)	(2,020)
Diluted earnings per share (PLN/EUR)	28.79	26.13	6.68	5.66
Average number of shares ('000)	19,319	19,319	19,319	19,319
Earnings per share (PLN/EUR)	30.48	27.33	7.07	5.93
<b>As at</b>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>
Total assets	7,701,446	7,394,513	1,785,636	1,700,670
Non-current liabilities	3,233,289	3,188,557	749,662	733,338
Current liabilities	374,530	414,563	86,837	95,346
Equity	4,093,627	3,791,393	949,137	871,986
Share capital	19,319	19,319	4,479	4,443
Book value per ordinary share (PLN/EUR)	211.90	196.25	49.13	45.14

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

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

**for the reporting period** **4.3109**  
**for the comparative period** **4.6130**

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

**at the end of the reporting period** **4.3130**  
**at end of the comparative period** **4.3480**



# **INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF KRUUK S.A.**

---

for the period 1 January–  
30 June 2024

## Table of contents

<b>I.</b>	<b>Separate statement of financial position .....</b>	<b>6</b>
<b>II.</b>	<b>Separate statement of profit or loss .....</b>	<b>7</b>
<b>III.</b>	<b>Separate statement of comprehensive income .....</b>	<b>8</b>
<b>IV.</b>	<b>Separate statement of changes in equity .....</b>	<b>9</b>
<b>V.</b>	<b>Separate statement of cash flows .....</b>	<b>12</b>
<b>VI.</b>	<b>Notes to the interim condensed separate financial statements .....</b>	<b>13</b>
1.	Company details .....	13
2.	Reporting period.....	14
3.	Statement of compliance.....	14
4.	Significant accounting policies.....	15
5.	Accounting estimates and judgements .....	19
6.	Financial risk management .....	21
7.	Type and amounts of changes in estimates adopted in previous financial years with a material effect on the reporting period .....	22
8.	Type and amounts of items affecting the assets, liabilities, capital, net profit/loss or cash flows, which are material due to their type, size or effect .....	25
8.1.	Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios .....	25
8.2.	Employee benefits expense .....	28
8.3.	Services .....	29
8.4.	Other expenses.....	29
8.5.	Finance income.....	30
8.6.	Finance costs .....	30
8.7.	Income tax.....	31
8.8.	Borrowings, other debt securities and leases.....	35
8.9.	Hedging instruments .....	37
8.10.	Equity-accounted investments in subsidiaries.....	45
8.11.	Trade and other receivables .....	47
8.12.	Cash and cash equivalents.....	47
8.13.	Trade and other payables .....	47
8.14.	Employee benefit obligations .....	48
8.15.	Provisions .....	48
8.16.	Earnings per share .....	49
9.	Current and non-current items of the statement of financial position .....	51
10.	Management of risk arising from financial instruments.....	52
10.1.	Credit risk.....	52

10.2.	Liquidity risk.....	55
10.3.	Market risk.....	57
11.	Fair value .....	60
12.	Related-party transactions .....	63
13.	Seasonality or cyclicity of business .....	67
14.	Factors and events, in particular of non-recurring nature, with material bearing on the Company's financial performance.....	67
15.	Issue, redemption and repayment of non-equity and equity securities.....	67
16.	Dividends paid (or declared).....	68
17.	Information on changes in contingent liabilities or contingent assets subsequent to the end of the previous financial year .....	69
18.	Representation by the Management Board .....	73
19.	Events subsequent to the reporting date not disclosed in these financial statements but potentially having a material bearing on the Company's future performance .....	73

## I. Separate statement of financial position

PLN '000	Note	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
<b>Assets</b>				
Cash and cash equivalents	8.12.	18,986	227,643	12,689
Hedging instruments	8.9.	129,510	98,428	105,424
Trade receivables from related entities	8.11.	25,939	33,932	30,571
Trade receivables from other entities	8.11.	2,894	2,582	3,647
Other receivables	8.11.	8,269	11,664	15,012
Income tax receivable		3,772	16,232	23,820
Inventories	7.	11,331	14,562	15,310
Investments	7.	1,287,228	1,432,518	1,192,608
Equity-accounted investments in subsidiaries	8.10.	6,149,962	5,483,390	5,274,313
Property, plant and equipment		28,220	35,348	36,144
Intangible assets		26,942	29,427	28,693
Other assets		8,393	8,787	6,926
<b>Total assets</b>		<b>7,701,446</b>	<b>7,394,513</b>	<b>6,745,157</b>
<b>Equity and liabilities</b>				
<b>Liabilities</b>				
Trade and other payables	8.13.	40,486	35,452	33,292
Liabilities under dividends		-	-	289,782
Hedging instruments	8.9.	2,615	20,883	-
Employee benefit obligations	8.14.	34,341	38,196	29,699
Borrowings, other debt securities and leases	8.8.	3,313,851	3,265,472	2,671,928
Provisions	8.15.	38,755	40,810	12,263
Deferred tax liability	8.7.	177,771	202,307	258,922
<b>Total liabilities</b>		<b>3,607,819</b>	<b>3,603,120</b>	<b>3,295,886</b>
<b>Equity</b>				
Share capital		19,319	19,319	19,319
Share premium		358,506	358,506	358,506
Hedge reserve	8.9.	106,371	62,774	85,277
Translation reserve		(105,971)	(95,871)	(23,123)
Share of other comprehensive income of equity-accounted investees		10,323	(8,400)	22,782
Other capital reserves		180,672	171,847	159,184
retained earnings		3,524,407	3,283,218	2,827,326
<b>Total equity</b>		<b>4,093,627</b>	<b>3,791,393</b>	<b>3,449,271</b>
<b>Equity and liabilities</b>		<b>7,701,446</b>	<b>7,394,513</b>	<b>6,745,157</b>

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

## II. Separate statement of profit or loss

PLN '000	Note	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
Revenue from services	8.1.	114,632	57,718	110,638	56,655
Gain/(loss) on expected credit losses	8.1.	5,977	2,876	8,577	5,493
Interest income on debt portfolios measured at amortised cost	8.1.	8,631	4,319	8,222	3,973
Other income	8.1.	2,788	2,090	664	(371)
Other income/(expenses) from purchased debt portfolios	8.1.	(220)	34	(1,202)	(1,202)
<b>Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios</b>		<b>131,808</b>	<b>67,037</b>	<b>126,899</b>	<b>64,548</b>
<b>Share of profit/(loss) of equity-accounted investees</b>	8.10.	<b>667,028</b>	<b>298,198</b>	<b>628,779</b>	<b>337,071</b>
Employee benefits expense	8.2.	(116,361)	(59,626)	(104,267)	(52,872)
Depreciation and amortisation		(14,063)	(7,001)	(12,971)	(6,377)
Services	8.3.	(49,031)	(28,756)	(33,754)	(16,660)
Other expenses	8.4.	(15,362)	(7,723)	(10,882)	(5,979)
		(194,817)	(103,106)	(161,874)	(81,888)
Finance income	8.5.	76,083	35,116	44,115	29,541
<i>including interest income on loans measured at amortised cost</i>		70,896	34,895	37,331	23,952
Finance costs	8.6.	(121,646)	(59,153)	(67,622)	(38,305)
<i>including interest expense relating to lease liabilities</i>		(643)	(290)	(1,122)	(524)
<b>Net finance costs</b>		<b>(45,563)</b>	<b>(24,037)</b>	<b>(23,507)</b>	<b>(8,764)</b>
<b>Profit/(loss) before tax</b>		<b>558,456</b>	<b>238,092</b>	<b>570,297</b>	<b>310,967</b>
Income tax	8.7.	30,471	12,501	(42,255)	(17,326)
<b>Net profit/(loss) for period</b>		<b>588,927</b>	<b>250,593</b>	<b>528,042</b>	<b>293,641</b>
<b>Earnings/(loss) per share</b>					
Basic (PLN)	8.16.	30.48	12.97	27.33	15.20
Diluted (PLN)	8.16.	28.79	12.24	26.13	14.48

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

### III. Separate statement of comprehensive income

PLN '000	Note	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
<b>Net profit/(loss) for period</b>		588,927	250,593	528,042	293,641
<b>Other comprehensive income, gross</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Instruments hedging cash flows and net investment in a foreign operation	8.9.	53,824	22,447	83,570	62,679
Translation reserve	8.10.	(10,100)	6,015	(123,571)	(121,007)
Share of other comprehensive income of equity-accounted investees	8.10.	18,723	5,316	2,871	8,644
		<u>62,447</u>	<u>33,778</u>	<u>(37,130)</u>	<u>(49,684)</u>
Income tax on instruments hedging cash flows and net investment in a foreign operation	8.7.	(10,227)	(4,265)	(15,164)	(15,164)
<b>Other comprehensive income for period, net</b>		<u>52,220</u>	<u>29,513</u>	<u>(52,294)</u>	<u>(64,848)</u>
<b>Total comprehensive income for period</b>		<u>641,147</u>	<u>280,106</u>	<u>475,748</u>	<u>228,793</u>

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



#### IV. Separate statement of changes in equity

PLN '000	Note	Share capital	Share premium	Hedge reserve	Translation reserve	Share of other comprehensive income of equity-accounted investees	Other capital reserves	retained earnings	Total equity
<b>Equity as at 1 Jan 2023</b>		19,319	358,506	16,871	100,448	19,911	149,896	2,589,066	3,254,017
<b>Comprehensive income for period</b>									
Net profit/(loss) for period		-	-	-	-	-	-	528,042	528,042
<b>Other comprehensive income</b>									
- Exchange differences on translating foreign operations	8.10.	-	-	-	(123,571)	-	-	-	(123,571)
- Share of other comprehensive income of equity-accounted investees	8.10.	-	-	-	-	2,871	-	-	2,871
- Measurement of hedging instruments		-	-	68,406	-	-	-	-	68,406
<b>Total other comprehensive income</b>		-	-	68,406	(123,571)	2,871	-	-	(52,294)
<b>Total comprehensive income for period</b>		-	-	68,406	(123,571)	2,871	-	528,042	475,748
<b>Contributions from and distributions to owners</b>									
- Payment of dividends		-	-	-	-	-	-	(289,782)	(289,782)
- Share-based payments	8.2.	-	-	-	-	-	9,288	-	9,288
<b>Total contributions from and distributions to owners</b>		-	-	-	-	-	9,288	(289,782)	(280,494)
<b>Total equity as at 30 Jun 2023, unaudited</b>		19,319	358,506	85,277	(23,123)	22,782	159,184	2,827,326	3,449,271

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

PLN '000	Note	Share capital	Share premium	Hedge reserve	Translation reserve	Share of other comprehensive income of equity-accounted investees	Other capital reserves	retained earnings	Total equity
<b>Equity as at 1 Jan 2023</b>		19,319	358,506	16,871	100,448	19,911	149,896	2,589,066	3,254,017
<b>Comprehensive income for period</b>									
Net profit/(loss) for period		-	-	-	-	-	-	983,934	983,934
<b>Other comprehensive income</b>									
- Exchange differences on translating foreign operations	8.10.	-	-	-	(196,319)	-	-	-	(196,319)
- Share of other comprehensive income of equity-accounted investees	8.10.	-	-	-	-	(28,311)	-	-	(28,311)
- Measurement of hedging instruments	8.9.	-	-	45,903	-	-	-	-	45,903
<b>Total other comprehensive income</b>		-	-	45,903	(196,319)	(28,311)	-	-	(178,727)
<b>Total comprehensive income for period</b>		-	-	45,903	(196,319)	(28,311)	-	983,934	805,207
<b>Contributions from and distributions to owners</b>									
- Payment of dividends		-	-	-	-	-	-	(289,782)	(289,782)
- Share-based payments		-	-	-	-	-	21,951	-	21,951
<b>Total contributions from and distributions to owners</b>		-	-	-	-	-	21,951	(289,782)	(267,831)
<b>Total equity as at 31 Dec 2023</b>		19,319	358,506	62,774	(95,871)	(8,400)	171,847	3,283,218	3,791,393

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

PLN '000	Note	Share capital	Share premium	Hedge reserve	Translation reserve	Share of other comprehensive income of equity-accounted investees	Other capital reserves	retained earnings	Total equity
<b>Equity as at 1 Jan 2024</b>		19,319	358,506	62,774	(95,871)	(8,400)	171,847	3,283,218	3,791,393
<b>Comprehensive income for period</b>									
Net profit/(loss) for period		-	-	-	-	-	-	588,927	588,927
<b>Other comprehensive income</b>									
- Exchange differences on translating foreign operations	8.10.	-	-	-	(10,100)	-	-	-	(10,100)
- Share of other comprehensive income of equity-accounted investees	8.10.	-	-	-	-	18,723	-	-	18,723
- Measurement of hedging instruments	8.9.	-	-	43,597	-	-	-	-	43,597
<b>Total other comprehensive income</b>		-	-	43,597	(10,100)	18,723	-	-	52,220
<b>Total comprehensive income for period</b>		-	-	43,597	(10,100)	18,723	-	588,927	641,147
<b>Contributions from and distributions to owners</b>									
- Payment of dividends		-	-	-	-	-	-	(347,738)	(347,738)
- Share-based payments	8.2.	-	-	-	-	-	8,825	-	8,825
<b>Total contributions from and distributions to owners</b>		-	-	-	-	-	8,825	(347,738)	(338,913)
<b>Total equity as at 30 Jun 2024, unaudited</b>		19,319	358,506	106,371	(105,971)	10,323	180,672	3,524,407	4,093,627

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

## V. Separate statement of cash flows

PLN '000	Note	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
<b>Cash flows from operating activities</b>					
<b>Net profit/(loss) for period</b>		588,927	250,593	528,042	293,641
<i>Adjustments</i>					
Depreciation of property, plant and equipment		8,605	4,288	7,603	3,731
Amortisation of intangible assets		5,458	2,713	5,368	2,646
Net finance costs		45,043	23,927	23,838	9,116
Share of (profit)/loss of equity-accounted investees	8.10.	(667,028)	(298,198)	(628,779)	(337,071)
(Gain)/loss on retirement/sale of property, plant and equipment	8.1.	(165)	(166)	(547)	(87)
Write-off of development work	8.4.	899	-	-	-
Equity-settled share-based payments	8.2.	8,825	4,413	9,288	4,670
Interest income	8.1.	(8,631)	(4,319)	(8,222)	(3,973)
Income tax	8.7.	(30,471)	(12,501)	42,255	17,326
Change in debt portfolios purchased	7.	579	299	932	(24)
Change in inventories	7.	3,231	2,710	(136)	(589)
Change in trade and other receivables	8.11.	13,423	2,188	3,063	3,871
Change in other assets		394	1,623	2,036	2,000
Change in trade and other payables, excluding financial liabilities	8.13.	4,988	4,843	2,647	(796)
Change in employee benefit obligations	8.14.	(3,855)	(791)	725	1,826
Change in provisions	8.15.	(2,055)	(1,818)	(390)	(283)
Interest received	8.1.	8,631	4,319	8,222	3,973
Tax paid/refunded		8,168	(1,279)	(14,444)	(7,895)
<b>Net cash from operating activities</b>		(15,034)	(17,156)	(18,499)	(7,918)
<b>Cash flows from investing activities</b>					
Interest received		53,170	24,228	5,892	3,078
Loans	7.	(149,237)	(13,159)	(746,004)	(703,848)
Sale of intangible assets and property, plant and equipment		547	234	94	64
Dividends received	8.10.	10,689	10,689	14,756	9,143
Proceeds from investments in subsidiaries	8.10.	137,023	135,544	21,780	3,195
Purchase of intangible assets and property, plant and equipment		(5,738)	(2,860)	(7,326)	(5,460)
Acquisition of shares in subsidiaries	8.10.	(130,066)	-	(105,421)	(49,987)
Repayments	7.	300,698	249,320	54,894	27,300
<b>Net cash from investing activities</b>		217,086	403,996	(761,335)	(716,515)
<b>Cash flows from financing activities</b>					
Proceeds from issue of debt securities	8.8.	173,724	-	902,320	732,320
Increase in borrowings	8.8.	797,111	563,560	665,531	476,965
Repayment of borrowings	8.8.	(832,910)	(637,592)	(716,439)	(445,780)
Payments under finance lease contracts (principal)	8.8.	(9,756)	(4,934)	(9,205)	(4,586)
Dividends paid	8.16.	(347,738)	(347,738)	-	-
Redemption of debt securities	8.8.	(77,500)	-	-	-
Interest paid and received on hedging instruments		43,320	19,704	32,029	15,868
Interest paid		(156,960)	(77,039)	(103,721)	(61,236)
<b>Net cash from financing activities</b>		(410,709)	(484,039)	770,515	713,551
Total net cash flows		(208,657)	(97,199)	(9,319)	(10,882)
Cash and cash equivalents at beginning of period		227,643	116,185	22,008	23,571
Cash and cash equivalents at end of period		18,986	18,986	12,689	12,689
- effect of exchange rate fluctuations on cash held		(520)	(110)	(1,010)	(1,001)

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

## VI. Notes to the interim condensed separate financial statements

### 1. Company details

*Name*

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

*Registered office*

ul. Wołowska 8  
51-116 Wrocław, Poland

*Registration in the National Court Register:*

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

Date of registration: 7 September 2005

Registration number: KRS NO. 0000240829

*Principal business activity*

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

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

As at 30 June 2024, the composition of KRUK S.A.’s Management Board was as follows:

<b>Piotr Krupa</b>	President of the Management Board
<b>Piotr Kowalewski</b>	Member of the Management Board
<b>Adam Łodygowski</b>	Member of the Management Board
<b>Urszula Okarma</b>	Member of the Management Board
<b>Michał Zasępa</b>	Member of the Management Board

In the six months ended 30 June 2024 and until the issue date of this interim report, the composition of the Management Board of KRUK S.A. did not change.

As at 30 June 2024, the composition of KRUK S.A.'s Supervisory Board was as follows:

<b>Piotr Stępiak</b>	Chairman of the Supervisory Board
<b>Krzysztof Kawalec</b>	Deputy Chairman of the Supervisory Board
<b>Katarzyna Beuch</b>	Member of the Supervisory Board
<b>Izabela Felczak-Poturnicka</b>	Member of the Supervisory Board
<b>Ewa Radkowska-Świętoń</b>	Member of the Supervisory Board
<b>Beata Stelmach</b>	Member of the Supervisory Board
<b>Piotr Szczepiórkowski</b>	Member of the Supervisory Board

In the six months ended 30 June 2024 and until the issue date of this interim report, the composition of the Supervisory Board of KRUK S.A. did not change.

## 2. Reporting period

The reporting period is the period from 1 January to 30 June 2024 and the comparative period is the period from 1 January to 30 June 2023. The separate statement of financial position was prepared as at 30 June 2024 and the comparative data was presented as at 31 December 2023 and 30 June 2023. The separate statement of changes in equity was prepared for the period from 1 January to 30 June 2024 and the comparative periods are from 1 January to 31 December 2023 and from 1 January to 30 June 2023.

The financial data presented on a quarterly basis for the periods from 1 April to 30 June 2024 and from 1 April to 30 June 2023 was not subject to a separate review or audit by an auditor.

## 3. Statement of compliance

These interim condensed separate financial statements of the Company have been prepared in a condensed form in accordance with IAS 34 applicable to interim financial statements, as endorsed by the European Union, and should be read in conjunction with the consolidated financial statements of the Group as at 30 June 2024 and for the period from 1 January to 30 June 2024.

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

<https://pl.kruk.eu/relacje-inwestorskie/raporty/raporty-okresowe> .

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

These interim condensed financial statements were authorised for issue by the Company's Management Board (the "Management Board") on 26 August 2024.

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

The Polish zloty is the functional currency of the Company.

#### 4. Significant accounting policies

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

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

#### Changes in accounting policies

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

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

- The amendments to IAS 1 *Presentation of Financial Statements* concern the presentation of liabilities in the statement of financial position.
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments – Disclosures: Supplier Finance Arrangements*.
- The amendments to IFRS 16 *Leases* concern the measurement of lease liabilities in sale and leaseback transactions.

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

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

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

Standards and interpretations not yet endorsed by the EU	Type of expected change in accounting policies	Possible effect on the financial statements	Effective for periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures	The new standard specifies reduced disclosure requirements that an eligible entity may apply instead of the disclosure requirements in other IFRSs.	The Company does not expect the amendments to have any significant effect on its separate financial statements.	1 January 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	The standard is to replace IAS 1 Presentation of Financial Statements.	The Company is assessing the potential impact of the amendments on its separate financial statements.	1 January 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	These annual improvements introduce minor amendments to IFRS 1 First-time Adoption of IFRSs, IFRS 7 Financial Instruments – Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 41 Agriculture and IAS 7 Statement of Cash Flows.	The Company is assessing the potential impact of the amendments on its separate financial statements.	1 January 2026
Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)	The amendments will address diversity in accounting practice by making the requirements more understandable and consistent.	The Company is assessing the potential impact of the amendments on its separate financial statements.	1 January 2026
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rate – Lack of Exchangeability</i>	The amendments clarify how an entity should assess whether a currency is exchangeable and determine the exchange rate when it is not as well as require certain additional disclosures in such cases.	The Company is assessing the potential impact of the amendments on its separate financial statements.	1 January 2025



## Change in presentation

To better reflect the relevant economic substance, the Company changed the presentation of ‘Share of profit/(loss) of equity-accounted investees’ in the separate statement of profit or loss, and added a new line item ‘Interest income on loans measured at amortised cost’.

In the separate statement of cash flows, the Company also changed the presentation of interest paid on loans to related parties, which was previously presented as ‘Repayments’ and is now presented as a separate line item ‘Interest received’.

Additionally, cash flows from interest on hedging instruments, previously recorded under ‘Interest paid’, have been separated and presented under ‘Interest paid and received on hedging instruments’.

In the Management Board’s opinion, these changes will enhance the quality of data presented and its usefulness to readers.

The data reported in the separate financial statements issued for the period 1 January–30 June 2023 was restated to ensure comparability.

### Effect of the change on the separate statement of cash flows

PLN ‘000	1 Jan–30 Jun 2023 unaudited and restated for comparability	Presentation change	1 Jan–30 Jun 2023 reported unaudited
<b>Cash flows from investing activities</b>			
Interest received	5,892	5,858	34
Loans	(746,004)	-	(746,004)
Sale of intangible assets and property, plant and equipment	94	-	94
Dividends received	14,756	-	14,756
Proceeds from investments in subsidiaries	21,780	-	21,780
Purchase of intangible assets and property, plant and equipment	(7,326)	-	(7,326)
Acquisition of shares in subsidiaries	(105,421)	-	(105,421)
Repayments	54,894	(5,858)	60,752
<b>Net cash from investing activities</b>	<b>(761,335)</b>	<b>-</b>	<b>(761,335)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of debt securities	902,320	-	902,320
Increase in borrowings	665,531	-	665,531
Repayment of borrowings	(716,439)	-	(716,439)
Payments under finance lease contracts (principal)	(9,205)	-	(9,205)
Dividends paid	-	-	-
Redemption of debt securities	-	-	-
Interest paid and received on hedging instruments	32,029	32,029	-
Interest paid	(103,721)	(32,029)	(71,692)
<b>Net cash from financing activities</b>	<b>770,515</b>	<b>-</b>	<b>770,515</b>

*Effect of the change on the separate statement of profit or loss*

PLN '000

	1 Jan–30 Jun 2023 unaudited and restated for comparability	Presentation change	1 Jan–30 Jun 2023 reported unaudited
Revenue from services	110,638	-	110,638
Gain/(loss) on expected credit losses	8,577	-	8,577
Interest income on debt portfolios measured at amortised cost	8,222	-	8,222
Other income	664	-	664
Other income/(expenses) from purchased debt portfolios	(1,202)	-	(1,202)
<b>Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios</b>	<b>126,899</b>	<b>-</b>	<b>126,899</b>
<b>Share of profit/(loss) of equity-accounted investees</b>	<b>628,779</b>	<b>628,779</b>	<b>-</b>
Employee benefits expense	(104,267)	-	(104,267)
Depreciation and amortisation	(12,971)	-	(12,971)
Services	(33,754)	-	(33,754)
Other expenses	(10,882)	-	(10,882)
	(161,874)	-	(161,874)
Finance income	44,115	-	44,115
<i>including interest income on loans measured at amortised cost</i>	<i>37,331</i>	<i>37,331</i>	<i>-</i>
Finance costs	(67,622)	-	(67,622)
<i>including interest expense relating to lease liabilities</i>	<i>(1,122)</i>	<i>-</i>	<i>(1,122)</i>
<b>Net finance costs</b>	<b>(23,507)</b>	<b>-</b>	<b>(23,507)</b>
<b>Share of profit/(loss) of equity-accounted investees</b>	<b>-</b>	<b>(628,779)</b>	<b>628,779</b>
<b>Profit/(loss) before tax</b>	<b>570,297</b>	<b>-</b>	<b>570,297</b>
Income tax	(42,255)	-	(42,255)
<b>Net profit/(loss) for period</b>	<b>528,042</b>	<b>-</b>	<b>528,042</b>
<b>Earnings/(loss) per share</b>			
Basic (PLN)	27.33		27.33
Diluted (PLN)	26.13		26.13

## 5. Accounting estimates and judgements

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

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

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

Item	Amount estimated		Note	Assumptions and estimate calculation
	30 Jun 2024 (PLN '000)	31 Dec 2023 (PLN '000)		
Equity-accounted investments in subsidiaries	6,149,962	5,483,390	8.10.	Equity-accounted investments in subsidiaries are subject to impairment testing. Investments in subsidiaries for which impairment indications were identified are tested for impairment at least annually. As part of the tests, the Company estimates the recoverable amount of the investments based on the value in use of the respective cash-generating units, using the discounted cash flow method. The valuation of investments in subsidiaries is based on a number of assumptions and estimates, in particular with respect to the amount of future cash flows and the adopted discount rate. The projected cash flows of subsidiaries investing in debt portfolios or debt-related assets depend primarily on the assumed expenditure on new portfolios and amount of recoveries. The correctness of the underlying assumptions involves a considerable risk given the significant uncertainty as to the effectiveness of debt collection activities in the future. The discount rate used to test investments in subsidiaries for impairment reflects the current market assessment of the asset risk for the debt collection industry.
Investments in debt portfolios	31,168	31,747	7.	The value of purchased debt portfolios as at the valuation date is determined using an estimation model relying on expected discounted cash flows.

The expected cash flows were estimated with the use of analytical methods (portfolio analysis) or based on a legal and economic analysis of individual claims or indebted persons (case-by-case analysis). The method of estimating cash flows from a debt portfolio is selected based on the available data on the portfolio, debt profiles as well as historical data collected in the course of managing the portfolio. KRUK S.A. prepares projections of recoveries from debt portfolios separately for individual markets. The projections account for historical performance of the process of debt portfolio recovery, legal regulations currently in force and planned, type and nature of debt and security, current collection strategy and macroeconomic considerations, among other factors. Initial projections of expected cash flows that take into account the initial value (purchase price) are the basis for calculating the effective interest rate, equal to the internal rate of return including an element that reflects credit risk, which is used for discounting estimated cash flows, and which, as a rule, remains unchanged throughout the life of a portfolio.

Item	Amount subject to judgement		Note	Assumptions and estimate calculation
	30 Jun 2024 (PLN '000)	31 Dec 2023 (PLN '000)		
Deferred tax liability	177,771	202,307	8.7.	<p>The Company exercises control over the timing of temporary differences regarding subsidiaries, and thus recognises deferred tax liabilities. These liabilities are based on estimates of future income tax payments, which are derived from three-year plans. The Company assesses the recoverability of the deferred tax asset based on its approved projection of profits for the following years.</p> <p>The amount of deferred tax liabilities is affected by changes in expected future cash flows from investment companies to KRUK S.A. in the foreseeable future. The level of the cash flows depends on such factors as:</p> <ul style="list-style-type: none"> <li>• KRUK S.A.'s liquidity needs and the amount of raised and projected new debt financing available to KRUK S.A.,</li> <li>• raised and projected new debt financing available to the investment companies,</li> </ul>

- the planned expenditure on debt portfolios – its amount determines the projected liquidity position of the investment companies,
- planned recoveries from purchased debt portfolios at the investment companies.

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

## **6. Financial risk management**

The principles of financial risk management are presented in the most recent separate full-year financial statements prepared as at and for the financial year ended 31 December 2023. In the period from 1 January to 30 June 2024, there were no significant changes in the approach to financial risk management.

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

### Investments measured at amortised cost

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023 unaudited</b>
<b>Investments measured at amortised cost</b>			
Loans to related parties	1,256,060	1,400,771	1,162,349
Investments in debt portfolios	31,168	31,747	30,259
	<u>1,287,228</u>	<u>1,432,518</u>	<u>1,192,608</u>

### Investments in debt portfolios

Investments in debt portfolios are divided into the following main categories:

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023 unaudited</b>
<b>Investments in debt portfolios</b>			
Unsecured portfolios	31,168	31,747	30,241
Secured portfolios	-	-	18
	<u>31,168</u>	<u>31,747</u>	<u>30,259</u>

For information on the assumptions made in the valuation of debt portfolios and the adopted schedule of cash receipts (undiscounted value), see Note 8.1.

### Changes in carrying amounts of investments in debt portfolios

In the reporting period, the Company did not invest in debt portfolios, while recoveries from indebted persons were PLN 14,967 thousand (same period of the year before: PLN 16,937 thousand; as at 31 December 2023: PLN 32,988 thousand). Below are presented changes in the net carrying amount of investments in debt portfolios:

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023 unaudited</b>
<b>Carrying amount of investments in debt portfolios at beginning of period</b>	31,747	31,191	31,191
Purchase price adjustment for discount			
Cash recoveries	(14,967)	(32,988)	(16,937)
Carrying amount of property sold*	-	1,146	408
Revenue from purchased debt portfolios*	14,388	32,398	15,597
<b>Carrying amount of investments in debt portfolios at end of period</b>	<u>31,168</u>	<u>31,747</u>	<u>30,259</u>

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

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

#### *Changes in expected credit losses*

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

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023 unaudited</b>
<b>Cumulative expected credit losses on purchased debt portfolios at beginning of period</b>	289,597	270,745	270,745
Revaluation of projected recoveries	3,702	11,359	5,197
Deviations from actual recoveries, decreases on early collections in collateralised cases	2,275	7,493	3,794
<b>Cumulative expected credit losses on purchased debt portfolios at end of period</b>	<b>295,574</b>	<b>289,597</b>	<b>279,736</b>

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

#### *Loans to related parties*

As at 30 June 2024, the gross carrying amount of loans advanced to related parties was PLN 1,267,134 thousand, and the loss allowance was PLN 11,074 thousand (31 December 2023: PLN 1,404,666 thousand and PLN 3,895 thousand, respectively).

Loans to related parties are provided on the following terms:

- 3M WIBOR + margin of 2-6.4pp;
- 3M EURIBOR + margin of 2.09-4.3pp;
- 3M PRIBOR + margin of 2-2.09pp;
- 3M ROBOR + margin of 3 pp;
- fixed interest rate – 9.76pp.

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

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

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

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023 unaudited</b>
Real property	11,181	14,418	15,116
Other inventories	150	144	194
	<u>11,331</u>	<u>14,562</u>	<u>15,310</u>

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

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023 unaudited</b>
<b>Carrying amount of property held at beginning of period</b>	14,418	15,049	15,049
Carrying amount of property foreclosed	2,017	6,438	2,788
Carrying amount of property sold	(4,073)	(3,630)	(1,374)
Impairment loss on property	(1,181)	(3,439)	(1,347)
<b>Carrying amount of property held at end of period</b>	<u>11,181</u>	<u>14,418</u>	<u>15,116</u>

As at 30 June 2024, the inventory write-down was PLN 1,181 thousand (same period of the previous year: PLN 1,347 thousand; 31 December 2023: PLN 3,439 thousand).



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

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

#### Revenue from services

<i>PLN '000</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Apr–30 Jun 2024 unaudited</b>	<b>1 Jan–30 Jun 2023 unaudited</b>	<b>1 Apr–30 Jun 2023 unaudited</b>
Revenue from credit management services	73,367	37,340	74,578	36,450
Revenue from other services	41,181	20,323	36,041	20,197
Revenue from sale of merchandise and materials	84	55	19	8
	<b>114,632</b>	<b>57,718</b>	<b>110,638</b>	<b>56,655</b>

#### Revenue from credit management services

Revenue from fee-based credit management comprises commission fees ranging from 2% to 49% of the collected debts. Fee rates depend on delinquency periods, amounts outstanding, and on whether there have been any prior collection attempts. The Company's main client in the group of non-related entities accounts for 2% of revenue from credit management services, and in the group of related entities – for 91.6% (30 June 2023: 5.8% and 87.3%, respectively).

#### Revenue from other services

Revenue from other services includes income earned from the provision of support services and IT services as well as income from guarantee fees. Payment for services is made within 14-30 days of the respective invoice date.

Revenue from purchased debt portfolios comprises:

<i>PLN '000</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Apr–30 Jun 2024 unaudited</b>	<b>1 Jan–30 Jun 2023 unaudited</b>	<b>1 Apr–30 Jun 2023 unaudited</b>
Interest income on debt portfolios measured at amortised cost	8,631	4,319	8,222	3,973
Gain/(loss) on expected credit losses	5,977	2,876	8,577	5,493
Other income/(expenses) from purchased debt portfolios	(220)	34	(1,202)	(1,202)
	<b>14,388</b>	<b>7,229</b>	<b>15,597</b>	<b>8,264</b>

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

<i>PLN '000</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Apr–30 Jun 2024 unaudited</b>	<b>1 Jan–30 Jun 2023 unaudited</b>	<b>1 Apr–30 Jun 2023 unaudited</b>
Revaluation of projected recoveries	3,702	1,591	5,197	3,551
Deviations from actual recoveries, decreases on early collections in collateralised cases	2,275	1,285	3,380	1,942
	<b>5,977</b>	<b>2,876</b>	<b>8,577</b>	<b>5,493</b>

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

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

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

### *Assumptions adopted in the valuation of debt portfolios*

	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023 unaudited</b>
Discount rate*	28.11% - 170.19%	28.11% - 170.19%	28.11% - 170.19%
Cash flows estimation period	Jul 2024–Dec 2038	Jan 2024–Dec 2038	Jul 2023–Jun 2038
Undiscounted value of future recoveries <i>PLN '000</i>	116,079	112,069	98,860

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

PLN '000	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
discount rate:			
< 25%	52	33	48
25% - 50%	13,252	13,489	12,931
> 50%	102,775	98,547	85,881
	<u>116,079</u>	<u>112,069</u>	<u>98,860</u>

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

PLN '000	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
<b>Period</b>			
Up to 12 months	21,850	22,523	21,748
From 1 to 2 years	17,304	17,342	16,625
From 2 to 3 years	14,442	14,184	13,244
From 3 to 4 years	12,169	11,696	10,451
From 4 to 5 years	10,084	9,655	8,286
From 5 to 6 years	8,225	7,819	6,637
From 6 to 7 years	6,581	6,197	5,324
From 7 to 8 years	5,547	5,009	4,131
From 8 to 9 years	4,696	4,193	3,256
From 9 to 10 years	4,010	3,519	2,583
From 10 to 11 years	3,424	2,970	2,063
From 11 to 12 years	2,977	2,518	1,624
From 12 to 13 years	2,451	2,125	1,249
From 13 to 14 years	1,778	1,558	955
From 14 to 15 years	541	761	684
Over 15 years	-	-	-
	<u>116,079</u>	<u>112,069</u>	<u>98,860</u>

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

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

**Other income/(expenses) from purchased debt portfolios**

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
Foreign exchange gains/(losses)	(220)	34	(1,202)	(1,202)
	<u>(220)</u>	<u>34</u>	<u>(1,202)</u>	<u>(1,202)</u>

**Other income**

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
Gain (loss) on sale of property*	2,964	2,557	-	-
Gain/(loss) on retirement/sale of property, plant and equipment	165	166	547	87
Other	55	10	28	24
Re-billing income/(expense)	(396)	(643)	89	(482)
	<u>2,788</u>	<u>2,090</u>	<u>664</u>	<u>(371)</u>

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

**8.2. Employee benefits expense**

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
Salaries and wages	(84,472)	(42,754)	(76,037)	(38,643)
Old-age and disability pension contributions (defined contribution plans)	(13,341)	(6,751)	(11,863)	(6,065)
Equity-settled cost of stock option plan	(8,825)	(4,413)	(9,288)	(4,670)
Other employee expenses	(4,772)	(2,603)	(3,665)	(1,734)
Other social security contributions	(4,301)	(2,789)	(2,756)	(1,431)
Contribution to the State Fund for the Disabled	(650)	(316)	(658)	(329)
	<u>(116,361)</u>	<u>(59,626)</u>	<u>(104,267)</u>	<u>(52,872)</u>

### 8.3. Services

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
IT services	(21,321)	(11,057)	(14,300)	(7,433)
Administrative and accounting support services	(9,846)	(8,490)	(3,029)	(969)
Credit management services	(6,562)	(3,117)	(6,389)	(3,083)
Postal and courier services	(3,602)	(1,933)	(3,137)	(1,440)
Communications services	(1,917)	(1,012)	(1,613)	(1,030)
Space rental and service charges	(1,571)	(826)	(1,582)	(932)
Legal assistance services	(1,264)	(692)	(1,256)	(426)
Banking services	(521)	(303)	(440)	(254)
Recruitment services	(491)	(284)	(394)	(246)
Security	(455)	(261)	(446)	(200)
Other auxiliary services	(404)	(167)	(324)	(144)
Repair of vehicles	(343)	(222)	(249)	(156)
Other rental	(210)	(121)	(153)	(99)
Printing services	(197)	(105)	(167)	(79)
Repair and maintenance services	(174)	(87)	(91)	(60)
Transport services	(71)	(38)	(95)	(64)
Packing services	(58)	(29)	(54)	(27)
Marketing and management services	(24)	(12)	(35)	(18)
	<b>(49,031)</b>	<b>(28,756)</b>	<b>(33,754)</b>	<b>(16,660)</b>

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

### 8.4. Other expenses

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
Raw materials and consumables used	(2,979)	(1,578)	(2,937)	(1,537)
Staff training	(2,939)	(1,982)	(1,212)	(737)
Advertising	(1,554)	(826)	(1,804)	(1,173)
Taxes and charges	(1,197)	(573)	(90)	4
Entertainment expenses	(1,195)	(463)	(778)	(534)
VAT on rental payments (leases and rents)	(1,137)	(485)	(1,147)	(681)
Business trips	(1,100)	(594)	(771)	(476)
Write-off of development work	(899)	-	-	-
Refund of litigation costs	(542)	(205)	(297)	(157)
Court fees	(442)	(208)	(403)	(181)
Motor insurance	(357)	(179)	(372)	(181)
Property insurance	(240)	(126)	(192)	(96)
Losses caused by motor damage	(236)	(200)	(57)	(30)
Other markets	(209)	(98)	(333)	(14)
Donations	(176)	(110)	(291)	(100)
Non-competition	(130)	(66)	(188)	(81)
Membership fees	(30)	(30)	(10)	(5)
	<b>(15,362)</b>	<b>(7,723)</b>	<b>(10,882)</b>	<b>(5,979)</b>

## 8.5. Finance income

<i>PLN '000</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Apr–30 Jun 2024 unaudited</b>	<b>1 Jan–30 Jun 2023 unaudited</b>	<b>1 Apr–30 Jun 2023 unaudited</b>
Interest income on loans advanced	70,896	34,895	37,331	23,952
Net foreign exchange losses	-	-	6,750	5,582
Interest income on bank deposits	5,187	221	34	7
	<b>76,083</b>	<b>35,116</b>	<b>44,115</b>	<b>29,541</b>

## 8.6. Finance costs

<i>PLN '000</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Apr–30 Jun 2024 unaudited</b>	<b>1 Jan–30 Jun 2023 unaudited</b>	<b>1 Apr–30 Jun 2023 unaudited</b>
Interest and commission expense on financial liabilities measured at amortised cost	(158,968)	(79,510)	(100,993)	(54,957)
<i>including interest</i>	<i>(153,540)</i>	<i>(77,079)</i>	<i>(97,086)</i>	<i>(53,996)</i>
Net foreign exchange losses	(1,523)	299	-	-
Interest income/expense on hedging instruments – CIRS	116	194	492	(3,036)
Interest income/expense on hedging instruments – IRS	7,392	3,671	6,916	6,539
Hedging income/expense	31,337	16,193	25,963	13,149
	<b>(121,646)</b>	<b>(59,153)</b>	<b>(67,622)</b>	<b>(38,305)</b>

In the six months ended 30 June 2024, there was a significant year-on-year increase in interest expense, primarily due to higher debt (bonds and bank borrowings).

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

<i>PLN '000</i>	<i>Note</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Apr–30 Jun 2024 unaudited</b>	<b>1 Jan–30 Jun 2023 unaudited</b>	<b>1 Apr–30 Jun 2023 unaudited</b>
Realised exchange gains/(losses)		(3,945)	(2,271)	3,124	3,042
Remeasurement of debt portfolios due to exchange rate movements	8.1.	(220)	34	(1,202)	(1,202)
Unrealised exchange gains/(losses)		2,422	2,570	3,626	2,540
		<b>(1,743)</b>	<b>333</b>	<b>5,548</b>	<b>4,380</b>

## 8.7. Income tax

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Apr–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	1 Apr–30 Jun 2023 unaudited
<b>Current income tax recognised in profit or loss</b>				
Current income tax payable	(4,291)	(4,291)	85	240
<b>Deferred income tax recognised in profit or loss</b>				
Temporary differences/reversal of temporary differences	34,762	16,792	(42,340)	(17,566)
<b>Income tax recognised in profit or loss</b>	<b>30,471</b>	<b>12,501</b>	<b>(42,255)</b>	<b>(17,326)</b>
<b>Deferred income tax recognised in other comprehensive income</b>				
Temporary differences/reversal of temporary differences	(10,227)	(4,265)	(15,164)	(15,164)
<b>Income tax recognised in other comprehensive income</b>	<b>(10,227)</b>	<b>(4,265)</b>	<b>(15,164)</b>	<b>(15,164)</b>
<b>Income tax recognised in comprehensive income</b>	<b>20,244</b>	<b>8,236</b>	<b>(57,419)</b>	<b>(32,490)</b>

## Reconciliation of effective income tax rate

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited
Profit/(loss) before tax	558,456	570,297
Income tax recognised in profit or loss	30,471	(42,255)
Tax calculated at the tax rate applicable in Poland (19%)	(106,107)	(108,356)
Differences resulting from ability to control the timing of reversal of temporary differences relating to the measurement of net assets of subsidiaries and the probability of their reversal in the foreseeable future, and other non-deductible expenses/non-taxable income	136,578	66,101
	<b>30,471</b>	<b>(42,255)</b>
Effective tax rate	(5.19%)	7.41%

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

### Deferred tax assets and liabilities

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

PLN '000	Assets		Provisions		Net carrying amount	
	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2024 unaudited	31 Dec 2023
Property, plant and equipment	3,345	5,222	(3,296)	(4,234)	49	988
Intangible assets	-	-	(4,432)	(5,000)	(4,432)	(5,000)
Trade and other receivables	-	-	(260)	(241)	(260)	(241)
Borrowings and other debt instruments, leases	23,587	21,776	-	-	23,587	21,776
Employee benefit obligations	2,783	4,582	-	-	2,783	4,582
Provisions and liabilities	140	186	-	-	140	186
Investments in debt portfolios	-	-	(7,336)	(7,411)	(7,336)	(7,411)
Equity-accounted investments in subsidiaries	-	-	(168,308)	(203,420)	(168,308)	(203,420)
Derivative hedging instruments	-	-	(23,994)	(13,767)	(23,994)	(13,767)
<b>Deferred tax assets/liability</b>	<b>29,855</b>	<b>31,766</b>	<b>(207,626)</b>	<b>(234,073)</b>	<b>(177,771)</b>	<b>(202,307)</b>
Deferred tax assets offset against liabilities	(29,855)	(31,766)	29,855	31,766	-	-
<b>Deferred tax assets/liabilities in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>(177,771)</b>	<b>(202,307)</b>	<b>(177,771)</b>	<b>(202,307)</b>



**Change in temporary differences in the period**

PLN '000

	Net amount of deferred tax at 1 Jan 2024	Change in temporary differences recognised in profit or loss for the period	Net amount of deferred tax at 30 Jun 2024 unaudited	Net amount of deferred tax at 1 Jan 2023	Change in temporary differences recognised in profit or loss for the period	Net amount of deferred tax at 31 Dec 2023
Property, plant and equipment	988	(939)	49	3,742	(2,754)	988
Intangible assets	(5,000)	568	(4,432)	(5,051)	51	(5,000)
Trade and other receivables	(241)	(19)	(260)	(413)	172	(241)
Borrowings and other debt instruments, leases	21,776	1,811	23,587	16,633	5,143	21,776
Employee benefit obligations	4,582	(1,799)	2,783	2,416	2,166	4,582
Provisions and liabilities	186	(46)	140	(109)	295	186
Investments in debt portfolios	(7,411)	75	(7,336)	(7,058)	(353)	(7,411)
Equity-accounted investments in subsidiaries	(203,420)	35,112	(168,308)	(208,285)	4,866	(203,420)
	(188,540)	34,762	(153,777)	(198,125)	9,586	(188,540)

PLN '000

	Net amount of deferred tax at 1 Jan 2024	Change in temporary differences recognised in other comprehensive income	Net amount of deferred tax at 30 Jun 2024 unaudited	Net amount of deferred tax at 1 Jan 2023	Change in temporary differences recognised in other comprehensive income	Net amount of deferred tax at 31 Dec 2023
Derivative hedging instruments	(13,767)	(10,227)	(23,994)	(3,294)	(10,473)	(13,767)
	(13,767)	(10,227)	(23,994)	(3,294)	(10,473)	(13,767)

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

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

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

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

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

The decrease in the related provision for the current period is due to:

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

The Company benefits from the exemption provided in IAS 12 and does not recognise a deferred tax liability in respect of retained earnings in its related entities where it is able to control the timing of the reversal of temporary differences in the foreseeable future and it is probable that the temporary differences will not reverse in the next 36 months. The total amount of temporary differences underlying the unrecognised deferred tax liability on retained earnings as at 30 June 2024 was PLN 4,620,024 thousand (as at 31 December 2023: PLN 3,727,864 thousand).

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 expected to be effectively implemented into Polish law by the end of 2024. The Directive provides that the effective tax rate for multinational corporate groups whose consolidated revenue exceeds EUR 750 million and which operate in more than six countries (possibility of deferring the application of the regulations for a period of five years) should not be lower than 15%.

As at the issue date of this separate report, this requirement does not apply to the KRUK Group as it does not meet the revenue criterion. However, the Group cannot rule out that the new legislation will affect its financial statements in future periods.

## 8.8. Borrowings, other debt securities and leases

PLN '000	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
<b>Non-current liabilities</b>			
Secured borrowings	322,201	170,239	142,615
Liabilities under debt securities (unsecured)	2,725,290	2,773,264	2,159,093
Lease liabilities	4,178	9,759	16,469
	<u>3,051,669</u>	<u>2,953,262</u>	<u>2,318,177</u>
<b>Current liabilities</b>			
Secured borrowings	30,627	216,548	227,091
Liabilities under debt securities (unsecured)	218,128	77,938	108,311
Lease liabilities	13,427	17,724	18,349
	<u>262,182</u>	<u>312,210</u>	<u>353,751</u>
	<u>3,313,851</u>	<u>3,265,472</u>	<u>2,671,928</u>

### Liabilities repayment schedule

PLN '000	Currency	Nominal interest rate	Maturity periods*	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
Borrowings secured over the Company's assets	PLN/EUR	1M WIBOR + 1.8–2.5pp 3M WIBOR + margin of 1.8–2.7pp 3M EURIBOR + margin of 2.0–2.2pp	2024-2029	352,828	386,787	369,706
Liabilities under debt securities (unsecured)	PLN/EUR	3M WIBOR + margin of 3.2–4.65pp; 4.00%-4.80%** 3M EURIBOR + margin of 4.0–6.5pp	2024-2029	2,943,418	2,851,202	2,267,404
Lease liabilities	PLN/EUR	3M WIBOR or 1M EURIBOR + margin of 2.8%–4.6% 3.3%–11.3%	2024-2028	17,605	27,483	34,818
				<u>3,313,851</u>	<u>3,265,472</u>	<u>2,671,928</u>

\* Maturity of the last liability.

\*\* Fixed interest rate.

### Impact of IBOR reform

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

The Company does not anticipate a material impact from IBOR reform on its financial obligations, but cannot conclusively determine its effect as not all systemic and regulatory solutions have been finalised. The Company takes measures to prepare for a change in the benchmarks underlying concluded financial instruments in the event WIBOR ceases to be published. The Company continuously monitors regulatory changes in benchmarks, and negotiates amendments to the Master and Credit Agreements governing the hedging instruments and bank loans used by KRUK S.A., to ensure optimal transition to an alternative benchmark when the WIBOR is replaced.

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

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>
<b>Carrying amount of financial liabilities for which WIBOR is used as the benchmark</b>		
Borrowings secured over the Company's assets	318,982	179,048
Liabilities under debt securities (unsecured)	2,153,253	2,159,898
Lease liabilities	4,813	7,922
<b>Notional amount of hedging instruments for which WIBOR is used as the benchmark</b>		
CIRS	1,832,500	1,750,000
IRS	165,000	190,000

## 8.9. Hedging instruments

### Interest rate risk hedges

The Company's exposure to interest rate risk arises mainly from borrowings and debt securities issued (Note 10.3).

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

The interest rate risk management policy covers:

- the Company's objectives in terms of interest rate risk,
- principles of interest rate risk management at the Company;
- acceptable impact of interest rate risk on the Company's results (interest rate risk appetite);
- methods of measuring and monitoring interest rate risk and interest rate risk exposure;
- procedures in case of exceeding the Company's interest rate risk appetite;
- interest rate risk hedging policies.

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

As at 30 June 2024, the Company held the following open outstanding CIRS contracts with a total nominal amount of PLN 1,832,500 thousand:

Bank	Type of transaction	Notional amount	Fixed rate [EUR]	Variable rate [PLN]	Transaction date	Transaction maturity date
ING Bank Śląski S.A.	CCIRS	PLN 330,000,000	2.13%	3M WIBOR	14 Jun 2022	24 May 2027
ING Bank Śląski S.A.	CCIRS	PLN 140,000,000	1.90%	3M WIBOR	23 Jun 2022	24 Mar 2027
Santander Bank Polska S.A.	CCIRS	PLN 50,000,000	1.72%	3M WIBOR	20 Jun 2022	16 Mar 2026
Santander Bank Polska S.A.	CCIRS	PLN 50,000,000	1.56%	3M WIBOR	21 Jun 2022	16 Mar 2026
ING Bank Śląski S.A.	CCIRS	PLN 105,000,000	1.21%	3M WIBOR	15 Jul 2022	23 Jan 2026
ING Bank Śląski S.A.	CCIRS	PLN 52,500,000	0.96%	3M WIBOR	15 Jul 2022	22 Jan 2025
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	1.40%	3M WIBOR	20 Jul 2022	2 Mar 2026

DNB Bank ASA	CCIRS	PLN 60,000,000	1.96%	3M WIBOR	12 Dec 2022	27 Jul 2027
DNB Bank ASA	CCIRS	PLN 25,000,000	2.05%	3M WIBOR	21 Dec 2022	27 Nov 2026
DNB Bank ASA	CCIRS	PLN 75,000,000	2.49%	3M WIBOR	10 Jan 2023	26 Mar 2025
DNB Bank ASA	CCIRS	PLN 120,000,000	2.02%	3M WIBOR	27 Jan 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	2.475%	3M WIBOR	25 Jul 2023	26 Jan 2028
ING Bank Śląski S.A.	CCIRS	PLN 50,000,000	2.435%	3M WIBOR	25 Jul 2023	7 Jun 2028
DNB Bank ASA	CCIRS	PLN 75,000,000	2.61%	3M WIBOR	22 Sep 2023	29 Mar 2028
ING Bank Śląski S.A.	CCIRS	PLN 85,000,000	2.48%	3M WIBOR	31 Oct 2023	10 Dec 2026
ING Bank Śląski S.A.	CCIRS	PLN 355,000,000	2.34%	3M WIBOR	31 Oct 2023	11 Oct 2029
DNB Bank ASA	CCIRS	PLN 70,000,000	6.046%	3M WIBOR + 4%	21 Mar 2024	16 Feb 2029
ING Bank Śląski S.A.	CCIRS	PLN 90,000,000	6.19%	3M WIBOR + 4%	21 Mar 2024	26 Sep 2028

The transactions were designated for hedge accounting.

The purpose of CCIRSs was to:

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

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

Open outstanding IRS contracts held by the Company as at 30 June 2024, with a total notional amount of PLN 165,000 thousand and EUR 160,000 thousand:

Bank	Type of transaction	Notional amount	Fixed rate	Variable rate	Term
ING Bank Śląski S.A.*	IRS	PLN 115,000,000	1.5775%	3M WIBOR	4 Sep 2019 to 27 Sep 2024
ING Bank Śląski S.A.*	IRS	PLN 50,000,000	1.5775%	3M WIBOR	4 Sep 2019 to 28 Sep 2024
DNB Bank ASA	IRS	EUR 150,000,000	2.9640%	3M EURIBOR	10 May 2023 to 10 May 2028
DNB Bank ASA	IRS	EUR 10,000,000	2.255%	3M EURIBOR	21 Dec 2023 to 11 Dec 2028

\* In the second quarter of 2022, the contracts were transferred from DNB Polska S.A. to ING Bank Śląski S.A. without changing their terms.

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

### Currency risk hedges

The Company's exposure to currency risk arises mainly from investments in subsidiaries and financial liabilities measured in foreign currencies (Note 10.3).

The currency risk management policy outlines:

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

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

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

On 2 August 2024, i.e. after the end of the reporting period, KRUK S.A. and mBank S.A. entered into an agreement amending Hedging Agreement No. 09/012/19/L/NK, which governs the establishment of hedges under the master agreement of 7 February 2019 for financial market transactions.

The amendment provides for the termination of the Hedging Agreement by mutual agreement as of 22 August 2024.

KRUK S.A. has no open positions under the framework agreement.



**Amounts related to items designated as hedging instruments**

PLN '000

	30 Jun 2024 unaudited				31 Dec 2023				Item in the statement of financial position	Hedge type
	Assets	Liabilities	Nominal amount	Change in fair value used to determine ineffectiveness	Assets	Liabilities	Nominal amount	Change in fair value used to determine ineffectiveness		
<b>Instrument type:</b>										
IRS	1,752	-	165,000 (PLN)	(3,202)	4,954	-	190,000 (PLN)	(13,852)	Hedging instruments	Hedge of future cash flows
IRS	991	2,615	160,000 (EUR)	15,041	29	16,694	160,000 (EUR)	(16,665)	Hedging instruments	Hedge of future cash flows
CIRS	126,767	-	1,832,500 (PLN)	37,511	93,445	4,189	1,750,000 (PLN)	87,551	Hedging instruments	Hedge of future cash flows/Hedge of net investment in a foreign operation
	<b>129,510</b>	<b>2,615</b>		<b>49,350</b>	<b>98,428</b>	<b>20,883</b>		<b>57,034</b>		

## Disclosure of the hedged item as at 30 Jun 2024 unaudited

PLN '000

	Nominal amount of the hedged item	Change in fair value of hedged item used to determine ineffectiveness	Reserve on measurement of continuing hedges	Reserve (unreleased) on measurement of discontinued hedges
Hedge of future cash flows (interest rate risk)	165,000 (PLN)	(3,202)	1,728	-
Hedge of future cash flows (interest rate risk)	160,000 (EUR)	15,041	(1,624)	-
Hedge of net investment in a foreign operation (currency risk)	-	-	-	4,082
Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	1,832,500 (PLN)	37,511	102,185	-

PLN '000

## Disclosure of the hedged item as at 31 Dec 2023

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

PLN '000

## Amount of future cash flows as at 30 Jun 2024

	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
<b>Instrument type:</b>					
<b>IRS</b>					
fixed payment PLN sale	(167,335)	-	-	-	-
variable payment PLN	167,335	-	-	-	-
<b>IRS</b>					
fixed payment EUR sale	(13,040)	(11,403)	(19,542)	(726,841)	-
variable payment EUR	13,040	11,403	19,542	726,841	-
<b>CIRS</b>					
fixed payment	(20,915)	(67,697)	(272,365)	(1,518,100)	-
variable payment	20,915	67,697	272,365	1,518,100	-

PLN '000

## Amount of future cash flows as at 31 Dec 2023

	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
<b>Instrument type:</b>					
<b>IRS</b>					
fixed payment PLN sale	(26,312)	(165,656)	-	-	-
variable payment PLN	26,312	165,656	-	-	-
<b>IRS</b>					
fixed payment EUR sale	(19,294)	(11,023)	(14,746)	(728,648)	-
variable payment EUR	19,294	11,023	14,746	728,648	-
<b>CIRS</b>					
fixed payment	(125,963)	(43,342)	(192,769)	(1,286,932)	(369,021)
variable payment	125,963	43,342	192,769	1,286,932	369,021

PLN '000

Hedge reserve	1 Jan–30 Jun 2024 unaudited			Total hedge reserve
	Hedge of future cash flows (interest rate risk)	Hedge of future cash flows (currency risk)	Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	
<b>Hedge reserve as at 1 Jan 2024</b>	(9,485)	4,082	68,177	62,774
<b>Measurement of instruments charged to capital reserves</b>	19,462	-	56,309	75,771
<b>Cost of hedging</b>	-	-	16,898	16,898
<b>Temporary differences/reversal of temporary differences</b>	(2,249)	-	(7,978)	(10,227)
<b>Amount reclassified to profit or loss during the period</b>	(7,624)	-	(31,221)	(38,845)
- Interest expense/income	(7,624)	-	116	(7,508)
- Cost of hedging	-	-	(31,337)	(31,337)
<b>Hedge reserve as at 30 Jun 2024</b>	104	4,082	102,185	106,371

PLN '000

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

## 8.10. Equity-accounted investments in subsidiaries

PLN '000	Country	Carrying amount		
		30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
InvestCapital Ltd <sup>1</sup>	Malta	3,583,645	3,109,906	3,031,031
Prokura NFW FIZ (formerly Prokura NS FIZ) <sup>1</sup>	Poland	1,514,101	1,494,600	1,372,348
SeCapital S.a.r.l. <sup>1</sup>	Luxembourg	696,126	574,722	520,279
Presco Investments S.a.r.l. <sup>2</sup>	Luxembourg	76,290	69,062	70,006
KRUK Česká a Slovenská republika s.r.o.	Czech Republic	59,485	57,517	71,350
Kruk Espana S.L.	Spain	51,128	44,020	53,959
KRUK Romania S.r.l.	Romania	57,758	48,405	38,453
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Poland	38,538	37,109	35,920
KRUK Italia S.r.l.	Italy	30,271	12,389	44,233
Wonga.pl Sp. z o.o.	Poland	15,589	9,844	-
RoCapital IFN S.A. <sup>1</sup>	Romania	5,600	6,677	6,940
Bison NFW FIZ (formerly BISON NS FIZ)	Poland	4,999	6,362	14,948
AgeCredit S.r.l.	Italy	4,372	4,863	4,581
Kancelaria Prawna RAVEN P.Krupa Sp. k.	Poland	7,705	3,671	4,709
Kruk Deutschland GmbH	Germany	4,181	3,740	5,174
KRUK TECH s.r.l. <sup>1</sup>	Romania	174	503	335
Kruk Immobiliare S.r.l.	Italy	-	-	47
ItaCapital S.r.l.	Italy	-	-	-
Novum Finance Sp. z o.o. <sup>1</sup>	Poland	-	-	-
Kruk Investimenti s.r.l.	Italy	-	-	-
Zielony Areal Sp. z o.o.	Poland	-	-	-
		6,149,962	5,483,390	5,274,313

<sup>1</sup> Subsidiaries in which the Company indirectly holds 100% of the share capital.

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

PLN '000	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
<b>Carrying amount of investments in subsidiaries at beginning of period</b>	5,483,390	4,735,762	4,735,762
Share of profit/(loss) of equity-accounted investees	667,028	1,192,612	628,779
Translation reserve	(10,100)	(196,319)	(123,571)
Share of other comprehensive income of equity-accounted investees	18,723	(28,311)	2,871
Increase/(decrease) (dividends, in-kind contributions, redemptions, impairment losses, sale)	(9,079)	(220,354)	30,472
<b>Carrying amount of investments in subsidiaries at end of period</b>	6,149,962	5,483,390	5,274,313

The share of profit/(loss) of equity-accounted investees for the period from 1 January to 30 June 2024 was PLN 667,028 thousand, reflecting mainly revenue from recoveries and revaluation of recovery

projections for debt portfolios owned by the investees, net of costs (same period of the previous year: PLN 628,779 thousand; from 1 January to 31 December 2023: PLN 1,192,612 thousand).

PLN '000	Country	Ownership interest and share in total voting rights (%)		
		30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
SeCapital S.a.r.l. <sup>1</sup>	Luxembourg	100%	100%	100%
Novum Finance Sp. z o.o. <sup>1</sup>	Poland	100%	100%	100%
KRUK Romania S.r.l.	Romania	100%	100%	100%
Kancelaria Prawna RAVEN P.Krupa Sp. k.	Poland	98%	98%	98%
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Poland	100%	100%	100%
KRUK Česká a Slovenská republika s.r.o.	Czech Republic	100%	100%	100%
Prokura NFW FIZ (formerly Prokura NS FIZ) <sup>1</sup>	Poland	100%	100%	100%
InvestCapital Ltd <sup>1</sup>	Malta	100%	100%	100%
RoCapital IFN S.A. <sup>1</sup>	Romania	100%	100%	100%
Kruk Deutschland GmbH	Germany	100%	100%	100%
KRUK Italia S.r.l.	Italy	100%	100%	100%
ItaCapital S.r.l.	Italy	100%	100%	100%
Kruk Espana S.L.	Spain	100%	100%	100%
Presco Investments S.a.r.l.	Luxembourg	100%	100%	100%
Presco NFW FIZ (formerly P.R.E.S.C.O. Investment I NS FIZ) <sup>1</sup>	Poland	100%	100%	100%
Elleffe Capital S.r.l. <sup>3</sup>	Italy	-	-	100%
Bison NFW FIZ (formerly BISON NS FIZ)	Poland	100%	100%	100%
Corbul S.r.l. <sup>2</sup>	Romania	n/a	n/a	n/a
AgeCredit S.r.l.	Italy	100%	100%	100%
Wonga.pl Sp. z o.o.	Poland	100%	100%	100%
Gantoi, Furculita Si Asociatii S.p.a.r.l. <sup>2</sup>	Romania	n/a	n/a	n/a
Kruk Investimenti s.r.l.	Italy	100%	100%	100%
Zielony Areal Sp. z o.o.	Poland	100%	100%	100%
KRUK TECH s.r.l. <sup>1</sup>	Romania	100%	100%	100%
Kruk Immobiliare S.r.l.	Italy	100%	100%	100%

<sup>1</sup> Subsidiaries in which the Company indirectly holds 100% of the share capital.

<sup>2</sup> KRUK S.A. controls the company through a personal link.

<sup>3</sup> The subsidiary was sold on 20 September 2023.

After the end of the reporting period, the funds Prokura NFW FIZ and Bison NFW FIZ merged. As of 30 July 2024, Bison was removed from the Register of Investment Funds.

**8.11. Trade and other receivables**

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>
Trade receivables from related entities	25,939	33,932
Trade receivables from other entities	2,894	2,582
	<u>28,833</u>	<u>36,514</u>

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>
Other receivables from related entities	3,656	4,656
Other receivables from other entities	4,613	6,954
Employee loans	-	54
	<u>8,269</u>	<u>11,664</u>

**8.12. Cash and cash equivalents**

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>
Cash in hand	89	3
Cash in current accounts	18,897	7,640
Term deposits	-	220,000
	<u>18,986</u>	<u>227,643</u>

**8.13. Trade and other payables**

<i>PLN '000</i>	<b>30 Jun 2024 unaudited</b>	<b>31 Dec 2023</b>
Trade and other payables to related entities	18,096	10,606
Trade payables to other entities	13,933	15,830
Deferred income	5,294	5,296
Other liabilities	1,859	2,215
Accrued expenses	1,188	1,394
Taxes, customs duties, insurance and other benefits payable	116	111
	<u>40,486</u>	<u>35,452</u>

## 8.14. Employee benefit obligations

PLN '000	30 Jun 2024 unaudited	31 Dec 2023
Social benefit obligations	10,305	9,189
Provision for accrued holiday entitlements	9,953	7,982
Salaries and wages payable	9,871	16,833
Personal income tax	2,870	3,101
Special accounts	744	538
Liabilities under employee savings plans	598	553
	<u>34,341</u>	<u>38,196</u>

### Change in provision for accrued holiday entitlements

PLN '000	1 Jan–30 Jun 2024 unaudited	1 Jan–31 Dec 2023
At beginning of period	7,982	6,213
Increase	7,509	8,347
Use	(5,538)	(6,578)
At end of period	<u>9,953</u>	<u>7,982</u>

## 8.15. Provisions

PLN '000	30 Jun 2024 unaudited	31 Dec 2023
Provision for tax inspection outcome	28,554	28,554
Provision for the loyalty scheme	8,816	10,871
Provision for retirement gratuities	1,385	1,385
	<u>38,755</u>	<u>40,810</u>

### Changes in provisions for retirement gratuities, the loyalty scheme and tax inspection outcome

PLN '000	Provision for retirement gratuities	Provision for the loyalty scheme	Provision for tax inspection outcome
Carrying amount as at 1 Jan 2023	907	11,746	-
Increase	478	402	28,554
Use	-	(1,277)	-
Carrying amount as at 31 Dec 2023	<u>1,385</u>	<u>10,871</u>	<u>28,554</u>
Carrying amount as at 1 Jan 2024	1,385	10,871	28,554
Increase	-	192	-
Use	-	(2,247)	-
Carrying amount as at 30 Jun 2024	<u>1,385</u>	<u>8,816</u>	<u>28,554</u>



In connection with the ongoing inspection of corporate income tax settlements for 2018–2020 conducted by the Customs and Tax Office in Kraków, Kruk S.A. has recognised a provision totalling PLN 28,554 thousand to settle a potential tax underpayment for the years under review and subsequent years, together with interest, in its profit or loss for 2023. The procedure will result in a change of the methodology for determining transfer prices between related parties with respect to the management and collection services performed by the Company for its related parties which will be implemented until the end of 2024. For many years, the Company has consistently applied the comparable uncontrolled price (CUP) method to determine the consideration due for its management and collection services. The Customs and Tax Office has pointed to the need to change this approach to the cost-plus method, which seeks to cover the service cost and add an appropriate mark-up. As at issue the date of this interim report, the Company has received the audit report for the year 2018 (with audits for the remaining years still ongoing). The audit results for 2018 match the Company's calculations of the provision recognised for the tax liability in question as at the end of 2023.

## 8.16. Earnings per share

### Separate net profit attributable to owners of the Company

<i>PLN '000</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Jan–31 Dec 2023</b>	<b>1 Jan–30 Jun 2023 unaudited</b>
Net profit for period	588,927	983,934	528,042
Net profit attributable to owners of the Company	588,927	983,934	528,042

### Basic earnings per share

<i>thousands of shares</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Jan–31 Dec 2023</b>	<b>1 Jan–30 Jun 2023 unaudited</b>
Number of ordinary shares as at 1 Jan	19,319	19,319	19,319
Effect of cancellation and issue	-	-	-
Weighted average number of ordinary shares at end of reporting period	19,319	19,319	19,319
<i>PLN</i>			
Earnings per share	30.48	50.93	27.33

**Diluted separate earnings per share**

<i>thousands of shares</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Jan–31 Dec 2023</b>	<b>1 Jan–30 Jun 2023 unaudited</b>
Weighted average number of ordinary shares at end of reporting period	19,319	19,319	19,319
Effect of issue of unregistered shares not subscribed for	1,138	1,024	889
Weighted average number of ordinary shares at end of reporting period (diluted)	20,457	20,343	20,208
<i>PLN</i>			
Earnings per share (diluted)	28.79	48.37	26.13

**Dividend per share paid**

<i>PLN '000</i>	<b>1 Jan–30 Jun 2024 unaudited</b>	<b>1 Jan–31 Dec 2023</b>	<b>1 Jan–30 Jun 2023 unaudited</b>
Dividend paid from profit and retained earnings	347,738	289,782	-
<i>PLN</i>			
Dividend per share	18.00	15.00	-

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

PLN '000

	Note	30 Jun 2024 unaudited	31 Dec 2023	30 Jun 2023 unaudited
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		28,220	35,348	36,144
Intangible assets		26,942	29,427	28,693
Hedging instruments	8.9.	114,955	82,848	103,158
Equity-accounted investments in subsidiaries	8.10.	6,149,962	5,483,390	5,274,313
Investments	7.	913,088	1,157,433	1,151,150
<b>Total non-current assets</b>		<b>7,233,167</b>	<b>6,788,446</b>	<b>6,593,458</b>
<b>Current assets</b>				
Inventories	7.	11,331	14,562	15,310
Investments	7.	374,140	275,085	41,458
Trade receivables from related entities	8.11.	25,939	33,932	30,571
Trade receivables from other entities	8.11.	2,894	2,582	3,647
Other receivables	8.11.	8,269	11,664	15,012
Income tax receivable		3,772	16,232	23,820
Hedging instruments	8.9.	14,555	15,580	2,266
Cash and cash equivalents	8.12.	18,986	227,643	12,689
Other assets		8,393	8,787	6,926
<b>Total current assets</b>		<b>468,279</b>	<b>606,067</b>	<b>151,699</b>
<b>Total assets</b>		<b>7,701,446</b>	<b>7,394,513</b>	<b>6,745,157</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		19,319	19,319	19,319
Share premium		358,506	358,506	358,506
Hedge reserve	8.9.	106,371	62,774	85,277
Translation reserve		(105,971)	(95,871)	(23,123)
Share of other comprehensive income of equity-accounted investees		10,323	(8,400)	22,782
Other capital reserves		180,672	171,847	159,184
retained earnings		3,524,407	3,283,218	2,827,326
<b>Total equity</b>		<b>4,093,627</b>	<b>3,791,393</b>	<b>3,449,271</b>
<b>Non-current liabilities</b>				
Deferred tax liability	8.7.	177,771	202,307	258,922
Provisions	8.15.	1,234	12,105	12,212
Borrowings, other debt securities and leases	8.8.	3,051,669	2,953,262	2,318,177
Hedging instruments	8.9.	2,615	20,883	-
<b>Total non-current liabilities</b>		<b>3,233,289</b>	<b>3,188,557</b>	<b>2,589,311</b>
<b>Current liabilities</b>				
Provisions	8.15.	37,521	28,705	51
Borrowings, other debt securities and leases	8.8.	262,182	312,210	353,751
Trade and other payables	8.13.	40,486	35,452	33,292
Liabilities under dividends		-	-	289,782
Employee benefit obligations	8.14.	34,341	38,196	29,699
<b>Total current liabilities</b>		<b>374,530</b>	<b>414,563</b>	<b>706,575</b>
<b>Total liabilities</b>		<b>3,607,819</b>	<b>3,603,120</b>	<b>3,295,886</b>
<b>Total equity and liabilities</b>		<b>7,701,446</b>	<b>7,394,513</b>	<b>6,745,157</b>

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

## 10. Management of risk arising from financial instruments

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

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

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

### *Key risk management policies*

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

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

### 10.1. Credit risk

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

#### *Credit risk exposure*

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

<i>PLN '000</i>	<b>30 Jun 2024</b> <b>unaudited</b>	<b>31 Dec 2023</b>
Loans to related parties	1,256,060	1,400,771
Cash and cash equivalents	18,986	227,643
Hedging instruments	129,510	98,428
Trade and other receivables, net of tax receivable	35,984	44,975
Investments in debt portfolios	31,168	31,747
	<b>1,471,708</b>	<b>1,803,564</b>

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

<i>PLN '000</i>	<b>30 Jun 2024</b> <b>unaudited</b>	<b>31 Dec 2023</b>
Malta	785,208	887,126
Poland	603,516	780,168
Romania	29,594	67,249
Czech Republic and Slovakia	53,390	69,021
	<u>1,471,708</u>	<u>1,803,564</u>

### **Credit risk exposure – Investments in debt portfolios**

<i>PLN '000</i>	<b>30 Jun 2024</b> <b>unaudited</b>	<b>31 Dec 2023</b>
<b>Portfolio type</b>		
Unsecured retail portfolios	30,996	31,370
Unsecured corporate portfolios	172	377
	<u>31,168</u>	<u>31,747</u>

### **Allowance for expected credit losses**

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

<b>IFRS 9 classification</b> <i>PLN '000</i>	<b>Days past due</b>	<b>Expected credit losses as % of gross carrying amount</b>	<b>Carrying amount as at 30 Jun 2024 (IFRS 9) unaudited</b>	<b>Carrying amount as at 31 Dec 2023 (IFRS 9)</b>
Trade and other receivables, net of tax receivable	<1 day		35,984	44,975
	1-90 days		151	168
	>90 days		<u>36,135</u>	<u>45,143</u>
Allowance for expected credit losses	<1 day	0.0%	-	-
	1-90 days	0.7%	151	168
	>90 days	100.0%	<u>151</u>	<u>168</u>
Net carrying amount	<1 day		35,984	44,975
	1-90 days		-	-
	>90 days		<u>35,984</u>	<u>44,975</u>

## Changes in allowances for expected credit losses on receivables:

<i>PLN '000</i>	<b>30 Jun 2024</b> unaudited	<b>31 Dec 2023</b>
Loss allowance at beginning of period	168	156
Allowance for expected credit losses recognised in the reporting period	-	30
Reversal of allowance for expected credit losses	(17)	(18)
Use of allowance for expected credit losses	-	-
Loss allowance at end of period	<u>151</u>	<u>168</u>

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

<i>PLN '000</i>	<b>Bucket 1</b>	<b>Bucket 2</b>	<b>Bucket 3</b>	<b>Total</b>
<b>Gross carrying amount of loans to related parties as at 1 Jan 2023</b>	<b>95,121</b>	<b>366,882</b>	-	<b>462,003</b>
Disbursements	991,144	106,217	-	1,097,361
Repayments	(88,997)	(65,701)	-	(154,698)
<b>Gross carrying amount of loans to related parties as at 31 Dec 2023</b>	<b>997,268</b>	<b>407,398</b>	-	<b>1,404,666</b>
Disbursements	177,552	37,683	-	215,235
Repayments	(324,669)	(28 098)	-	(352,767)
<b>Gross carrying amount of loans to related parties as at 30 Jun 2024, unaudited</b>	<b>850,151</b>	<b>416,983</b>	-	<b>1,267,134</b>
	<b>Bucket 1</b>	<b>Bucket 2</b>	<b>Bucket 3</b>	<b>Total</b>
<b>Allowance for expected credit losses as at 1 Jan 2023</b>	-	<b>28,451</b>	-	<b>28,451</b>
Recognised	-	7,856	-	7,856
Reversed	-	(32,412)	-	(32,412)
<b>Allowance for expected credit losses as at 31 Dec 2023</b>	-	<b>3,895</b>	-	<b>3,895</b>
Recognised	5,163	5,196	-	10,359
Reversed	-	(3,180)	-	(3,180)
<b>Allowance for expected credit losses as at 30 Jun 2024, unaudited</b>	<b>5,163</b>	<b>5,911</b>	-	<b>11,074</b>
	<b>Bucket 1</b>	<b>Bucket 2</b>	<b>Bucket 3</b>	<b>Total</b>
<b>Net carrying amount of loans to related parties as at 31 Dec 2023</b>	997,268	403,503	-	1,400,771
<b>Net carrying amount of loans to related parties as at 30 Jun 2024, unaudited</b>	844,988	411,072	-	1,256,060

## 10.2. Liquidity risk

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

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

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

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

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

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

### Exposure to liquidity risk

As at 30 Jun 2024 unaudited (PLN '000)	Present value	Undiscounted contractual/ estimated cash flows	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
<b>Non-derivative financial assets and liabilities</b>							
Cash and cash equivalents	18,986	18,986	18,986	-	-	-	-
Trade and other receivables, net of tax receivable	35,984	35,984	35,984	-	-	-	-
Investments in debt portfolios*	31,168	116,079	11,591	10,259	17,304	36,695	40,230
Loans to related parties	1,256,060	1,580,811	46,120	38,691	123,773	1,372,227	-
Secured borrowings	(352,828)	(367,756)	(26,374)	(42,157)	(45,206)	(254,019)	-
Liabilities under debt securities (unsecured)	(2,943,418)	(3,983,412)	(164,213)	(350,446)	(419,120)	(2,575,922)	(473,711)
Lease liabilities	(17,605)	(18,889)	(8,641)	(5,769)	(3,157)	(1,322)	-
Trade and other payables	(33,888)	(33,888)	(33,888)	-	-	-	-
	<u>(2,005,541)</u>	<u>(2,652,085)</u>	<u>(120,435)</u>	<u>(349,422)</u>	<u>(326,406)</u>	<u>(1,422,341)</u>	<u>(433,481)</u>
<b>Off-balance-sheet contingent liabilities</b>							
Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries**	(4,555,202)	(4,555,202)	(4,500,302)	-	-	(54,900)	-
	<u>(6,560,743)</u>	<u>(7,207,287)</u>	<u>(4,620,737)</u>	<u>(349,422)</u>	<u>(326,406)</u>	<u>(1,477,241)</u>	<u>(433,481)</u>

**As at 31 Dec 2023**

PLN '000

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

\* Estimated cash flows.

\*\* Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries have been disclosed in nominal amounts. The surety amounts are equal to 150% of the respective debt amounts. The contingent liabilities will become actual liabilities at the time of failure to meet the respective covenants, default in payment of the debt. As at 30 June 2024 and 31 December 2023, KRUK S.A. found no indications suggesting that its contingent liabilities under guarantees/sureties could become actual liabilities.

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

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

The contractual/estimated cash flows were determined based on interest rates effective as at 30 June 2024 and 31 December 2023, as appropriate.

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

As at 30 June 2024, the undrawn revolving credit facility limit available to the Company was PLN 308,018 thousand (31 December 2023: PLN 207,855 thousand). The limit is available until 1 March 2029.



### 10.3. Market risk

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

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

#### Exposure to currency risk

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

#### Exposure to currency risk

PLN '000	30 Jun 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	2,197	6,306	47	497	1,124	897
Investments in debt portfolios	108	25,033	687	158	25,223	787
Loans to related parties	820,770	4,601	17,033	945,986	26,515	24,766
Borrowings, other debt securities and leases	(831,284)	-	-	(912,096)	-	-
Exposure to currency risk	(8,209)	35,940	17,767	34,545	52,862	26,450

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

PLN '000	30 Jun 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	220	631	5	50	112	90
Investments in debt portfolios	11	2,503	69	16	2,522	79
Loans to related parties	82,077	460	1,703	94,599	2,652	2,477
Borrowings, other debt securities and leases	(83,128)	-	-	(91,210)	-	-
Exposure to currency risk	(820)	3,594	1,777	3,455	5,286	2,646

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

PLN '000	30 Jun 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	(220)	(631)	(5)	(50)	(112)	(90)
Investments in debt portfolios	(11)	(2,503)	(69)	(16)	(2,522)	(79)
Loans to related parties	(82,077)	(460)	(1,703)	(94,599)	(2,652)	(2,477)
Borrowings, other debt securities and leases	83,128	-	-	91,210	-	-
Exposure to currency risk	820	(3,594)	(1,777)	(3,455)	(5,286)	(2,646)

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

As at 30 June 2024, financial assets denominated in foreign currencies accounted for 11.4% of total assets, while liabilities denominated in foreign currencies represented 10.8% of total equity and liabilities (31 December 2023: 13.9% and 12.3%, respectively).

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

PLN	Average exchange rates*		End of period (spot rates)	
	1 Jan–30 Jun 2024 unaudited	1 Jan–30 Jun 2023 unaudited	30 Jun 2024 unaudited	31 Dec 2023
EUR 1	4.3162	4.6130	4.3130	4.3480
USD 1	3.9889	4.2711	4.0320	3.9350
RON 1	0.8677	0.9332	0.8665	0.8742
CZK 1	0.1726	0.1951	0.1724	0.1759

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

**Exposure to interest rate risk**

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

PLN '000	Carrying amount	
	30 Jun 2024 unaudited	31 Dec 2023
<b>Fixed-rate financial instruments*</b>		
Financial assets	727,214	953,462
Financial liabilities	(213,454)	(207,904)
Fixed-rate financial instruments before hedging	513,760	745,558
Hedge effect (nominal amount)	(2,687,580)	(2,635,680)
Fixed-rate financial instruments after hedging	(2,173,820)	(1,890,122)
<b>Variable-rate financial instruments**</b>		
Financial assets	744,494	850,102
Financial liabilities	(3,136,900)	(3,107,102)
Variable-rate financial instruments before hedging	(2,392,406)	(2,257,000)
Hedge effect (nominal amount)	2,687,580	2,635,680
Variable-rate financial instruments after hedging	295,174	378,680

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

\*\* Variable-rate financial assets comprise variable-rate loans advanced to related parties. Variable-rate financial liabilities comprise secured borrowings, liabilities under variable-rate debt securities and lease liabilities.

Derivatives and hedging instruments are presented as variable interest rate financial instruments.

**Sensitivity analysis of fair value of fixed-rate financial instruments**

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

**Sensitivity analysis of cash flows from variable-rate financial instruments**

The Company purchases derivative instruments in order to hedge interest rate risk. A change of an interest rate by 100 basis points would increase (decrease) equity and pre-tax profit over a year by the amounts shown below. The following analysis is based on the assumption that other variables, in particular exchange rates, remain unchanged.

PLN '000	Profit or loss for the current period		Equity excluding profit or loss for the current period	
	increase by 100 bps	decrease by 100 bps	increase by 100 bps	decrease by 100 bps
<b>30 Jun 2024</b>				
Variable-rate financial assets	6,150	(6,150)	1,295	(1,295)
Variable-rate financial liabilities	(31,343)	31,343	(26)	26
<b>31 Dec 2023</b>				
Variable-rate financial assets	7,517	(7,517)	984	(984)
Variable-rate financial liabilities	(30,862)	30,862	(209)	209

## 11. Fair value

### Comparison of fair values and carrying amounts

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

PLN '000	30 Jun 2024 unaudited		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets and liabilities measured at fair value</b>				
Hedging instruments (IRS)	128	128	(11,711)	(11,711)
Hedging instruments (CIRS)	126,767	126,767	89,256	89,256
	126,895	126,895	77,545	77,545
<b>Financial assets and liabilities other than measured at fair value</b>				
Investments in debt portfolios	31,168	31,436	31,747	33,021
Loans to related parties	1,256,060	1,256,060	1,400,771	1,400,771
Trade and other receivables, net of tax receivable	35,984	35,984	44,975	44,975
Trade and other payables	(33,888)	(33,888)	(28,651)	(28,651)
Secured borrowings	(352,828)	(352,828)	(386,787)	(386,787)
Liabilities under debt securities (unsecured)	(2,943,418)	(3,075,213)	(2,851,202)	(2,869,113)
	(2,006,922)	(2,138,449)	(1,789,147)	(1,805,784)

*Interest rates used for fair value estimation*

	<b>30 Jun 2024</b> <b>unaudited</b>	<b>31 Dec 2023</b>
Investments in debt portfolios*	8.80%-128.91%	8.32%-128.43%
Secured borrowings	5.71%-8.55%	4.41%-8.58%
Loans to related parties	5.89%-12.26%	5.95%-12.28%

\* Applicable to 98% of debt portfolios.

*Hierarchy of financial instruments at fair value*

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

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

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

<i>PLN '000</i>	<u>Level 1</u>	
	<b>Carrying amount</b>	<b>Fair value</b>
<b>As at 30 Jun 2024, unaudited</b>		
Liabilities under debt securities (unsecured)	(2,943,418)	(3,075,213)
<b>As at 31 December 2023</b>		
Liabilities under debt securities (unsecured)	(2,851,202)	(2,869,113)

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

<i>PLN '000</i>	<u>Level 2</u>	
	<b>Carrying amount</b>	<b>Fair value</b>
<b>As at 30 Jun 2024, unaudited</b>		
Hedging instruments (IRS)	128	128
Hedging instruments (CIRS)	126,767	126,767
<b>As at 31 December 2023</b>		
Hedging instruments (IRS)	(11,711)	(11,711)
Hedging instruments (CIRS)	89,256	89,256

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

PLN '000	Level 3	
	Carrying amount	Fair value
<b>As at 30 Jun 2024, unaudited</b>		
Investments in debt portfolios	31,168	31,436
Loans to related parties	1,256,060	1,256,060
Trade and other receivables, net of tax receivable	35,984	35,984
Trade and other payables	(33,888)	(33,888)
Secured borrowings	(352,828)	(352,828)
<b>As at 31 December 2023</b>		
Investments in debt portfolios	31,747	33,021
Loans to related parties	1,400,771	1,400,771
Trade and other receivables, net of tax receivable	44,975	44,975
Trade and other payables	(28,651)	(28,651)
Secured borrowings	(386,787)	(386,787)

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

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

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

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

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

## 12. Related-party transactions

### Remuneration of the Company's directors – Management Board

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

PLN '000	1 Jan–30	1 Apr–30	1 Jan–30	1 Apr–30
	Jun 2024	Jun 2024	Jun 2023	Jun 2023
	unaudited	unaudited	unaudited	unaudited
Base pay/ managerial contract (gross)	3,889	2,139	3,499	1,749
Additional benefits (incl. social security contributions)	81	42	62	24
Share-based payments	8,825	4,413	9,288	4,670
	12,795	6,594	12,849	6,443

### Remuneration of the Company's directors – Supervisory Board

Remuneration of members of the Supervisory Board was as follows:

PLN '000	1 Jan–30	1 Apr–30	1 Jan–30	1 Apr–30
	Jun 2024	Jun 2024	Jun 2023	Jun 2023
	unaudited	unaudited	unaudited	unaudited
Base pay/ managerial contract (gross)	601	301	601	301
Additional benefits	16	6	8	4
	617	307	609	305

### Other transactions with the Company's directors

As at 30 June 2024, members of the Management Board and persons closely related to them jointly held 9.9% of the total voting rights at the Company's General Meeting (31 December 2023: 10.2%)

**Other related-party transactions****Transactions with subsidiaries as at 30 June 2024 and 31 December 2024, and for the periods ended 30 June 2024 and 30 June 2023****Balance of receivables, liabilities and loans from and to subsidiaries as at 30 June 2024 and 31 December 2023**

PLN '000	30 Jun 2024 unaudited							31 Dec 2023						
	Liabilities	Receivables	Loans	Interest accrued on loans advanced	Allowance for expected credit losses	Loans received	Interest accrued on loans received	Liabilities	Receivables	Loans	Interest accrued on loans advanced	Allowance for expected credit losses	Loans received	Interest accrued on loans received
SeCapital S.à.r.l	3,744	-	-	-	-	-	-	4,389	56	-	-	-	-	-
ERIF Business Solutions Sp. z o.o.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Novum Finance Sp. z o.o.	46	414	76,942	-	(705)	-	-	542	-	65,742	-	(2,463)	-	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	344	2,001	2,600	-	(16)	-	-	652	5,147	-	-	-	-	-
KRUK Romania S.r.l.	18	1,944	-	197	-	-	-	19	1,722	37,073	518	-	-	-
ERIF BIG S.A.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prokura NFW FIZ (formerly Prokura NS FIZ)	5,984	8,406	-	-	-	-	-	3,922	12,230	-	-	-	-	-
KRUK Česká a Slovenská republika s.r.o.	43	482	52,037	879	(322)	-	-	20	684	66,875	1,201	-	-	-
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	-	11,219	-	-	-	-	-	-	9,997	-	-	-	-	-
InvestCapital Ltd.	15	1,267	779,487	10,520	(4,799)	-	-	-	1,044	877,887	9,239	-	-	-
Kruk Deutschland GmbH	-	1	-	-	-	-	-	-	2	-	-	-	-	-
Rocapital IFN S.A.	-	-	4,333	98	(26)	-	-	-	-	4,371	104	-	-	-
KRUK Italia S.r.l.	133	463	-	-	-	10,783	122	94	1,184	-	-	-	-	-
ItaCapital S.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kruk Espana S.L.	-	1,092	-	-	-	19,409	255	-	2,712	-	-	-	15,218	230
Presco Investments S.a.r.l.	7,716	1,934	-	-	-	-	-	888	1,934	-	-	-	-	-
Presco NFW FIZ (formerly P.R.E.S.C.O. Investment I NS FIZ)	6	313	-	-	-	-	-	34	331	-	-	-	-	-
Corbul Capital S.r.l	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Elleffe Capital S.r.l.**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bison NFW FIZ (formerly BISON NS FIZ)	-	-	-	-	-	-	-	-	1,488	-	-	-	-	-
AgeCredit S.r.l.	-	8	-	-	-	-	3	-	42	-	-	-	348	7
Wonga.pl Sp. z o.o.	44	47	338,453	-	(5,196)	-	-	44	12	339,910	6	-	-	-
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	3	-	-	-	-	-	-	2	-	-	-	-	-	-
Kruk Investimenti s.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zielony Areał Sp. z o.o.	-	4	1,585	3	(10)	-	-	-	3	1,740	-	(1,432)	-	-
KRUK TECH s.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kruk Immobiliare S.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>18,096</b>	<b>29,595</b>	<b>1,255,437</b>	<b>11,697</b>	<b>(11,074)</b>	<b>30,192</b>	<b>380</b>	<b>10,606</b>	<b>38,588</b>	<b>1,393,598</b>	<b>11,068</b>	<b>(3,895)</b>	<b>15,566</b>	<b>237</b>



## Revenue from intra-group transactions in the periods ended 30 June 2024 and 30 June 2023

PLN '000	1 Jan–30 Jun 2024 unaudited			1 Jan–30 Jun 2023 unaudited		
	Revenue from sale of materials and services	Revenue from credit management services	Interest	Revenue from sale of materials and services	Revenue from credit management services	Interest
SeCapital S.à.r.l	6	15	-	5	25	-
ERIF Business Solutions Sp. z o.o.*	-	-	-	9	-	-
Novum Finance Sp. z o.o.	721	696	3,871	1,099	872	2,734
Kancelaria Prawna RAVEN P.Krupa Sp. k.	9,829	-	116	7,307	-	16
KRUK Romania S.r.l.	2,833	-	792	3,576	-	1,111
ERIF BIG S.A.*	-	-	-	67	-	-
Prokura NFW FIZ (formerly Prokura NS FIZ)	2,237	-	-	2,742	-	-
KRUK Česká a Slovenská republika s.r.o.	721	-	2,039	1,356	-	2,381
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	162	67,231	-	138	65,103	-
InvestCapital Ltd.	19,416	-	43,201	14,332	-	10,344
Kruk Deutschland GmbH	-	-	-	-	-	-
Rocapital IFN S.A.	32	-	197	-	-	214
KRUK Italia S.r.l.	2,427	-	68	2,553	-	-
ItaCapital S.r.l.	2	-	-	-	-	-
Kruk Espana S.L.	2,449	-	-	2,360	-	-
Presco Investments S.a.r.l.	6	314	-	5	480	-
Presco NFW FIZ (formerly P.R.E.S.C.O. Investment I NS FIZ)	-	-	-	-	-	-
Corbul Capital S.r.l	-	-	-	-	-	-
Elleffe Capital S.r.l.**	-	-	-	-	-	-
Bison NFW FIZ (formerly BISON NS FIZ)	-	-	-	-	-	-
AgeCredit S.r.l.	46	-	-	35	-	-
Wonga.pl Sp. z o.o.	182	32	20,543	-	32	20,485
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	-	-	-	-	-	-
Kruk Investimenti s.r.l.	-	-	-	-	-	-
Zielony Areał Sp. z o.o.	18	-	69	15	-	46
KRUK TECH s.r.l.	-	-	-	-	-	-
Kruk Immobiliare S.r.l.	-	-	-	-	-	-
	41,087	68,288	70,896	35,599	66,512	37,331

**Expenses on intra-group transactions in the periods ended 30 June 2024 and 30 June 2023**

PLN '000	1 Jan–30 Jun 2024 unaudited		1 Jan–30 Jun 2023 unaudited	
	Purchase of services	Interest	Purchase of services	Interest
Kancelaria Prawna RAVEN P.Krupa Sp. k.	2,650	-	1,685	-
KRUK Romania S.r.l.	2,173	-	2,673	-
ERIF BIG S.A.*	-	-	20	39
KRUK Česká a Slovenská republika s.r.o.	247	-	157	-
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	10	-	11	-
KRUK Italia S.r.l.	266	127	78	186
Kruk Espana S.L.	-	498	-	174
Wonga.pl Sp. z o.o.	217	-	217	-
AgeCredit S.r.l.	-	6	-	-
	5,563	631	4,841	399

\* Subsidiary sold in the first quarter of 2023.

\*\* Subsidiary sold in the third quarter 2023.

### 13. Seasonality or cyclicity of business

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

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

In the six months ended 30 June 2024, the Company's interest in subsidiaries generated a profit of PLN 667,028 thousand (in the same period of 2023: PLN 628,779 thousand).

As at 30 June 2024, recoveries from portfolios purchased by KRUK S.A. were PLN 14,967 thousand, a decrease of 12% year on year and an increase of 1% quarter on quarter.

As at 30 June 2024, the Company's investments in debt portfolios accounted for 0.4% of its assets. Equity accounted for 53.2% of the Company's financing sources. As at 31 December 2023, the respective percentages were 0.4% and 51.3%.

#### Impact of inflation on KRUK S.A.'s business

Inflation has an effect on the Company's costs, in particular on labour costs and indirectly, through higher interest rates, on debt service costs. The impact of inflation on the Company's income is difficult to assess and can be:

- positive, if indebted persons earn regular income its nominal amount increases, enabling them to repay a larger portion of their debt to the Company,
- negative, if inflation leads to an economic downturn, lower incomes, higher unemployment, and debtors ceasing to repay their debt.

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

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

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

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

In the period from 1 January to 30 June 2024, the following series of bonds were redeemed in accordance with their respective terms and conditions:

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

In the period from 1 January to 30 June 2024, the Company issued new bonds:

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

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

On 19 April 2024, the Management Board of KRUK S.A. passed a resolution to establish the 11th Bond Issue Programme with a total nominal value of up to PLN 900,000 thousand, allowing the Parent to issue public bonds.

#### **16. Dividends paid (or declared)**

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

On 10 May 2024, the Annual General Meeting, acting on the Management Board's recommendation, adopted Resolution No. 6/2024 to distribute a dividend of PLN 18.00 per share to the Company's shareholders (Resolution). The dividend, totalling PLN 347,738 thousand, was distributed from the Company's net profit earned in 2023. The record date for the payment of dividend for the financial year ended 31 December was set for 15 May 2024, and the dividend payment date for 20 May 2024. The dividend was distributed on the payment date on 19,318,790 eligible KRUK shares.

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

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

Security created over KRUK S.A.'s assets as at 30 June 2024 is presented below:

Type	Beneficiary	Amount	Expiry date	Terms and conditions
<b>Guarantees provided/promissory notes issued</b>				
Surety for PROKURA NFW FIZ's liabilities under the revolving credit facility of 2 July 2015, as amended, between PROKURA NFW FIZ, KRUK S.A. and mBank S.A.	mBank S.A.	PLN 210,000 thousand	No later than 18 December 2031	Prokura NFW FIZ's failure to pay amounts owed to the bank under the revolving credit facility agreement
Blank promissory note	Santander Bank Polska S.A.	PLN 162,398 thousand	Until the derivative transactions are settled and the bank's claims thereunder are satisfied	KRUK S.A.'s failure to repay its liabilities under treasury transactions made on the basis of the master agreement on the procedure for execution and settlement of treasury transactions of 13 June 2013, as amended
Surety for InvestCapital LTD's liabilities under the transactions executed under the master agreement between KRUK S.A., InvestCapital LTD and Santander Bank Polska S.A.	Santander Bank Polska S.A.	PLN 54,900 thousand*	No later than 31 July 2027	InvestCapital LTD's failure to repay its liabilities under treasury transactions made on the basis of Amendment Agreement 3 of 21 June 2018 to the master agreement on the procedure for execution and settlement of treasury transactions
Surety for liabilities of InvestCapital Ltd, Kruk Romania S. R. L., Kruk Espana S. L. U. and PROKURA NFW FIZ under the revolving multi-currency credit facility agreement of 3 July 2017, as amended, between KRUK S.A., InvestCapital Ltd, Kruk Romania S.R.L., Kruk Espana S.L.U. and PROKURA NFW FIZ (Borrowers) and DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A., Bank Handlowy w Warszawie S.A., PEKAO S.A.	DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A., Bank Handlowy w Warszawie S.A., PEKAO S.A.	EUR 937,500 thousand	Until all obligations under the multi-currency revolving credit facility agreement are satisfied	Borrower's failure to pay amounts due under the multicurrency revolving credit facility agreement

Blank promissory note	mBank S.A.	PLN 7,500 thousand	Until the transactions are settled and the bank's claims thereunder are satisfied	KRUK S.A.'s failure to pay its liabilities under financial market transactions executed under the master agreement of 7 February 2019
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 21 September 2021 between PROKURA NS FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 20,088 thousand	No later than 20 September 2029	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 14 December 2021 between PROKURA NFW FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 42,900 thousand	No later than 13 December 2029	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement
Surety for PROKURA NFW FIZ's liabilities towards Pekao S.A. under the overdraft facility agreement of 1 February 2022 between PROKURA NFW FIZ, KRUK S.A. and Pekao S.A.	Pekao S.A.	PLN 105,000 thousand	No later than 31 January 2031	Prokura NFW FIZ's failure to pay amounts owed to the bank under the overdraft facility agreement
Surety for PROKURA NFW FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 22 August 2022 between PROKURA NFW FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 51,480 thousand	No later than 21 August 2030	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement
Surety for InvestCapital Ltd's obligations to BANKINTER S.A. of Madrid, under the direct debit collection management contract between BANKINTER S.A. and InvestCapital Ltd. dated 7 July 2022.	BANKINTER S.A.	EUR 1,600 thousand	Until all obligations under the direct debit collection management contract of 7 July 2022 are satisfied.	InvestCapital Ltd's failure to pay amounts due to the Bank under the direct debit collection management contract of 7 July 2022.
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 8 February 2024 between PROKURA NFW FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 58,950 thousand	No later than 7 February 2032	PROKURA NFW FIZ's failure to pay amounts owed to the bank under the non-renewable working capital facility agreement
<b>Guarantees obtained</b>				
Guarantee issued by Santander Bank Polska S.A. for KRUK S.A.'s liabilities under the rental agreement	DEVCO Sp. z o.o.	EUR 325 thousand and PLN 245 thousand	No later than 30 December 2024	KRUK S.A.'s failure to repay its liabilities under the rental agreement secured with the guarantee

\* As at 30 June 2024, InvestCapital Ltd had no obligations that would be covered by the surety.

### Credit sureties or guarantees, security pledges

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

Accordingly:

- on 10 January 2024, an agreement amending the financial pledge agreement of 2 July 2015 was executed between Prokura NFW FIZ and mBank S.A. under which the security period was extended until 18 December 2031,
- on 10 January 2024, an agreement amending the surety agreement of 2 July 2015 was executed between mBank S.A. and KRUK S.A. under which the surety amount was increased to PLN 210,000 thousand and the surety expiry date was extended until 18 December 2031,
- on 11 January 2024, KRUK S.A. provided a declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 210,000 thousand, which will expire on or before 19 December 2031,
- on 12 January 2024, Prokura NFW FIZ provided a declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 210,000 thousand, which will expire on or before 19 December 2031,
- on 12 January 2024, an agreement amending the agreement on registered pledge over a set of rights of 20 March 2023 was executed between Prokura NFW FIZ and mBank S.A. under which the maximum secured amount was increased to PLN 210,000 thousand,
- additionally, on 11 January 2024, Prokura NFW FIZ entered into an agreement with mBank S.A. to create a registered pledge over a pool of rights (debt portfolios held by Prokura NFW FIZ) in order to secure the payment of liabilities under the agreement. The pledge was created up to the maximum amount of PLN 210,000 thousand.

As at 30 June 2024, the value of all portfolios pledged in favour of mBank S.A. was PLN 234,899 thousand.

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

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

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

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

As at 30 June 2024, the value of all portfolios pledged in favour of PKO BP S.A. was PLN 137,278 thousand.

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

- KRUK S.A. provided a declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 177,000 thousand, which will expire on or before 1 March 2031,
- an agreement was executed between KRUK S.A. and VeloBank S.A. creating a financial and registered pledge over investment certificates. The registered pledge was created up to the maximum amount of PLN 177,000 thousand.

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

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

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

In connection with a PLN 180,000 thousand share capital cancellation at InvestCapital Ltd., carried out on 22 September 2023, on 22 September 2023 KRUK S.A. issued a corporate guarantee of up to



PLN 180,000 thousand for the benefit of InvestCapital Ltd. The guarantee expired on 9 January 2024. The purpose of the guarantee was to secure the interests of InvestCapital Ltd.'s creditors, who could challenge the share cancellation by 9 January 2024.

### 18. Representation by the Management Board

These interim condensed financial statements and comparative data have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and assets of KRUK S.A., as well as the Company's development, achievements and situation, including a description of key risks and threats.

The statutory auditor which reviewed these interim condensed financial statements was selected in compliance with applicable laws and regulations and met the conditions for issuing an objective and independent review report in accordance with applicable laws and professional standards.

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

After the end of the first half of 2024, there were no events with a potential material bearing on the Company's future performance.

**Piotr Krupa**  
*CEO and President of  
the Management Board*

**Urszula Okarma**  
*Member of  
the Management Board*

**Piotr Kowalewski**  
*Member of  
the Management Board*

**Adam Łodygowski**  
*Member of the Management Board*

**Michał Zasepa**  
*Member of the Management Board*

**Sylwia Bomba**  
*Person keeping accounting records*

**Hanna Stempień**  
*Prepared by*

Wrocław, 26 August 2024