



FINANCIAL HIGHLIGHTS

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

for the period from 1 January
to 30 September 2024

Financial highlights

Financial highlights	PLN '000		EUR '000	
	1 Jan–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jan–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited
For the period				
Revenue	276,962	192,489	64,377	42,053
Profit/(loss) before tax	921,291	822,212	214,144	179,628
Net profit/(loss)	942,695	756,833	219,119	165,345
Net cash from operating activities	(31,877)	(29,587)	(7,409)	(6,464)
Cash recoveries	21,977	25,136	5,108	5,491
Net cash from investing activities	228,584	(477,736)	53,132	(104,371)
Net cash from financing activities	(415,747)	494,172	(96,636)	107,961
Net change in cash	(219,040)	(13,151)	(50,913)	(2,873)
Diluted earnings per share (PLN/EUR)	46.06	37.30	10.71	8.15
Average number of shares ('000)	19,323	19,319	19,323	19,319
Earnings per share (PLN/EUR)	48.79	39.18	11.34	8.56
As at	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2024 unaudited	31 Dec 2023
Total assets	8,040,182	7,394,513	1,878,942	1,700,670
Non-current liabilities	3,298,956	3,188,557	770,946	733,338
Current liabilities	349,203	414,563	81,607	95,346
Equity	4,392,023	3,791,393	1,026,389	871,986
Share capital	19,382	19,319	4,529	4,443
Book value per ordinary share (PLN/EUR)	226.60	196.25	52.96	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 **4.3022**
for the comparative period **4.5773**

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 **4.2791**
at the end of the comparative period **4.3480**



INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS OF KRUUK S.A.

for the period from 1 January
to 30 September 2024

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I. Separate statement of financial position

PLN '000	Note	30 Sep 2024 unaudited	30 Jun 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Assets					
Cash and cash equivalents	8.12.	8,603	18,986	227,643	8,857
Hedging instruments	8.9.	109,843	129,510	98,428	47,705
Trade receivables from related entities	8.11.	93,349	25,939	33,932	27,478
Trade receivables from other entities	8.11.	1,818	2,894	2,582	3,255
Other receivables	8.11.	6,126	8,269	11,664	21,437
Income tax receivable		6,038	3,772	16,232	6,738
Inventories	7.	10,512	11,331	14,562	16,508
Investments	7.	1,308,577	1,287,228	1,432,518	1,231,095
Equity-accounted investments in subsidiaries	8.10.	6,438,074	6,149,962	5,483,390	5,394,869
Property, plant and equipment		27,819	28,220	35,348	34,749
Intangible assets		22,416	26,942	29,427	29,088
Other assets		7,007	8,393	8,787	7,775
Total assets		8,040,182	7,701,446	7,394,513	6,829,554
Equity and liabilities					
Liabilities					
Trade and other payables	8.13.	33,359	40,486	35,452	40,036
Hedging instruments	8.9.	21,988	2,615	20,883	7,694
Employee benefit obligations	8.14.	32,006	34,341	38,196	27,809
Borrowings, other debt securities and leases	8.8.	3,351,056	3,313,851	3,265,472	2,770,930
Provisions	8.15.	29,939	38,755	40,810	12,348
Deferred tax liability	8.7.	179,811	177,771	202,307	245,145
Total liabilities		3,648,159	3,607,819	3,603,120	3,103,962
Equity					
Share capital		19,382	19,319	19,319	19,319
Share premium		374,097	358,506	358,506	358,506
Hedge reserve	8.9.	74,942	106,371	62,774	31,940
Translation reserve		(127,289)	(105,971)	(95,871)	67,368
Share of other comprehensive income of equity-accounted investees		(12,417)	10,323	(8,400)	24,257
Other capital reserves		185,133	180,672	171,847	168,085
Retained earnings		3,878,175	3,524,407	3,283,218	3,056,117
Total equity		4,392,023	4,093,627	3,791,393	3,725,592
Equity and liabilities		8,040,182	7,701,446	7,394,513	6,829,554

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 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Revenue from services	8.1.	250,685	136,053	166,507	55,869
Gain/(loss) on expected credit losses	8.1.	10,674	4,697	13,157	4,580
Interest income on debt portfolios measured at amortised cost	8.1.	12,906	4,275	12,379	4,157
Other income	8.1.	3,115	327	738	74
Other income/(expenses) from purchased debt portfolios	8.1.	(418)	(198)	(292)	910
Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios		276,962	145,154	192,489	65,590
Share of profit/(loss) of equity-accounted investees	8.10.	1,008,029	341,001	922,944	294,165
Employee benefits expense	8.2.	(172,724)	(56,363)	(158,722)	(54,455)
Depreciation and amortisation		(20,918)	(6,855)	(19,253)	(6,282)
Services	8.3.	(73,994)	(24,963)	(52,497)	(18,743)
Other expenses	8.4.	(22,915)	(7,553)	(17,129)	(6,247)
		(290,551)	(95,734)	(247,601)	(85,727)
Finance income	8.5.	110,018	33,935	69,816	32,451
<i>including interest income on loans measured at amortised cost</i>		104,821	33,925	69,571	32,240
Finance costs	8.6.	(183,167)	(61,521)	(115,436)	(54,564)
<i>including interest expense relating to lease liabilities</i>		(903)	(260)	(1,599)	(477)
Net finance costs		(73,149)	(27,586)	(45,620)	(22,113)
Profit/(loss) before tax		921,291	362,835	822,212	251,915
Income tax	8.7.	21,404	(9,067)	(65,379)	(23,124)
Net profit/(loss) for period		942,695	353,768	756,833	228,791
Earnings/(loss) per share					
Basic (PLN)	8.16.	48.79	18.31	39.18	11.84
Diluted (PLN)	8.16.	46.06	17.27	37.30	11.17

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 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Net profit/(loss) for period		942,695	353,768	756,833	228,791
Other comprehensive income, gross					
Items that may be reclassified subsequently to profit or loss					
Instruments hedging cash flows and net investment in a foreign operation	8.9.	15,022	(38,802)	18,309	(65,261)
Exchange differences on translating foreign operations	8.10.	(31,418)	(21,318)	(33,080)	90,491
Share of other comprehensive income of equity-accounted investees	8.10.	(4,017)	(22,740)	4,346	1,475
		(20,413)	(82,860)	(10,425)	26,705
Income tax on instruments hedging cash flows and net investment in a foreign operation	8.7.	(2,854)	7,373	(3,240)	11,924
Other comprehensive income for period, net		(23,267)	(75,487)	(13,665)	38,629
Total comprehensive income for period		919,428	278,281	743,168	267,420

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
Equity as at 1 Jan 2023		19,319	358,506	16,871	100,448	19,911	149,896	2,589,066	3,254,017
Comprehensive income for period									
Net profit/(loss) for period		-	-	-	-	-	-	756,833	756,833
Other comprehensive income									
- Exchange differences on translating foreign operations	8.10.	-	-	-	(33,080)	-	-	-	(33,080)
- Share of other comprehensive income of equity-accounted investees	8.10.	-	-	-	-	4,346	-	-	4,346
- Measurement of hedging instruments		-	-	15,069	-	-	-	-	15,069
Total other comprehensive income		-	-	15,069	(33,080)	4,346	-	-	(13,665)
Total comprehensive income for period		-	-	15,069	(33,080)	4,346	-	756,833	743,168
Contributions from and distributions to owners									
- Payment of dividends		-	-	-	-	-	-	(289,782)	(289,782)
- Share-based payments	8.2.	-	-	-	-	-	18,189	-	18,189
Total contributions from and distributions to owners		-	-	-	-	-	18,189	(289,782)	(271,593)
Total equity as at 30 Sep 2023 unaudited		19,319	358,506	31,940	67,368	24,257	168,085	3,056,117	3,725,592

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
Equity as at 1 Jan 2023		19,319	358,506	16,871	100,448	19,911	149,896	2,589,066	3,254,017
Comprehensive income for period									
Net profit/(loss) for period		-	-	-	-	-	-	983,934	983,934
Other comprehensive income									
- 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
Total other comprehensive income		-	-	45,903	(196,319)	(28,311)	-	-	(178,727)
Total comprehensive income for period		-	-	45,903	(196,319)	(28,311)	-	983,934	805,207
Contributions from and distributions to owners									
- Payment of dividends		-	-	-	-	-	-	(289,782)	(289,782)
- Share-based payments		-	-	-	-	-	21,951	-	21,951
Total contributions from and distributions to owners		-	-	-	-	-	21,951	(289,782)	(267,831)
Total equity as at 31 Dec 2023		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.

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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
Equity as at 1 Jan 2024		19,319	358,506	62,774	(95,871)	(8,400)	171,847	3,283,218	3,791,393
Comprehensive income for period									
Net profit/(loss) for period		-	-	-	-	-	-	942,695	942,695
Other comprehensive income									
- Exchange differences on translating foreign operations	8.10.	-	-	-	(31,418)	-	-	-	(31,418)
- Share of other comprehensive income of equity-accounted investees	8.10.	-	-	-	-	(4,017)	-	-	(4,017)
- Measurement of hedging instruments	8.9.	-	-	12,168	-	-	-	-	12,168
Total other comprehensive income		-	-	12,168	(31,418)	(4,017)	-	-	(23,267)
Total comprehensive income for period		-	-	12,168	(31,418)	(4,017)	-	942,695	919,428
Contributions from and distributions to owners									
- Payment of dividends		-	-	-	-	-	-	(347,738)	(347,738)
- Share-based payments	8.2.	-	-	-	-	-	13,286	-	13,286
- Issue of shares		63	15,591	-	-	-	-	-	15,654
Total contributions from and distributions to owners		63	15,591	-	-	-	13,286	(347,738)	(318,798)
Total equity as at 30 Sep 2024 unaudited		19,382	374,097	74,942	(127,289)	(12,417)	185,133	3,878,175	4,392,023

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 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Cash flows from operating activities					
Net profit/(loss) for period		942,695	353,768	756,833	228,791
<i>Adjustments</i>					
Depreciation of property, plant and equipment		12,676	4,071	11,203	3,600
Amortisation of intangible assets		8,242	2,784	8,050	2,682
Net finance costs		72,760	27,717	44,975	21,137
Share of (profit)/loss of equity-accounted investees	8.10.	(1,008,029)	(341,001)	(922,944)	(294,165)
(Gain)/loss on retirement/sale of property, plant and equipment	8.1.	122	287	(1,090)	(543)
Write-off of development work	8.4.	1,055	156	-	-
Equity-settled share-based payments	8.2.	13,286	4,461	18,189	8,901
Interest income	8.1.	(12,906)	(4,275)	(12,379)	(4,157)
Income tax	8.7.	(21,404)	9,067	65,379	23,124
Change in debt portfolios purchased	7.	(1,185)	(1,764)	(1,288)	(2,220)
Change in inventories	7.	4,050	819	(1,334)	(1,198)
Change in trade and other receivables	8.11.	(44,938)	(58,361)	5,671	2,608
Change in other assets		1,780	1,386	1,187	(849)
Change in trade and other payables, excluding financial liabilities	8.13.	(2,175)	(7,163)	9,391	6,744
Change in employee benefit obligations	8.14.	(6,190)	(2,335)	(1,165)	(1,890)
Change in provisions	8.15.	(10,871)	(8,816)	(305)	85
Interest received	8.1.	12,906	4,275	12,379	4,157
Tax paid/refunded		6,249	(1,919)	(22,339)	(7,895)
Net cash from operating activities		(31,877)	(16,843)	(29,587)	(11,088)
Cash flows from investing activities					
Interest received		75,909	22,739	26,058	20,166
Loans	7.	(202,253)	(53,016)	(764,420)	(18,416)
Sale of intangible assets and property, plant and equipment		5,444	4,897	924	830
Dividends received	8.10.	16,011	5,322	19,014	4,258
Proceeds from investments in subsidiaries	8.10.	137,023	-	353,685	331,905
Purchase of intangible assets and property, plant and equipment		(9,711)	(3,973)	(12,547)	(5,221)
Acquisition of shares in subsidiaries	8.10.	(130,066)	-	(176,288)	(70,867)
Repayments	7.	336,227	35,529	75,838	20,944
Net cash from investing activities		228,584	11,498	(477,736)	283,599
Cash flows from financing activities					
Proceeds from issue of debt securities	8.8.	173,724	-	977,320	75,000
Proceeds from issue of shares		15,654	15,654	-	-
Increase in borrowings	8.8.	996,512	199,401	911,339	245,808
Repayment of borrowings	8.8.	(963,777)	(130,867)	(973,397)	(256,958)
Payments under finance lease contracts (principal)	8.8.	(14,551)	(4,795)	(13,936)	(4,731)
Dividends paid	8.16.	(347,738)	-	(289,782)	(289,782)
Redemption of debt securities	8.8.	(102,500)	(25,000)	-	-
Interest paid and received on hedging instruments		64,582	21,262	51,318	19,289
Interest paid		(237,653)	(80,693)	(168,690)	(64,969)
Net cash from financing activities		(415,747)	(5,038)	494,172	(276,343)
Total net cash flows		(219,040)	(10,383)	(13,151)	(3,832)
Cash and cash equivalents at beginning of period		227,643	18,986	22,008	12,689
Cash and cash equivalents at end of period		8,603	8,603	8,857	8,857
- effect of exchange rate fluctuations on cash held		(389)	131	(1,996)	(986)

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 September 2024, the composition of KRUK S.A.’s Management Board was as follows:

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

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

As at 30 September 2024, the composition of the Parent’s Supervisory Board was as follows:

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

The following changes took place on the Supervisory Board during the three months ended 30 September 2024:

- On 27 August 2024, Piotr Stępnik resigned as Chair, and Ewa Radkowska-Świętoń was appointed to the role.

As at the issue date of this interim report, the composition of the Supervisory Board of KRUK S.A. remained unchanged.

2. Reporting period

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

The quarterly financial data is presented for the periods from 1 July to 30 September 2024 and from 1 July to 30 September 2023.

The presented data has not been audited.

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 September 2024 and for the period from 1 January to 30 September 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 28 October 2024.

All amounts in these interim condensed 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 change discussed in section 'Presentation change'.

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 <i>Subsidiaries without Public Accountability: Disclosures</i>	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 <i>Presentation of Financial Statements</i> .	The Company is assessing the 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 <i>First-time Adoption of IFRSs</i> , IFRS 7 <i>Financial Instruments – Disclosures</i> , IFRS 9 <i>Financial Instruments</i> , IFRS 10 <i>Consolidated Financial Statements</i> , and IAS 7 <i>Statement of Cash Flows</i> .	The Company is assessing the potential impact of the amendments on its separate financial statements.	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

Presentation change

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 from 1 January to 30 September 2023 was restated to ensure comparability.

Effect of the change on the separate statement of cash flows

PLN ‘000	1 Jan–30 Sep 2023 unaudited data restated for comparability	Presentation change	1 Jan–30 Sep 2023 unaudited reported data
Cash flows from investing activities			
Interest received	26,058	25,813	245
Loans	(764,420)	-	(764,420)
Sale of intangible assets and property, plant and equipment	924	-	924
Dividends received	19,014	-	19,014
Proceeds from investments in subsidiaries	353,685	-	353,685
Purchase of intangible assets and property, plant and equipment	(12,547)	-	(12,547)
Acquisition of shares in subsidiaries	(176,288)	-	(176,288)
Repayments	75,838	(25,813)	101,651
Net cash from investing activities	(477,736)	-	(477,736)
Cash flows from financing activities			
Proceeds from issue of debt securities	977,320	-	977,320
Proceeds from issue of shares	-	-	-
Increase in borrowings	911,339	-	911,339
Repayment of borrowings	(973,397)	-	(973,397)
Payments under finance lease contracts (principal)	(13,936)	-	(13,936)
Dividends paid	(289,782)	-	(289,782)
Redemption of debt securities	-	-	-
Interest paid and received on hedging instruments	51,318	51,318	-
Interest paid	(168,690)	(51,318)	(117,372)
Net cash from financing activities	494,172	-	494,172

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

PLN '000

	1 Jan–30 Sep 2023	Presentation change	1 Jan–30 Sep 2023
	unaudited data restated for comparability		unaudited reported data
Revenue from services	166,507	-	166,507
Gain/(loss) on expected credit losses	13,157	-	13,157
Interest income on debt portfolios measured at amortised cost	12,379	-	12,379
Other income	738	-	738
Other income/(expenses) from purchased debt portfolios	(292)	-	(292)
Income including gain/(loss) on expected credit losses and other income/(expenses) from purchased debt portfolios	192,489	-	192,489
Share of profit/(loss) of equity-accounted investees	922,944	922,944	-
Employee benefits expense	(158,722)	-	(158,722)
Depreciation and amortisation	(19,253)	-	(19,253)
Services	(52,497)	-	(52,497)
Other expenses	(17,129)	-	(17,129)
	(247,601)	-	(247,601)
Finance income	69,816	-	69,816
<i>including interest income on loans measured at amortised cost</i>	<i>69,571</i>	<i>69,571</i>	<i>-</i>
Finance costs	(115,436)	-	(115,436)
<i>including interest expense relating to lease liabilities</i>	<i>(1,599)</i>	<i>-</i>	<i>(1,599)</i>
Net finance costs	(45,620)	-	(45,620)
Share of profit/(loss) of equity-accounted investees	-	(922,944)	922,944
Profit/(loss) before tax	822,212	-	822,212
Income tax	(65,379)	-	(65,379)
Net profit/(loss) for period	756,833	-	756,833
Earnings/(loss) per share			
Basic (PLN)	39.18		39.18
Diluted (PLN)	37.30		37.30

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 Sep 2024 (PLN '000)	31 Dec 2023 (PLN '000)		
Equity-accounted investments in subsidiaries	6,438,074	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	32,932	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.
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Item	Amount subject to judgement		Note	Assumptions and estimate calculation
	30 Sep 2024 (PLN '000)	31 Dec 2023 (PLN '000)		
Deferred tax liability	179,811	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"> • KRUK S.A.'s liquidity needs and the amount of raised and projected new debt financing available to KRUK S.A., • raised and projected new debt financing available to the investment companies, • the planned expenditure on debt portfolios – its amount determines the projected liquidity position of the investment companies, • planned recoveries from purchased debt portfolios at the investment companies. <p>Therefore, the amount of deferred tax liability for expected future cash flows from subsidiaries may be subject to material changes in individual reporting periods.</p>

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 September 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

PLN '000	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Investments measured at amortised cost			
Loans to related parties	1,275,645	1,400,771	1,198,616
Investments in debt portfolios	32,932	31,747	32,479
	<u>1,308,577</u>	<u>1,432,518</u>	<u>1,231,095</u>

Investments in debt portfolios

As part of investments in debt portfolios, the company has unsecured portfolios.

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 21,977 thousand (same period of the year before: PLN 25,136 thousand; as at 31 December 2023: PLN 32,988 thousand). Below are presented changes in the net carrying amount of investments in debt portfolios:

PLN '000	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Carrying amount of investments in debt portfolios at beginning of period	31,747	31,191	31,191
Cash recoveries	(21,977)	(32,988)	(25,136)
Carrying amount of property sold*	-	1,146	1,180
Revenue from purchased debt portfolios*	23,162	32,398	25,244
Carrying amount of investments in debt portfolios at end of period	<u>32,932</u>	<u>31,747</u>	<u>32,479</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:

PLN '000	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Cumulative expected credit losses on purchased debt portfolios at beginning of period	289,597	270,745	270,745
Revaluation of projected recoveries	7,359	11,359	8,663
Deviations from actual recoveries, decreases on early collections in collateralised cases	3,315	7,493	5,680
Cumulative expected credit losses on purchased debt portfolios at end of period	300,271	289,597	285,088

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

Loans to related parties

As at 30 September 2024, the gross carrying amount of loans advanced to related parties was PLN 1,288,993 thousand, and the loss allowance was PLN 13,348 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 2.09–6.4pp;
- 3M EURIBOR + margin of 2.09–4.3pp;
- 3M PRIBOR + margin of 2–2.09pp;
- 3M ROBOR + margin of 3pp;
- 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>	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Real property	10,330	14,418	15,116
Other inventories	182	144	1,392
	<u>10,512</u>	<u>14,562</u>	<u>16,508</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>	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Carrying amount of property held at beginning of period	14,418	15,049	15,049
Carrying amount of property foreclosed	2,426	6,438	4,766
Carrying amount of property sold	(4,993)	(3,630)	(1,992)
Impairment loss on property	(1,521)	(3,439)	(2,707)
Carrying amount of property held at end of period	<u>10,330</u>	<u>14,418</u>	<u>15,116</u>

As at 30 September 2024, the inventory write-down was PLN 1,521 thousand (same period of the previous year: PLN 2,707 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

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Revenue from credit management services	177,889	104,522	112,579	38,001
Revenue from other services	72,704	31,523	53,893	17,852
Revenue from sale of merchandise and materials	92	8	35	16
	<u>250,685</u>	<u>136,053</u>	<u>166,507</u>	<u>55,869</u>

The increase in revenues from credit management services results from settlements connected with the change in the methodology for determining the transfer price between related parties for the management service and debt collection from the previously used method of comparable uncontrolled price (CUP), expressed as a percentage on debt portfolio recovery, to a cost-plus methodology ensuring coverage of the justified costs related to the provision of the service, in accordance with the audit results received from Customs and Tax Office.

Revenue from purchased debt portfolios

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Interest income on debt portfolios measured at amortised cost	12,906	4,275	12,379	4,157
Gain/(loss) on expected credit losses	10,674	4,697	13,157	4,580
Other income/(expenses) from purchased debt portfolios	(418)	(198)	(292)	910
	<u>23,162</u>	<u>8,774</u>	<u>25,244</u>	<u>9,647</u>

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

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Revaluation of projected recoveries	7,359	3,657	8,663	3,466
Deviations from actual recoveries, decreases on early collections in collateralised cases	3,315	1,040	4,494	1,114
	<u>10,674</u>	<u>4,697</u>	<u>13,157</u>	<u>4,580</u>

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

- discount rate in case of change in the amount of the purchased debt portfolio;
- cash flows estimation period;
- expected future cash flows estimated using the current data and debt collection processes.
- The Company analyses the impact of macroeconomic factors on projected recoveries; historically, no correlation between recoveries from purchased debt portfolios and the macroeconomic situation has been found.

Assumptions adopted in the valuation of debt portfolios

	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Discount rate*	28.11%–170.19%	28.11%–170.19%	28.11%–170.19%
Cash flows estimation period	Oct 2024–Dec 2039	Jan 2024–Dec 2038	Oct 2023–Dec 2038
Undiscounted value of future recoveries PLN '000	119,188	112,069	112,374

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

<i>PLN '000</i>	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
discount rate:			
< 25%	55	33	49
25%–50%	15,200	13,489	13,211
> 50%	103,933	98,547	99,114
	<u>119,188</u>	<u>112,069</u>	<u>112,374</u>

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

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	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Period			
Up to 12 months	23,469	22,523	22,632
From 1 to 2 years	17,759	17,342	18,446
From 2 to 3 years	14,686	14,184	14,890
From 3 to 4 years	12,353	11,696	12,195
From 4 to 5 years	10,186	9,655	9,986
From 5 to 6 years	8,245	7,819	7,983
From 6 to 7 years	6,656	6,197	6,252
From 7 to 8 years	5,633	5,009	4,840
From 8 to 9 years	4,772	4,193	3,941
From 9 to 10 years	4,071	3,519	3,205
From 10 to 11 years	3,474	2,970	2,615
From 11 to 12 years	3,021	2,518	2,052
From 12 to 13 years	2,624	2,125	1,578
From 13 to 14 years	1,831	1,558	1,185
From 14 to 15 years	407	761	567
Over 15 years	1	-	7
	119,188	112,069	112,374

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Foreign exchange gains/(losses)	(418)	(198)	(292)	910
	(418)	(198)	(292)	910

Other income

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Gain (loss) on sale of property*	3,195	231	-	-
Other markets	99	44	33	5
Compensation for motor damage	35	35	-	-
Re-billing income/(expense)	(92)	304	(385)	(474)
Gain/(loss) on retirement/sale of property, plant and equipment	(122)	(287)	1,090	543
	3,115	327	738	74

*As at 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

<i>PLN '000</i>	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Salaries and wages	(126,024)	(41,552)	(112,707)	(36,670)
Old-age and disability pension contributions (defined contribution plans)	(19,823)	(6,482)	(17,575)	(5,712)
Equity-settled cost of stock option plan	(13,286)	(4,461)	(18,189)	(8,901)
Other employee expenses	(7,144)	(2,372)	(5,472)	(1,807)
Other social security contributions	(5,427)	(1,126)	(3,776)	(1,020)
Contribution to the State Fund for the Disabled	(1,020)	(370)	(1,003)	(345)
	(172,724)	(56,363)	(158,722)	(54,455)

8.3. Services

<i>PLN '000</i>	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
IT services	(33,516)	(12,195)	(23,126)	(8,826)
Administrative and accounting support services	(13,558)	(3,712)	(4,569)	(1,540)
Credit management services	(9,535)	(2,973)	(9,446)	(3,057)
Postal and courier services	(5,515)	(1,913)	(4,957)	(1,820)
Communications services	(2,812)	(895)	(2,293)	(680)
Space rental and service charges	(2,602)	(1,031)	(2,734)	(1,152)
Legal assistance services	(1,804)	(540)	(1,661)	(405)
Banking services	(748)	(227)	(792)	(352)
Security	(721)	(266)	(665)	(219)
Recruitment services	(673)	(182)	(584)	(190)
Other auxiliary services	(609)	(205)	(488)	(164)
Other rental	(534)	(324)	(207)	(54)
Repair of vehicles	(476)	(133)	(343)	(94)
Printing services	(346)	(149)	(226)	(59)
Repair and maintenance services	(318)	(144)	(149)	(58)
Transport services	(101)	(30)	(122)	(27)
Packing services	(89)	(31)	(83)	(29)
Marketing and management services	(37)	(13)	(52)	(17)
	(73,994)	(24,963)	(52,497)	(18,743)

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

8.4. Other expenses

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Staff training	(4,480)	(1,541)	(1,991)	(779)
Raw materials and consumables used	(4,403)	(1,424)	(4,492)	(1,555)
Advertising	(2,451)	(897)	(2,852)	(1,048)
Taxes and charges	(1,717)	(520)	(518)	(428)
Business trips	(1,679)	(579)	(1,197)	(426)
Entertainment expenses	(1,625)	(430)	(984)	(206)
VAT on rental payments (leases and rents)	(1,592)	(455)	(1,817)	(670)
Write-off of development work	(1,055)	(156)	-	-
Court fees	(685)	(243)	(651)	(248)
Refund of litigation costs	(656)	(114)	(513)	(216)
Donations	(646)	(470)	(609)	(318)
Motor insurance	(536)	(179)	(552)	(180)
Losses caused by motor damage	(420)	(184)	(69)	(12)
Property insurance	(377)	(137)	(299)	(107)
Other markets	(230)	(21)	(299)	34
Non-competition	(208)	(78)	(271)	(83)
Membership fees	(155)	(125)	(15)	(5)
	(22,915)	(7,553)	(17,129)	(6,247)

8.5. Finance income

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Interest income on loans advanced	104,821	33,925	69,571	32,240
Interest income on bank deposits	5,197	10	245	211
	110,018	33,935	69,816	32,451

8.6. Finance costs

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Interest and commission expense on financial liabilities measured at amortised cost	(241,225)	(82,257)	(167,690)	(66,697)
<i>including interest</i>	(231,594)	(78,054)	(161,888)	(64,802)
Net foreign exchange losses	(1,812)	(289)	(254)	(7,004)
Interest income/expense on hedging instruments – CIRS	1,252	1,136	2,344	1,852
Interest income/expense on hedging instruments – IRS	10,346	2,954	10,915	3,999
Hedging income/expense	48,272	16,935	39,249	13,286
	(183,167)	(61,521)	(115,436)	(54,564)

The significant year-on-year increase in interest expense in the nine months ended 30 September 2024 was 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>	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Realised exchange gains/(losses)		(4,440)	(495)	(4,560)	(7,684)
Remeasurement of debt portfolios due to exchange rate movements	8.1.	(418)	(198)	(292)	910
Unrealised exchange gains/(losses)		2,628	206	4,306	680
		<u>(2,230)</u>	<u>(487)</u>	<u>(546)</u>	<u>(6,094)</u>

8.7. Income tax

<i>PLN '000</i>	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Current income tax recognised in profit or loss				
Current income tax payable	(3,945)	346	(24,893)	(24,978)
Deferred income tax recognised in profit or loss				
Temporary differences/reversal of temporary differences	25,349	(9,413)	(40,486)	1,854
Income tax recognised in profit or loss	<u>21,404</u>	<u>(9,067)</u>	<u>(65,379)</u>	<u>(23,124)</u>
Deferred income tax recognised in other comprehensive income				
Temporary differences/reversal of temporary differences	(2,854)	7,373	(3,240)	11,924
Income tax recognised in other comprehensive income	<u>(2,854)</u>	<u>7,373</u>	<u>(3,240)</u>	<u>11,924</u>
Income tax recognised in comprehensive income	<u>18,550</u>	<u>(1,694)</u>	<u>(68,619)</u>	<u>(11,200)</u>

Reconciliation of effective income tax rate

<i>PLN '000</i>	1 Jan–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited
Profit/(loss) before tax	921,291	822,212
Income tax recognised in profit or loss	21,404	(65,379)
Tax calculated at the tax rate applicable in Poland (19%)	<u>(175,045)</u>	<u>(156,220)</u>
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	196,449	90,841
	<u>21,404</u>	<u>(65,379)</u>
Effective tax rate	(2.32%)	7.95%

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 Sep 2024 unaudited	31 Dec 2023	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2024 unaudited	31 Dec 2023
Property, plant and equipment	3,045	5,222	(3,166)	(4,234)	(121)	988
Intangible assets	-	-	(3,560)	(5,000)	(3,560)	(5,000)
Trade and other receivables	-	-	(273)	(241)	(273)	(241)
Borrowings and other debt instruments, leases	17,502	21,776	-	-	17,502	21,776
Employee benefit obligations	2,363	4,582	-	-	2,363	4,582
Provisions and liabilities	179	186	-	-	179	186
Investments in debt portfolios	-	-	(7,721)	(7,411)	(7,721)	(7,411)
Equity-accounted investments in subsidiaries	-	-	(171,559)	(203,420)	(171,559)	(203,420)
Derivative hedging instruments	-	-	(16,621)	(13,767)	(16,621)	(13,767)
Deferred tax assets/liability	23,089	31,766	(202,900)	(234,073)	(179,811)	(202,307)
Deferred tax assets offset against liabilities	(23,089)	(31,766)	23,089	31,766	-	-
Deferred tax assets/liabilities in the statement of financial position	-	-	(179,811)	(202,307)	(179,811)	(202,307)

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 Sep 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	(1,109)	(121)	3,742	(2,754)	988
Intangible assets	(5,000)	1,440	(3,560)	(5,051)	51	(5,000)
Trade and other receivables	(241)	(32)	(273)	(413)	172	(241)
Borrowings and other debt instruments, leases	21,776	(4,274)	17,502	16,633	5,143	21,776
Employee benefit obligations	4,582	(2,219)	2,363	2,416	2,166	4,582
Provisions and liabilities	186	(7)	179	(109)	295	186
Investments in debt portfolios	(7,411)	(310)	(7,721)	(7,058)	(353)	(7,411)
Equity-accounted investments in subsidiaries	(203,420)	31,861	(171,559)	(208,285)	4,866	(203,420)
	(188,540)	25,349	(163,190)	(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 Sep 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)	(2,854)	(16,621)	(3,294)	(10,473)	(13,767)
	(13,767)	(2,854)	(16,621)	(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 September 2024 was PLN 4,863,585 thousand (as at 31 December 2023: PLN 3,727,864 thousand).

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

As at the issue date of these separate financial statements, this requirement does not apply to the KRUK Group as it does not meet the revenue criterion.

The KRUK Group expects these new regulations to impact its reporting in the future. However, due to the absence of final provisions, the Kruk Group is currently unable to assess their potential effect on its financial statements.

8.8. Borrowings, other debt securities and leases

PLN '000	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Non-current liabilities			
Secured borrowings	397,344	170,239	164,908
Liabilities under debt securities (unsecured)	2,696,092	2,773,264	2,236,633
Lease liabilities	2,487	9,759	12,096
	<u>3,095,923</u>	<u>2,953,262</u>	<u>2,413,637</u>
Current liabilities			
Secured borrowings	24,038	216,548	203,412
Liabilities under debt securities (unsecured)	217,558	77,938	134,739
Lease liabilities	13,537	17,724	19,142
	<u>255,133</u>	<u>312,210</u>	<u>357,293</u>
	<u>3,351,056</u>	<u>3,265,472</u>	<u>2,770,930</u>

Liabilities repayment schedule

PLN '000	Currency	Nominal interest rate	Maturity periods*	30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Borrowings secured over the Company's assets	PLN/EUR	1M WIBOR + margin of 1.9–2.5pp 3M WIBOR + margin of 1.8–2.7pp 1M EURIBOR + margin of 2.3–2.5pp 3M EURIBOR + margin of 2.0–2.2pp	2024–2029	421,382	386,787	368,320
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	2,913,650	2,851,202	2,371,372
Lease liabilities	PLN/EUR	3M WIBOR or 1M EURIBOR + margin of 3.26–4.58pp 3.90%–8,95%	2024–2028	16,024	27,483	31,238
				<u>3,351,056</u>	<u>3,265,472</u>	<u>2,770,930</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, 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>	30 Sep 2024 unaudited	31 Dec 2023
Carrying amount of financial liabilities for which WIBOR is used as the benchmark		
Borrowings secured over the Company's assets	387,384	179,048
Liabilities under debt securities (unsecured)	2,129,547	2,159,898
Lease liabilities	3,607	7,922
Notional amount of hedging instruments for which WIBOR is used as the benchmark		
CIRS	1,832,500	1,750,000
IRS	-	190,000

8.9. Hedging instruments

Interest rate risk hedges

As at 30 September 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.

In the three months ended 30 September 2024, the Company entered into interest rate swaps (IRS) with a notional value of EUR 24,000 thousand, under which the Company pays a coupon based on a fixed interest rate and receives a coupon based on a variable interest rate on EUR-denominated debt covered by the transaction.

As at 30 September 2024, the Company held open outstanding IRS contracts with a total notional amount of PLN 184,000 thousand.

Bank	Type of transaction	Notional amount	Fixed rate	Variable rate	Term
DNB Bank ASA	IRS	EUR 150,000,000	2.9640%	3M EURIBOR	10 May 2023 to 10 May 2028
DNB Bank ASA	IRS	EUR 10,000,000	2.255%	3M EURIBOR	21 Dec 2023 to 11 Dec 2028
ING Bank Śląski S.A.	IRS	EUR 24,000,000	2.405%	3M EURIBOR	21 Aug 2024 to 1 Feb 2029

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

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, 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 Sep 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		
Instrument type:										
IRS	-	-	-	(4,954)	4,954	-	190,000 (PLN)	(13,852)	Hedging instruments	Hedge of future cash flows
IRS	-	19,707	184,000 (EUR)	(3,042)	29	16,694	160,000 (EUR)	(16,665)	Hedging instruments	Hedge of future cash flows
CIRS	109,843	2,281	1,832,500 (PLN)	18,306	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
	109,843	21,988		10,310	98,428	20,883		57,034		

Disclosure of the hedged item as at 30 Sep 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)	-	(4,954)	-	-
Hedge of future cash flows (interest rate risk)	184,000 (EUR)	(3,042)	(15,962)	-
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)	18,306	86,822	-

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	-

1 Jan–30 Sep 2024 unaudited

PLN '000

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)	Total hedge reserve
Hedge reserve as at 1 Jan 2024	(9,485)	4,082	68,177	62,774
Measurement of instruments charged to capital reserves	2,349	-	48,659	51,008
Cost of hedging	-	-	23,884	23,884
Temporary differences/reversal of temporary differences	1,520	-	(4,374)	(2,854)
Amount reclassified to profit or loss during the period	(10,346)	-	(49,524)	(59,870)
- Interest expense/income	(10,346)	-	(1,252)	(11,598)
- Cost of hedging	-	-	(48,272)	(48,272)
Hedge reserve as at 30 Sep 2024 unaudited	(15,962)	4,082	86,822	74,942

PLN '000

1 Jan–31 Dec 2023

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

8.10. Equity-accounted investments in subsidiaries

PLN '000	Country	Carrying amount		
		30 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
InvestCapital Ltd ¹	Malta	3,749,046	3,109,906	3,073,491
Prokura NFW FIZ (formerly Prokura NS FIZ) ¹	Poland	1,584,833	1,494,600	1,407,250
SeCapital S.a.r.l. ¹	Luxembourg	732,774	574,722	535,865
Presco Investments S.a.r.l. ²	Luxembourg	76,302	69,062	75,272
KRUK Romania S.r.l.	Romania	63,333	48,405	47,524
KRUK Česká a Slovenská republika s.r.o.	Czech Republic	62,860	57,517	73,074
Kruk Espana S.L.	Spain	53,506	44,020	56,046
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Poland	39,526	37,109	36,575
Wonga.pl Sp. z o.o.	Poland	27,835	9,844	-
KRUK Italia S.r.l.	Italy	24,339	12,389	53,607
Kancelaria Prawna RAVEN P.Krupa Sp. k.	Poland	10,165	3,671	10,053
RoCapital IFN S.A. ¹	Romania	5,482	6,677	7,166
Kruk Deutschland GmbH	Germany	4,056	3,740	5,247
AgeCredit S.r.l.	Italy	4,017	4,863	5,090
Bison NFW FIZ (formerly BISON NS FIZ)	Poland	-	6,362	8,553
KRUK TECH s.r.l. ¹	Romania	-	503	198
Kruk Immobiliare S.r.l.	Italy	-	-	(142)
ItaCapital S.r.l.	Italy	-	-	-
Novum Finance Sp. z o.o. ¹	Poland	-	-	-
Kruk Investimenti s.r.l.	Italy	-	-	-
Zielony Areał Sp. z o.o.	Poland	-	-	-
		6,438,074	5,483,390	5,394,869

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

² 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 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Carrying amount of investments in subsidiaries at beginning of period	5,483,390	4,735,762	4,735,762
Share of profit/(loss) of equity-accounted investees	1,008,029	1,192,612	922,944
Exchange differences on translating foreign operations	(31,418)	(196,319)	(33,080)
Share of other comprehensive income of equity-accounted investees	(4,017)	(28,311)	4,346
Increase/(decrease) (dividends, in-kind contributions, redemptions, impairment losses, sale)	(17,910)	(220,354)	(235,103)
Carrying amount of investments in subsidiaries at end of period	6,438,074	5,483,390	5,394,869

The share of profit/(loss) of equity-accounted investees for the period from 1 January to 30 September 2024 was PLN 1,008,029 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 922,944 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 Sep 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
SeCapital S.a.r.l. ¹	Luxembourg	100%	100%	100%
Novum Finance Sp. z o.o. ¹	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) ¹	Poland	100%	100%	100%
InvestCapital Ltd ¹	Malta	100%	100%	100%
RoCapital IFN S.A. ¹	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) ¹	Poland	100%	100%	100%
Elleffe Capital S.r.l. ³	Italy	-	-	100%
Bison NFW FIZ (formerly BISON NS FIZ)	Poland	-	100%	100%
Corbul S.r.l. ²	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. ²	Romania	n/a	n/a	n/a
Kruk Investimenti s.r.l.	Italy	100%	100%	100%
Zielony Areał Sp. z o.o.	Poland	100%	100%	100%
KRUK TECH s.r.l. ¹	Romania	100%	100%	100%
Kruk Immobiliare S.r.l.	Italy	100%	100%	100%

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

² KRUK S.A. controls the company through a personal link.

³ The subsidiary was sold on 20 September 2023.

During the three months ended 30 September 2024, the Prokura NFW FIZ and Bison NFW FIZ funds merged.

As of 30 July 2024, Bison was removed from the Register of Investment Funds.

8.11. Trade and other receivables

PLN '000	30 Sep 2024 unaudited	31 Dec 2023
Trade receivables from related entities	93,349	33,932
Trade receivables from other entities	1,818	2,582
	95,167	36,514

The reason for the increase in trade receivables from related entities has been explained in note 8.1.

<i>PLN '000</i>	30 Sep 2024 unaudited	31 Dec 2023
Other receivables from related entities	1,576	4,656
Other receivables from other entities	4,550	6,954
Employee loans	-	54
	<u>6,126</u>	<u>11,664</u>

8.12. Cash and cash equivalents

<i>PLN '000</i>	30 Sep 2024 unaudited	31 Dec 2023
Cash in hand	105	3
Cash in current accounts	8,498	7,640
Term deposits	-	220,000
	<u>8,603</u>	<u>227,643</u>

8.13. Trade and other payables

<i>PLN '000</i>	30 Sep 2024 unaudited	31 Dec 2023
Trade and other payables to related entities	13,013	10,606
Trade payables to other entities	11,171	15,830
Deferred income	5,294	5,296
Accrued expenses	1,932	1,394
Other liabilities	1,829	2,215
Taxes, customs duties, insurance and other benefits payable	120	111
	<u>33,359</u>	<u>35,452</u>

8.14. Employee benefit obligations

<i>PLN '000</i>	30 Sep 2024 unaudited	31 Dec 2023
Social benefit obligations	10,209	9,189
Salaries and wages payable	9,618	16,833
Provision for accrued holiday entitlements	7,057	7,982
Personal income tax	3,823	3,101
Special accounts	685	538
Liabilities under employee savings plans	614	553
	<u>32,006</u>	<u>38,196</u>

Change in provision for accrued holiday entitlements

PLN '000	1 Jan–30 Sep 2024 unaudited	1 Jan–31 Dec 2023
At beginning of period	7,982	6,213
Increase	7,509	8,347
Use	(8,434)	(6,578)
At end of period	7,057	7,982

8.15. Provisions

PLN '000	30 Sep 2024 unaudited	31 Dec 2023
Provision for tax inspection outcome	28,554	28,554
Provision for the loyalty scheme	-	10,871
Provision for retirement gratuities	1,385	1,385
	29,939	40,810

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	1,385	10,871	28,554
Carrying amount as at 1 Jan 2024	1,385	10,871	28,554
Increase	-	329	-
Use	-	(2,248)	-
Reversal	-	(8,952)	-
As at 30 Sep 2024 unaudited	1,385	-	28,554

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 proceedings will result in a change in the methodology for determining transfer pricing between related parties for management and debt collection services provided by the Company to its related parties, which will be implemented by 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 years 2018 and 2019 (with audits for the remaining years still ongoing). The audit results for 2018 and 2019 match the Company's calculations of the provision recognised for the tax liability in question as at the end of 2023.

The settlement of the liabilities related to the inspection for 2019 took place after the end of the reporting period

As at the end of August 2024, the Company concluded its Dreams Come True (*Marzenia do spełnienia*) loyalty scheme, resulting in the reversal of a PLN 8,952 thousand provision for points.

8.16. Earnings per share

Separate net profit attributable to owners of the Company

<i>PLN '000</i>	1 Jan–30 Sep 2024 unaudited	1 Jan–31 Dec 2023	1 Jan–30 Sep 2023 unaudited
Net profit for period	942,695	983,934	756,833
Net profit attributable to owners of the Company	942,695	983,934	756,833

Basic earnings per share

<i>thousands of shares</i>	1 Jan–30 Sep 2024 unaudited	1 Jan–31 Dec 2023	1 Jan–30 Sep 2023 unaudited
Number of ordinary shares as at 1 Jan	19,319	19,319	19,319
Effect of cancellation and issue	5	-	-
Weighted average number of ordinary shares at end of reporting period	19,323	19,319	19,319
<i>PLN</i>			
Earnings per share	48.79	50.93	39.18

Diluted separate earnings per share

<i>thousands of shares</i>	1 Jan–30 Sep 2024 unaudited	1 Jan–31 Dec 2023	1 Jan–30 Sep 2023 unaudited
Weighted average number of ordinary shares at end of reporting period	19,323	19,319	19,319
Effect of issue of unregistered shares not subscribed for	1,144	1,024	969
Weighted average number of ordinary shares at end of reporting period (diluted)	20,468	20,343	20,288
<i>PLN</i>			
Earnings per share (diluted)	46.06	48.37	37.30

On 10 October 2024, the Company's Management Board received a decision to increase the Company's share capital by PLN 62,878, to PLN 19,381,668, through the issue of Series H shares. The registration of the share capital increase in the National Court Register was declaratory in nature, and the increase was formally effected on 23 September 2024.

The share capital was increased as part of a conditional share capital increase under Resolution No. 22/2021 of the Annual General Meeting of 16 June 2021 through the issue of 62,878 Series H shares of the Company, with a par value of PLN 1.00 per share. The issue of Series H shares was related to the exercise by eligible participants of their rights attached to subscription warrants issued as part of an incentive scheme for key management personnel of KRUK S.A. and the Group companies.

Dividend per share paid

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

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

PLN '000

	Note	30 Sep 2024 unaudited	30 Jun 2024 unaudited	31 Dec 2023	30 Sep 2023 unaudited
Assets					
Non-current assets					
Property, plant and equipment		27,819	28,220	35,348	34,749
Intangible assets		22,416	26,942	29,427	29,088
Hedging instruments	8.9.	96,685	114,955	82,848	36,774
Equity-accounted investments in subsidiaries	8.10.	6,438,074	6,149,962	5,483,390	5,394,869
Investments	7.	1,273,227	913,088	1,157,433	1,198,597
Total non-current assets		7,858,221	7,233,167	6,788,446	6,694,077
Current assets					
Inventories	7.	10,512	11,331	14,562	16,508
Investments	7.	35,350	374,140	275,085	32,498
Trade receivables from related entities	8.11.	93,349	25,939	33,932	27,478
Trade receivables from other entities	8.11.	1,818	2,894	2,582	3,255
Other receivables	8.11.	6,126	8,269	11,664	21,437
Income tax receivable		6,038	3,772	16,232	6,738
Hedging instruments	8.9.	13,158	14,555	15,580	10,931
Cash and cash equivalents	8.12.	8,603	18,986	227,643	8,857
Other assets		7,007	8,393	8,787	7,775
Total current assets		181,961	468,279	606,067	135,477
Total assets		8,040,182	7,701,446	7,394,513	6,829,554
Equity and liabilities					
Equity					
Share capital		19,382	19,319	19,319	19,319
Share premium		374,097	358,506	358,506	358,506
Hedge reserve	8.9.	74,942	106,371	62,774	31,940
Translation reserve		(127,289)	(105,971)	(95,871)	67,368
Share of other comprehensive income of equity-accounted investees		(12,417)	10,323	(8,400)	24,257
Other capital reserves		185,133	180,672	171,847	168,085
Retained earnings		3,878,175	3,524,407	3,283,218	3,056,117
Total equity		4,392,023	4,093,627	3,791,393	3,725,592
Non-current liabilities					
Deferred tax liability	8.7.	179,811	177,771	202,307	245,145
Provisions	8.15.	1,234	1,234	12,105	12,297
Borrowings, other debt securities and leases	8.8.	3,095,923	3,051,669	2,953,262	2,413,637
Hedging instruments	8.9.	21,988	2,615	20,883	7,694
Total non-current liabilities		3,298,956	3,233,289	3,188,557	2,678,773
Current liabilities					
Provisions	8.15.	28,705	37,521	28,705	51
Borrowings, other debt securities and leases	8.8.	255,133	262,182	312,210	357,293
Trade and other payables	8.13.	33,359	40,486	35,452	40,036
Employee benefit obligations	8.14.	32,006	34,341	38,196	27,809
Total current liabilities		349,203	374,530	414,563	425,189
Total liabilities		3,648,159	3,607,819	3,603,120	3,103,962
Total equity and liabilities		8,040,182	7,701,446	7,394,513	6,829,554

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>	30 Sep 2024 unaudited	31 Dec 2023
Loans to related parties	1,275,645	1,400,771
Cash and cash equivalents	8,603	227,643
Hedging instruments	109,843	98,428
Trade and other receivables, net of tax receivable	99,917	44,975
Investments in debt portfolios	32,932	31,747
	1,526,940	1,803,564

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

<i>PLN '000</i>	30 Sep 2024 unaudited	31 Dec 2023
Malta	778,114	887,126
Poland	669,387	780,168
Romania	30,331	67,249
Czech Republic and Slovakia	49,108	69,021
	<u>1,526,940</u>	<u>1,803,564</u>

Credit risk exposure – Investments in debt portfolios

<i>PLN '000</i>	30 Sep 2024 unaudited	31 Dec 2023
Portfolio type		
Unsecured retail portfolios	32,490	31,370
Unsecured corporate portfolios	442	377
	<u>32,932</u>	<u>31,747</u>

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 Sep 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
Non-derivative financial assets and liabilities							
Cash and cash equivalents	8,603	8,603	8,603	-	-	-	-
Trade and other receivables, net of tax receivable	99,917	99,917	99,917	-	-	-	-
Investments in debt portfolios*	32,932	119,188	12,626	10,843	17,759	37,225	40,735
Loans to related parties	1,275,645	1,579,156	45,107	37,242	126,633	1,359,222	10,952
Secured borrowings	(421,382)	(461,409)	(45,993)	(26,320)	(88,682)	(236,771)	(63,643)
Liabilities under debt securities (unsecured)	(2,913,650)	(3,866,311)	(303,757)	(200,732)	(456,890)	(2,443,011)	(461,921)
Lease liabilities	(16,024)	(17,942)	(8,116)	(6,881)	(2,323)	(622)	-
Trade and other payables	(26,013)	(26,013)	(26,013)	-	-	-	-
	(1,959,972)	(2,564,811)	(217,626)	(185,848)	(403,503)	(1,283,957)	(473,877)
Off-balance-sheet contingent liabilities							
Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries**	(4,835,439)	(4,835,439)	(4,640,439)	-	-	(195,000)	-
	(6,795,411)	(7,400,250)	(4,858,065)	(185,848)	(403,503)	(1,478,957)	(473,877)

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
Non-derivative financial assets and liabilities							
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)	-	-	-	-
	(1,588,987)	(2,420,889)	89,341	93,644	(416,625)	(1,603,437)	(583,812)
Off-balance-sheet contingent liabilities							
Off-balance-sheet contingent liabilities under sureties/guarantees provided to subsidiaries**	(4,658,995)	(4,658,995)	(4,604,095)	-	-	(54,900)	-
	(6,247,982)	(7,079,884)	(4,514,754)	93,644	(416,625)	(1,658,337)	(583,812)

* 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 September 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.

Contractual cash flows were determined based on interest rates effective as at 30 September 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 September 2024, the undrawn revolving credit facility limit available to the Company was PLN 382,990 thousand (31 December 2023: PLN 207,855 thousand). The limit is available until 31 October 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:

PLN '000	Exposure to currency risk					
	30 Sep 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	229	307	94	497	1,124	897
Investments in debt portfolios	93	25,955	673	158	25,223	787
Loans to related parties	811,421	4,416	15,035	945,986	26,515	24,766
Borrowings, other debt securities and leases	(827,301)	-	-	(912,096)	-	-
Exposure to currency risk	(15,558)	30,678	15,802	34,545	52,862	26,450

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

PLN '000	30 Sep 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	23	31	9	50	112	90
Investments in debt portfolios	9	2,596	67	16	2,522	79
Loans to related parties	81,142	442	1,504	94,599	2,652	2,477
Borrowings, other debt securities and leases	(82,730)	-	-	(91,210)	-	-
Exposure to currency risk	(1,556)	3,069	1,580	3,455	5,286	2,646

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

PLN '000	30 Sep 2024 unaudited			31 Dec 2023		
	EUR	RON	CZK	EUR	RON	CZK
Cash	(23)	(31)	(9)	(50)	(112)	(90)
Investments in debt portfolios	(9)	(2,596)	(67)	(16)	(2,522)	(79)
Loans to related parties	(81,142)	(442)	(1,504)	(94,599)	(2,652)	(2,477)
Borrowings, other debt securities and leases	82,730	-	-	91,210	-	-
Exposure to currency risk	1,556	(3,069)	(1,580)	(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 September 2024, financial assets denominated in foreign currencies accounted for 10.7% of total assets, while liabilities denominated in foreign currencies represented 10.3% 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 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	30 Sep 2024 unaudited	31 Dec 2023
EUR 1	4.3068	4.5773	4.2791	4.3480
USD 1	3.9575	4.2337	3.8193	3.9350
RON 1	0.8657	0.9255	0.8600	0.8742
CZK 1	0.1718	0.1923	0.1700	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 Sep 2024 unaudited	31 Dec 2023
Fixed-rate financial instruments*		
Financial assets	776,893	953,462
Financial liabilities	(205,757)	(207,904)
Fixed-rate financial instruments before hedging	571,136	745,558
Hedge effect (nominal amount)	(2,619,854)	(2,635,680)
Fixed-rate financial instruments after hedging	(2,048,718)	(1,890,122)
Variable-rate financial instruments**		
Financial assets	750,047	850,102
Financial liabilities	(3,193,300)	(3,107,102)
Variable-rate financial instruments before hedging	(2,443,253)	(2,257,000)
Hedge effect (nominal amount)	2,619,854	2,635,680
Variable-rate financial instruments after hedging	176,601	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.

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 Sep 2024 unaudited		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets and liabilities measured at fair value				
Hedging instruments (IRS)	(19,707)	(19,707)	(11,711)	(11,711)
Hedging instruments (CIRS)	107,562	107,562	89,256	89,256
	87,855	87,855	77,545	77,545
Financial assets and liabilities other than measured at fair value				
Investments in debt portfolios	32,932	33,191	31,747	33,021
Loans to related parties	1,275,645	1,275,645	1,400,771	1,400,771
Trade and other receivables, net of tax receivable	99,917	99,917	44,975	44,975
Trade and other payables	(26,013)	(26,013)	(28,651)	(28,651)
Secured borrowings	(421,382)	(421,382)	(386,787)	(386,787)
Liabilities under debt securities (unsecured)	(2,913,650)	(3,065,740)	(2,851,202)	(2,869,113)
	(1,952,551)	(2,104,382)	(1,789,147)	(1,805,784)

Interest rates used for fair value estimation

	30 Sep 2024 unaudited	31 Dec 2023
Investments in debt portfolios*	8.21%–138.79%	8.32%–138.90%
Secured borrowings	5.28%–8.55%	4.41%–8.58%
Loans to related parties	5.80%–12.26%	5.95%–12.28%

* Applicable to 99.6% 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>	Level 1	
	Carrying amount	Fair value
As at 30 Sep 2024 unaudited		
Liabilities under debt securities (unsecured)	(2,913,650)	(3,065,740)
As at 31 Dec 2023		
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>	Level 2	
	Carrying amount	Fair value
As at 30 Sep 2024 unaudited		
Hedging instruments (IRS)	(19,707)	(19,707)
Hedging instruments (CIRS)	107,562	107,562
As at 31 Dec 2023		
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.

<i>PLN '000</i>	Level 3	
	Carrying amount	Fair value
As at 30 Sep 2024 unaudited		
Investments in debt portfolios	32,932	33,191
Loans to related parties	1,275,645	1,275,645
Trade and other receivables, net of tax receivable	99,917	99,917
Trade and other payables	(26,013)	(26,013)
Secured borrowings	(421,382)	(421,382)
As at 31 Dec 2023		
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 advanced 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:

<i>PLN '000</i>	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Base pay/managerial contract (gross)	6,028	2,139	5,249	1,750
Additional benefits (incl. social security contributions)	125	44	85	23
Share-based payments	13,286	4,461	18,189	8,901
	19,439	6,644	23,523	10,674

Remuneration of the Company's directors – Supervisory Board

Remuneration of members of the Supervisory Board was as follows:

<i>PLN '000</i>	1 Jan–30 Sep 2024 unaudited	1 Jul–30 Sep 2024 unaudited	1 Jan–30 Sep 2023 unaudited	1 Jul–30 Sep 2023 unaudited
Base pay/managerial contract (gross)	1,190	589	901	300
Additional benefits	26	10	13	5
	1,216	599	914	305

Other transactions with the Company's directors

As at 30 September 2024, members of the Management Board and persons closely related to them jointly held 9.9% of total voting rights in the Company (31 December 2023: 10.2%).

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

PLN '000	30 Sep 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	4,098	-	-	-	-	-	-	4,389	56	-	-	-	-	-
ERIF Business Solutions Sp. z o.o.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Novum Finance Sp. z o.o.	26	297	82,242	-	(855)	-	-	542	-	65,742	-	(2,463)	-	-
Kancelaria Prawna RAVEN P.Krupa Sp. k.	346	639	9,100	-	(32)	-	-	652	5,147	-	-	-	-	-
KRUK Romania S.r.l.	-	4,100	-	53	-	-	-	19	1,722	37,073	518	-	-	-
ERIF BIG S.A.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prokura NFW FIZ (formerly Prokura NS FIZ)	6,077	12,858	-	-	-	-	-	3,922	12,230	-	-	-	-	-
KRUK Česká a Slovenská republika s.r.o.	41	475	48,029	722	(409)	-	-	20	684	66,875	1,201	-	-	-
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	-	71,537	-	-	-	-	-	-	9,997	-	-	-	-	-
InvestCapital Ltd.	-	687	773,929	10,395	(6,211)	-	-	-	1,044	877,887	9,239	-	-	-
Kruk Deutschland GmbH	-	-	-	-	-	-	-	-	2	-	-	-	-	-
Rocapital IFN S.A.	-	29	4,300	98	(34)	-	-	-	-	4,371	104	-	-	-
KRUK Italia S.r.l.	131	656	-	-	-	2,140	61	94	1,184	-	-	-	-	-
ItaCapital S.r.l.	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Kruk Espana S.L.	-	3,255	-	-	-	21,396	288	-	2,712	-	-	-	15,218	230
Presco Investments S.a.r.l.	2,286	-	-	-	-	-	-	888	1,934	-	-	-	-	-
Presco NFW FIZ (formerly P.R.E.S.C.O.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment I NS FIZ)	6	278	-	-	-	-	-	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.	-	10	-	-	-	-	-	-	42	-	-	-	348	7
Wonga.pl Sp. z o.o.	-	99	359,005	-	(5,850)	-	-	44	12	339,910	6	-	-	-
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	2	-	-	-	-	-	-	2	-	-	-	-	-	-
Kruk Investimenti s.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zielony Areał Sp. z o.o.	-	4	1,120	-	43	-	-	-	3	1,740	-	(1,432)	-	-
KRUK TECH s.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kruk Immobiliare S.r.l.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	13,013	94,925	1,277,725	11,268	(13,348)	23,536	349	10,606	38,588	1,393,598	11,068	(3,895)	15,566	237

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

PLN '000	1 Jan–30 Sep 2024 unaudited			1 Jan–30 Sep 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	8	33	-	7	36	-
ERIF Business Solutions Sp. z o.o.*	-	-	-	9	-	-
Novum Finance Sp. z o.o.	1,246	1,021	6,298	1,656	1,487	4,397
Kancelaria Prawna RAVEN P.Krupa Sp. k.	17,259	-	154	11,502	-	16
KRUK Romania S.r.l.	6,100	-	845	4,701	-	1,654
ERIF BIG S.A.*	-	-	-	67	-	-
Prokura NFW FIZ (formerly Prokura NS FIZ)	5,696	-	-	3,948	-	-
KRUK Česká a Slovenská republika s.r.o.	1,437	-	2,799	2,108	-	3,725
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	242	161,351	-	204	99,241	-
InvestCapital Ltd.	29,511	-	62,772	21,725	-	27,759
Kruk Deutschland GmbH	-	-	-	3	-	-
Rocapital IFN S.A.	62	-	295	-	-	326
KRUK Italia S.r.l.	5,270	-	68	3,383	-	-
ItaCapital S.r.l.	4	-	-	2	-	-
Kruk Espana S.L.	5,376	-	-	3,879	-	-
Presco Investments S.a.r.l.	8	567	-	7	677	-
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.	73	-	-	57	-	-
Wonga.pl Sp. z o.o.	283	47	31,495	63	51	31,618
GANTOI, FURCULITA SI ASOCIATII-S.P.A.R.L.	-	-	-	-	-	-
Kruk Investimenti s.r.l.	-	-	-	-	-	-
Zielony Areał Sp. z o.o.	27	-	95	24	-	76
KRUK TECH s.r.l.	-	-	-	-	-	-
Kruk Immobiliare S.r.l.	-	-	-	-	-	-
	72,602	163,019	104,821	53,345	101,492	69,571

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

PLN '000	1 Jan–30 Sep 2024 unaudited		1 Jan–30 Sep 2023 unaudited	
	Purchase of services	Interest	Purchase of services	Interest
Kancelaria Prawna RAVEN P.Krupa Sp. k.	3,637	-	2,534	-
KRUK Romania S.r.l.	3,161	-	3,633	-
ERIF BIG S.A.*	-	-	20	39
KRUK Česká a Slovenská republika s.r.o.	370	-	214	-
GANTOI, FURCULITA SI ASOCIATII- S.P.A.R.L.	16	-	17	-
KRUK Italia S.r.l.	398	188	78	394
Kruk Espana S.L.	-	786	-	382
Wonga.pl Sp. z o.o.	253	-	326	-
AgeCredit S.r.l.	-	6	-	-
	7,835	980	6,822	815

* 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 nine months ended 30 September 2024, the Company's interest in subsidiaries generated a profit of PLN 1,008,029 thousand (in the same period of 2023: PLN 922,944 thousand).

In the nine months to 30 September 2024, recoveries from portfolios purchased by KRUK S.A. were PLN 21,977 thousand, a decrease of 13% year on year. The amount of recoveries from portfolios in the third quarter was 7% lower than in the second quarter of 2024.

As at 30 September 2024, the Company's investments in debt portfolios accounted for 0.4% of its assets. Equity accounted for 54.6% 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 September 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;
- Series AJ1 bonds, with a nominal value of PLN 25,000 thousand, on 2 September 2024.

In the period from 1 January to 30 September 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.

On 21 October 2024, unsecured Series AP1 bonds with a nominal value of PLN 75,000 thousand were issued, bearing interest at a floating rate based on 3M WIBOR plus a margin of 3.00pp, maturing on 21 October 2029.

16. Dividends paid (or declared)

On 27 March 2024, the Management Board of KRUK S.A. 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. 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 2023 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 September 2024 is presented below:

Type	Beneficiary	Amount	Expiry date	Terms and conditions
Guarantees provided/promissory notes issued				
Surety for PROKURA NFW FIZ's liabilities under the revolving credit facility of 2 July 2015, as amended, between PROKURA NFW FIZ, KRUK S.A. and mBank S.A.	mBank S.A.	PLN 210,000 thousand	No later than 18 December 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 195,000 thousand	Until the derivative transactions are settled and the bank's claims thereunder are satisfied	KRUK S.A.'s failure to repay its liabilities under treasury transactions made on the basis of the master agreement on the procedure for execution and settlement of treasury transactions of 13 June 2013, as amended
Surety for InvestCapital LTD's liabilities under the transactions executed under the master agreement between KRUK S.A., InvestCapital LTD and Santander Bank Polska S.A.	Santander Bank Polska S.A.	up to PLN 195,000 thousand*	No later than 31 July 2027	InvestCapital LTD's failure to repay its liabilities under treasury transactions made on the basis of Amendment 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 (the Borrowers) and DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A., PEKAO S.A.,	DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A., PEKAO S.A.	EUR 975,000 thousand	Until all obligations under the multi-currency revolving credit facility agreement are satisfied No later than 31 December 2032	Borrower's failure to pay amounts due under the multicurrency revolving credit facility agreement
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of 21 September 2021 between PROKURA NS FIZ, fv, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 17,856 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 38,610 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 47,520 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 55,847 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
Guarantees obtained				
Guarantee issued by Santander Bank Polska S.A. for KRUK S.A.'s liabilities under the rental agreement	DEVCO Sp. z o.o.	EUR 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 September 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 September 2024, the value of all portfolios pledged in favour of mBank S.A. was PLN 240,538 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.

- on 10 July 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 September 2024, the value of all portfolios pledged in favour of PKO BP S.A. was PLN 176,478 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 the revolving credit agreement No. K0007111 dated 8 April 2011, as amended, between KRUK S.A. and Santander Bank Polska S.A., amending annex No. 25 was signed on 2 September 2024, increasing the credit limit by PLN 150,000 thousand. The updated credit limits are as follows:

- Credit Facility – up to PLN 270,000 thousand or its equivalent in EUR, with the availability period and final repayment date set for 31 October 2029,
- Additional Credit Facility – up to PLN 105,000 thousand or its equivalent in EUR, with the availability period and final repayment date set for 29 October 2027.

As a result, on 4 September 2024:

- an amending annex to the agreement on a registered pledge over certificates, dated 20 November 2017, between KRUK S.A. and Santander Bank Polska S.A. was signed, increasing the maximum secured amount to PLN 562,500 thousand,
- KRUK S.A. issued a declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure, for up to PLN 405,000 thousand in respect of the Credit, valid until 31 October 2029, and for up to PLN 157,500 thousand in respect of the Additional Credit Facility, which expires no later than 29 October 2027.

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

No significant events occurred after the close of the third quarter of 2024 that could materially impact future results.

Piotr Krupa

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 responsible for keeping accounting records

Hanna Stempień

Person responsible for preparation of the financial statements

Wrocław, 28 October 2024