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# **FINANCIAL HIGHLIGHTS OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the period January 1st–  
September 30th 2023

## Financial highlights

Financial highlights	PLN '000		EUR '000	
	Jan 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jan 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited
<b>For the period</b>				
Revenue	1,922,754	1,610,818	420,063	343,605
Operating profit	1,028,425	838,014	224,679	178,757
Profit before tax	832,770	710,662	181,935	151,592
Net profit attributable to owners of the Parent	756,833	676,858	165,345	144,381
Net cash from operating activities	(488,437)	(141,977)	(106,709)	(30,285)
Purchase of debt portfolios at prices as per agreement	1,983,806	1,350,526	433,401	288,081
Cash recoveries	2,285,967	1,927,722	499,414	411,203
Net cash from investing activities	(15,486)	(13,221)	(3,383)	(2,820)
Net cash from financing activities	495,285	153,064	108,205	32,650
Net change in cash	(8,638)	(2,134)	(1,887)	(455)
Diluted earnings per share (PLN/EUR)	37.30	34.36	8.15	7.33
Average number of shares ('000)	19,319	19,078	19,319	19,078
Earnings per share (PLN/EUR)	39.18	35.48	8.56	7.57
<b>As at</b>	<b>Sep 30 2023</b> <b>unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2023</b> <b>unaudited</b>	<b>Dec 31 2022</b>
Total assets	9,196,300	7,681,082	1,983,842	1,637,792
Non-current liabilities	4,840,304	3,729,520	1,044,159	795,224
Current liabilities	630,782	698,265	136,073	148,887
Equity	3,725,214	3,253,297	803,610	693,682
Share capital	19,319	19,319	4,168	4,119
Book value per ordinary share	192.83	168.40	41.60	35.91

### 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**                      **4.5773**

**for the comparative period**                **4.6880**

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**      **4.6356**

**at the end of the comparative period**   **4.6899**



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# **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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for the period January 1st–  
September 30th 2023

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## I. Consolidated statement of financial position

PLN '000	Note	Sep 30 2023 unaudited	Jun 30 2023 unaudited	Dec 31 2022	Sep 30 2022 unaudited
<b>Assets</b>					
Cash and cash equivalents	10.16	193,522	164,053	202,160	197,030
Hedging instruments	10.10	68,558	124,051	46,091	24,710
Trade receivables	10.15	22,852	15,723	13,033	19,523
Other receivables	10.15	47,110	46,121	41,156	43,601
Income tax receivable		11,659	28,453	-	-
Inventories	10.14	16,864	15,799	16,369	16,913
Investments	9	8,594,360	7,792,422	7,137,530	6,518,360
Deferred tax asset	10.8	46,291	35,926	44,921	46,352
Property, plant and equipment		94,183	80,306	71,422	69,052
Goodwill	10.13	17,151	16,474	17,026	25,177
Other intangible assets		66,010	68,334	70,833	62,990
Other assets		17,740	17,579	20,541	19,031
<b>Total assets</b>		<b>9,196,300</b>	<b>8,405,241</b>	<b>7,681,082</b>	<b>7,042,739</b>
<b>Equity and liabilities</b>					
<b>Liabilities</b>					
Trade and other payables	10.18	148,288	163,237	158,271	154,738
Liabilities under dividends	15	-	289,782	-	-
Hedging instruments	10.10	7,694	-	9,824	29,088
Employee benefit obligations	10.17	57,496	58,875	59,639	53,650
Income tax payable		7,126	3,972	16,406	12,658
Borrowings, debt securities and leases	10.9	4,971,240	4,146,627	3,945,794	3,438,356
Provisions	10.19	34,097	35,043	36,431	44,113
Deferred tax liability	10.8	245,145	258,971	201,420	178,680
<b>Total liabilities</b>		<b>5,471,086</b>	<b>4,956,507</b>	<b>4,427,785</b>	<b>3,911,283</b>
<b>Equity</b>					
Share capital		19,319	19,319	19,319	19,128
Share premium		358,506	358,506	358,506	342,740
Hedge reserve		52,042	103,904	32,627	(5,432)
Measurement reserve (defined benefit plans)		4,155	4,155	4,155	-
Translation reserve		67,368	(23,123)	100,448	169,297
Other capital reserves		168,085	159,184	149,896	145,312
Retained earnings		3,056,117	2,827,326	2,589,066	2,460,942
<b>Equity attributable to owners of the Parent</b>		<b>3,725,592</b>	<b>3,449,271</b>	<b>3,254,017</b>	<b>3,131,987</b>
<b>Non-controlling interests</b>		<b>(378)</b>	<b>(537)</b>	<b>(720)</b>	<b>(531)</b>
<b>Total equity</b>		<b>3,725,214</b>	<b>3,448,734</b>	<b>3,253,297</b>	<b>3,131,456</b>
<b>Total equity and liabilities</b>		<b>9,196,300</b>	<b>8,405,241</b>	<b>7,681,082</b>	<b>7,042,739</b>

The consolidated statement of financial position should be read in conjunction with the notes to the interim condensed consolidated financial statements, which form an integral part of the financial statements.

## II. Consolidated statement of profit or loss

PLN '000

	Note	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Interest income on debt portfolios and loans measured at amortised cost	10.1	1,261,301	446,050	1,005,263	364,613
Interest income on loans measured at fair value	10.1	3,691	984	10,422	2,604
Revenue from sale of debts and loans	10.1	6,090	3,584	12,903	1,277
Other income/expenses from purchased debt portfolios	10.1	(15,776)	(5,238)	(11,174)	(3,931)
Revenue from other services	10.1	45,448	13,531	55,078	17,933
Other income	10.1	19,049	571	3,747	1,650
Change in investments measured at fair value	10.1	(319)	353	422	1,181
Gain/(loss) on expected credit losses	10.1	603,270	163,635	534,157	123,565
<b>Operating income including gain/(loss) on expected credit losses, fair value measurement, and other income/expenses from purchased debt portfolios</b>		<b>1,922,754</b>	<b>623,470</b>	<b>1,610,818</b>	<b>508,892</b>
Employee benefits expense	10.3	(379,021)	(128,062)	(340,067)	(116,492)
Depreciation and amortisation		(42,939)	(14,539)	(36,798)	(13,248)
Services	10.2	(171,751)	(60,316)	(143,519)	(50,427)
Other expenses	10.4	(300,618)	(99,840)	(252,421)	(89,085)
		<b>(894,329)</b>	<b>(302,757)</b>	<b>(772,805)</b>	<b>(269,252)</b>
<b>Operating profit</b>		<b>1,028,425</b>	<b>320,713</b>	<b>838,014</b>	<b>239,640</b>
Finance income	10.5	10,736	5,259	488	70
Finance costs	10.6	(206,391)	(78,295)	(127,840)	(48,601)
<i>including interest expense relating to lease liabilities</i>		<i>(2,564)</i>	<i>(869)</i>	<i>(2,023)</i>	<i>(804)</i>
<b>Net finance costs</b>		<b>(195,655)</b>	<b>(73,036)</b>	<b>(127,352)</b>	<b>(48,531)</b>
<b>Profit before tax</b>		<b>832,770</b>	<b>247,677</b>	<b>710,662</b>	<b>191,110</b>
Income tax	10.8	(75,455)	(18,752)	(33,582)	(2,849)
<b>Net profit for period</b>		<b>757,315</b>	<b>228,925</b>	<b>677,080</b>	<b>188,261</b>
<b>Net profit attributable to:</b>					
Owners of the Parent	10.11	756,833	228,791	676,858	188,020
Non-controlling interests		482	134	222	241
<b>Net profit for period</b>		<b>757,315</b>	<b>228,925</b>	<b>677,080</b>	<b>188,261</b>
<b>Earnings per share</b>					
Basic (PLN)	10.11	39.18	11.84	35.48	9.82
Diluted (PLN)	10.11	37.30	11.17	34.36	9.59

The consolidated statement of profit or loss should be read in conjunction with the notes to the interim condensed consolidated financial statements, which form an integral part of the financial statements.

### III. Consolidated statement of comprehensive income

PLN '000

	<i>Note</i>	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
<b>Net profit for period</b>		757,315	228,925	677,080	188,261
<b>Other comprehensive income</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on translating foreign operations		(33,068)	90,516	93,593	71,099
Instruments hedging cash flows and net investment in a foreign operation		22,655	(63,786)	(23,317)	(17,590)
<b>Other comprehensive income for period, gross</b>		<u>(10,413)</u>	<u>26,730</u>	<u>70,276</u>	<u>53,509</u>
Income tax on instruments hedging cash flows and net investment in a foreign operation		(3,240)	11,924	-	-
<b>Other comprehensive income for period, net</b>		<u>(13,653)</u>	<u>38,654</u>	<u>70,276</u>	<u>53,509</u>
<b>Total comprehensive income for period</b>		<u>743,662</u>	<u>267,579</u>	<u>747,356</u>	<u>241,770</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent		743,168	267,420	747,130	241,524
Non-controlling interests		494	159	226	246
<b>Total comprehensive income for period</b>		<u>743,662</u>	<u>267,579</u>	<u>747,356</u>	<u>241,770</u>

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



## IV. Consolidated statement of changes in equity

for the nine months ended September 30th 2023 (PLN '000)

Note	Share capital	Share premium	Hedge reserve	Measurement reserve (defined benefit plans)	Translation reserve	Other capital reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
<b>Equity as at Jan 1 2023</b>	<b>19,319</b>	<b>358,506</b>	<b>32,627</b>	<b>4,155</b>	<b>100,448</b>	<b>149,896</b>	<b>2,589,066</b>	<b>3,254,017</b>	<b>(720)</b>	<b>3,253,297</b>
<b>Comprehensive income for period</b>										
Net profit for period	-	-	-	-	-	-	756,833	756,833	482	757,315
<b>Other comprehensive income</b>										
- Exchange differences on translating foreign operations	-	-	-	-	(33,080)	-	-	(33,080)	12	(33,068)
- Measurement of hedging instruments	-	-	19,415	-	-	-	-	19,415	-	19,415
- Measurement of defined benefit plans	-	-	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>19,415</b>	<b>-</b>	<b>(33,080)</b>	<b>-</b>	<b>-</b>	<b>(13,665)</b>	<b>12</b>	<b>(13,653)</b>
<b>Total comprehensive income for period</b>	<b>-</b>	<b>-</b>	<b>19,415</b>	<b>-</b>	<b>(33,080)</b>	<b>-</b>	<b>756,833</b>	<b>743,168</b>	<b>494</b>	<b>743,662</b>
<b>Contributions from and distributions to owners</b>										
- Payment of dividends	-	-	-	-	-	-	(289,782)	(289,782)	(152)	(289,934)
- Issue of shares	-	-	-	-	-	-	-	-	-	-
- Share-based payments	-	-	-	-	-	18,189	-	18,189	-	18,189
<b>Total contributions from and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,189</b>	<b>(289,782)</b>	<b>(271,593)</b>	<b>(152)</b>	<b>(271,745)</b>
<b>Total equity as at Sep 30 2023</b>	<b>19,319</b>	<b>358,506</b>	<b>52,042</b>	<b>4,155</b>	<b>67,368</b>	<b>168,085</b>	<b>3,056,117</b>	<b>3,725,592</b>	<b>(378)</b>	<b>3,725,214</b>

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

For the reporting period ended December 31st 2022 (PLN '000)

<b>Note</b>	Share capital	Share premium	Hedge reserve	Measurement reserve (defined benefit plans)	Translation reserve	Other capital reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
<b>Equity as at Jan 1 2022</b>	<b>19,013</b>	<b>333,264</b>	<b>17,885</b>	<b>-</b>	<b>75,708</b>	<b>122,202</b>	<b>2,032,745</b>	<b>2,600,817</b>	<b>(590)</b>	<b>2,600,227</b>
<b>Comprehensive income for period</b>										
Net profit for period	-	-	-	-	-	-	804,982	804,982	36	805,018
<b>Other comprehensive income</b>										
- Exchange differences on translating foreign operations	-	-	-	-	24,740	-	-	24,740	1	24,741
- Measurement of hedging instruments	-	-	14,742	-	-	-	-	14,742	-	14,742
- Measurement of defined benefit plans	-	-	-	4,155	-	-	-	4,155	-	4,155
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>14,742</b>	<b>4,155</b>	<b>24,740</b>	<b>-</b>	<b>-</b>	<b>43,637</b>	<b>1</b>	<b>43,638</b>
<b>Total comprehensive income for period</b>	<b>-</b>	<b>-</b>	<b>14,742</b>	<b>4,155</b>	<b>24,740</b>	<b>-</b>	<b>804,982</b>	<b>848,619</b>	<b>37</b>	<b>848,656</b>
<b>Contributions from and distributions to owners</b>										
- Payment of dividends	-	-	-	-	-	-	(248,661)	(248,661)	(167)	(248,828)
- Issue of shares	306	25,242	-	-	-	-	-	25,548	-	25,548
- Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
- Share-based payments	-	-	-	-	-	27,694	-	27,694	-	27,694
<b>Total contributions from and distributions to owners</b>	<b>306</b>	<b>25,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,694</b>	<b>(248,661)</b>	<b>(195,419)</b>	<b>(167)</b>	<b>(195,586)</b>
<b>Total equity as at Dec 31 2022</b>	<b>19,319</b>	<b>358,506</b>	<b>32,627</b>	<b>4,155</b>	<b>100,448</b>	<b>149,896</b>	<b>2,589,066</b>	<b>3,254,017</b>	<b>(720)</b>	<b>3,253,297</b>

For the nine months ended September 30th 2022 (PLN '000)

<i>Note</i>	Share capital	Share premium	Hedge reserve	Measurement reserve (defined benefit plans)	Translation reserve	Other capital reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
<b>Equity as at Jan 1 2022</b>	<b>19,013</b>	<b>333,264</b>	<b>17,885</b>	<b>-</b>	<b>75,708</b>	<b>122,202</b>	<b>2,032,745</b>	<b>2,600,817</b>	<b>(590)</b>	<b>2,600,227</b>
<b>Comprehensive income for period</b>										
Net profit for period	-	-	-	-	-	-	676,858	676,858	222	677,080
Other comprehensive income										
- Exchange differences on translating foreign operations	-	-	-	-	93,589	-	-	93,589	4	93,593
- Measurement of hedging instruments	-	-	(23,317)	-	-	-	-	(23,317)	-	(23,317)
Total other comprehensive income	-	-	(23,317)	-	93,589	-	-	70,272	4	70,276
<b>Total comprehensive income for period</b>	<b>-</b>	<b>-</b>	<b>(23,317)</b>	<b>-</b>	<b>93,589</b>	<b>-</b>	<b>676,858</b>	<b>747,130</b>	<b>226</b>	<b>747,356</b>
<b>Contributions from and distributions to owners</b>										
- Payment of dividends	-	-	-	-	-	-	(248,661)	(248,661)	(167)	(248,828)
- Issue of shares	115	9,476	-	-	-	-	-	9,591	-	9,591
- Share-based payments	-	-	-	-	-	23,110	-	23,110	-	23,110
<b>Total contributions from and distributions to owners</b>	<b>115</b>	<b>9,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,110</b>	<b>(248,661)</b>	<b>(215,960)</b>	<b>(167)</b>	<b>(216,127)</b>
<b>Total equity as at Sep 30 2022</b>	<b>19,128</b>	<b>342,740</b>	<b>(5,432)</b>	<b>-</b>	<b>169,297</b>	<b>145,312</b>	<b>2,460,942</b>	<b>3,131,987</b>	<b>(531)</b>	<b>3,131,456</b>

## V. Consolidated statement of cash flows

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
<b>Cash flows from operating activities</b>				
<b>Net profit for period</b>	757,315	228,925	677,080	188,261
<i>Adjustments</i>				
Depreciation of property, plant and equipment	26,504	8,794	26,292	9,643
Amortisation of intangible assets	16,435	5,745	10,506	3,605
Net finance costs	195,655	73,036	127,352	48,531
(Gain)/loss on sale of property, plant and equipment	(1,304)	(567)	(353)	(195)
(Gain)/loss on sale of subsidiaries	(15,103)	-	-	-
Equity-settled share-based payments	18,189	8,901	23,110	7,788
Interest income	(1,264,992)	(447,034)	(1,015,685)	(367,217)
Income tax	75,455	18,752	33,582	2,849
Change in loans	(34,689)	(1,677)	(43,888)	(10,450)
Change in debt portfolios purchased	(1,444,446)	(705,347)	(952,478)	(451,906)
Change in inventories	(495)	(1,065)	3,382	3,187
Change in trade and other receivables	(15,773)	(8,118)	(5,172)	(4,707)
Change in other assets	2,801	(161)	(2,480)	(549)
Change in trade and other payables	(9,982)	(14,949)	(8,248)	(622)
Change in employee benefit obligations	(2,143)	(1,379)	4,989	(1,430)
Change in provisions	(2,334)	(946)	1,053	291
Minority interest share of profit	(482)	(134)	(222)	(241)
Interest received	1,264,992	447,034	1,015,685	367,217
Income tax paid	(54,039)	(22,995)	(36,482)	(7,796)
<b>Net cash from operating activities</b>	<b>(488,437)</b>	<b>(413,185)</b>	<b>(141,977)</b>	<b>(213,741)</b>
<b>Cash flows from investing activities</b>				
Interest received	900	177	488	70
Sale of intangible assets and property, plant and equipment	930	617	434	181
Proceeds from sale of subsidiaries	16,777	-	-	-
Purchase of intangible assets and property, plant and equipment	(34,093)	(8,238)	(14,143)	(2,649)
<b>Net cash from investing activities</b>	<b>(15,486)</b>	<b>(7,444)</b>	<b>(13,221)</b>	<b>(2,398)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares	-	-	9,591	-
Proceeds from issue of debt securities	977,320	75,000	510,000	60,000
Increase in borrowings	1,879,875	1,034,882	1,557,539	409,408
Repayment of borrowings	(1,847,639)	(322,391)	(1,112,487)	(166,535)
Payments under lease contracts	(27,469)	(14,494)	(18,419)	(3,185)
Payment of dividends	(289,934)	(289,782)	(248,828)	-
Redemption of debt securities	-	-	(392,926)	-
Interest paid	(196,868)	(33,117)	(151,406)	(63,144)
<b>Net cash from financing activities</b>	<b>495,285</b>	<b>450,098</b>	<b>153,064</b>	<b>236,544</b>
Total net cash flows	(8,638)	29,469	(2,134)	20,405
Cash and cash equivalents at beginning of period	202,160	164,053	199,164	176,625
Cash and cash equivalents at end of period	193,522	193,522	197,030	197,030
<i>of which:</i>				
- effect of exchange rate fluctuations on cash held	(4,560)	(8,185)	2,572	3,059

The consolidated statement of cash flows should be read in conjunction with the notes to the interim condensed consolidated financial statements, which form which form an integral part of the financial statements.

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

### 1. Organisation of the KRUK Group

#### Parent

Name:

KRUK Spółka Akcyjna (“KRUK S.A.” or “Parent”)

Registered office:

ul. Wołowska 8

51-116 Wrocław, Poland

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: September 7th 2005

Registration number: KRS NO. 0000240829

#### *Principal business activities of the Parent and its subsidiaries*

The principal business activities of the Parent and most of its subsidiaries consist primarily in the restructuring and recovery of debts purchased by the Group companies and the provision of credit management services to financial institutions and other clients. Some subsidiaries also operate in the consumer lending market.

These interim condensed consolidated financial statements for the reporting period January 1st–September 30th 2023 include the financial statements of the Parent and its subsidiaries (jointly the “Group”).

KRUK S.A. is the Parent of the Group.

As at September 30th 2023, the Parent’s Management Board was composed of the following persons:

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

In the three months ended September 30th 2023 and by the issue date of this interim report, the composition of the Management Board of KRUK S.A. did not change.

As at September 30th 2023, the composition of the Parent's Supervisory Board was as follows:

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

In the three months to September 30th 2023 and by the issue date of this interim report, the composition of the Supervisory Board of KRUK S.A. did not change.

### KRUK Group

As at the issue date of this report, the Group comprised KRUK S.A. of Wrocław, 22 subsidiaries, and 2 entities controlled through personal links:

Subsidiary	Registered office	Principal business activity
<b>DEBT MANAGEMENT</b>		
AgeCredit S.r.l.	Cesena	Credit management in Italy
KRUK Česká a Slovenská republika s.r.o.	Hradec Kralove	Credit management services and collection of debt purchased by the KRUK Group, investing in debt portfolios
KRUK Deutschland GmbH	Berlin	Collection of debt purchased by the KRUK Group, investing in debt portfolios
KRUK Espana S.L.U.	Madrid	Credit management services and collection of debt purchased by the KRUK Group in Spain and other European countries, investing in debt portfolios
KRUK Italia S.r.l.	Milan	Credit management services and collection of debt purchased by the KRUK Group in Italy and other European countries
KRUK Romania S.r.l.	Bucharest	Credit management services and collection of debt purchased by the KRUK Group, investing in debt portfolios
<b>INVESTMENTS IN DEBT PORTFOLIOS</b>		
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Wrocław	Management of Prokura NFW FIZ, Presco NFW FIZ and Bison NFW FIZ funds
Bison NFW FIZ (formerly Bison NS FIZ)	Wrocław	Non-standardised Debt Closed-End Investment Fund
Presco NFW FIZ (formerly P.R.E.S.C.O. Investment I NS FIZ)	Wrocław	Non-standardised Debt Closed-End Investment Fund
Prokura NFW FIZ (formerly Prokura NS FIZ)	Wrocław	Non-standardised Debt Closed-End Investment Fund
InvestCapital Ltd.	Malta	Investing in debt or debt-backed assets
ItaCapital S.r.l.	Milan	Investing in debt portfolios
KRUK INVESTIMENTI S.R.L.	Milan	Investing in debt portfolios
Secapital S.a r.l.	Luxembourg	Investing in debt or debt-backed assets
Presco Investments S.a r.l.	Luxembourg	Investing in debt or debt-backed assets

Subsidiary	Registered office	Principal business activity
<b>CONSUMER LENDING</b>		
NOVUM FINANCE sp. z o.o.	Wrocław	Granting consumer loans
Wonga.pl sp. z o.o.	Warsaw	Granting consumer loans
RoCapital IFN S.A.	Bucharest	Granting consumer loans
<b>DEBT MANAGEMENT SUPPORT ACTIVITIES</b>		
Kancelaria Prawna Raven P. Krupa sp.k.	Wrocław	Comprehensive support for litigation and enforcement proceedings as part of debt collection processes carried out by the KRUK Group and its partners
Zielony Areal sp. z o.o.	Wrocław	Buying and selling own real estate; services supporting crop production
KRUK TECH s.r.l.	Bucharest	Software development and provision of IT services
KRUK Immobiliare S.a r.l.s	Milan	Buying and selling own real estate

Entity controlled through personal links	Registered office	Principal business activity
Corbul S.r.l	Bucharest	Detective activities
Gantoi, Furculita Si Asociatii S.p.a.r.l.	Bucharest	Law firm

All the subsidiaries listed above are included in these condensed consolidated financial statements as at September 30th 2023 and for the period January 1st–September 30th 2022.

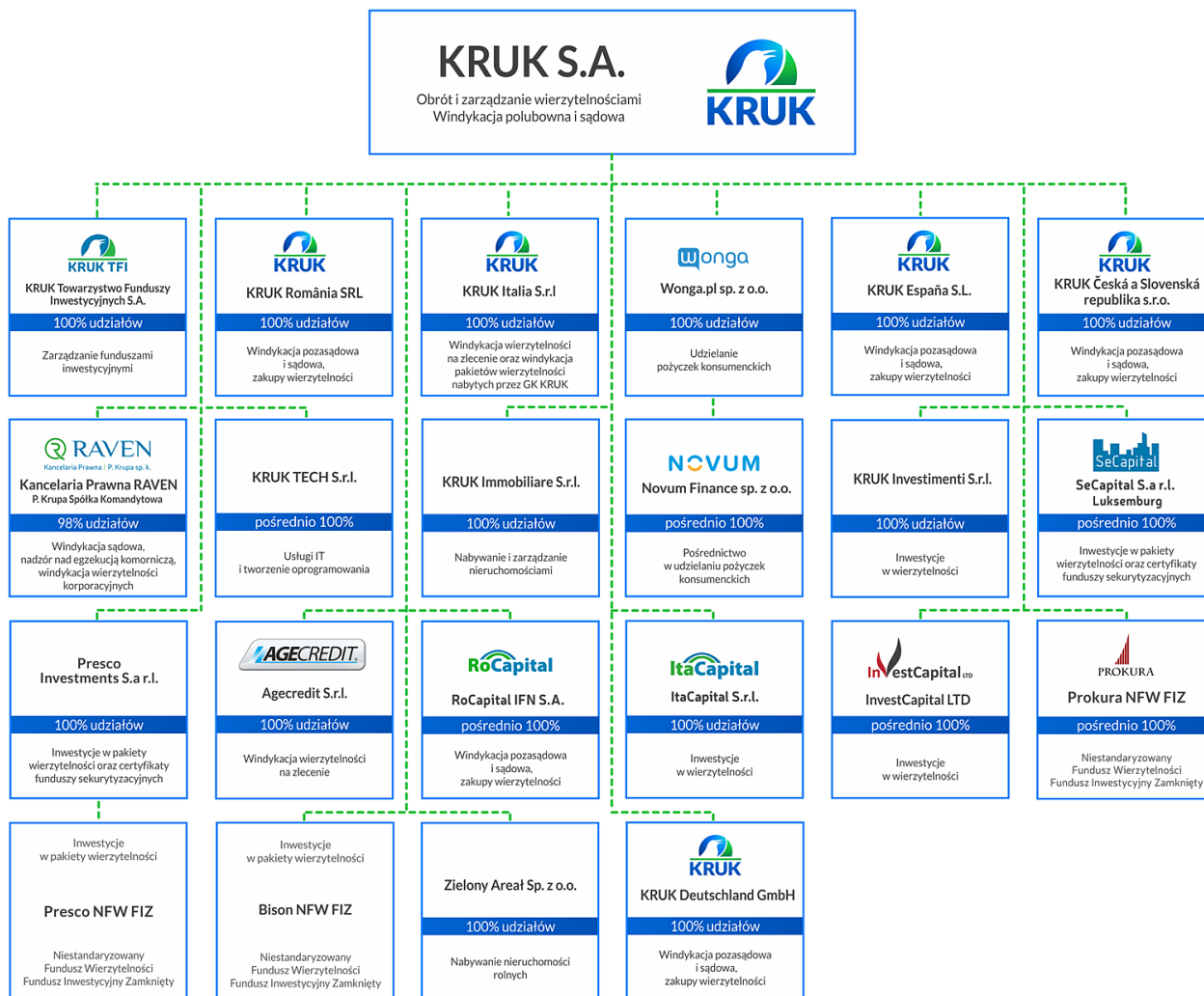
On January 3rd 2023, an agreement was signed for sale by the Parent of all shares in ERIF Biuro Informacji Gospodarczej S.A. and ERIF Business Solutions sp. z o.o. The ownership title to the shares was transferred on the date on which the Parent's bank account was credited with the sale price, i.e. on January 24th 2023.

Following the liquidation process launched on December 30th 2022, ProsperoCapital S.à.r.l. of Luxembourg was effectively liquidated on March 31st 2023.

On May 17th 2023, the articles of association of KRUK Immobiliare S.r.l. of Milan were executed, and on May 19th 2023 the company was entered in the commercial register. The principal business activities of KRUK Immobiliare S.r.l. consist in buying and managing of real estate. KRUK holds 100% of shares in the newly incorporated company.

On September 20th 2023, Kruk Italia, a wholly-owned subsidiary of KRUK S.A., sold all shares in Elleffe Capital s.r.l. Following the transaction, Elleffe ceased to be a member of the KRUK Group.

As at the date of issue of this report, the KRUK Group's structure was as follows:



The Parent operates three local offices in Warsaw, Szczawno-Zdrój and Piła.



The ownership interests held by the Parent in the subsidiaries as at the date of this report were as follows:

	Country	Ownership interest and share in total voting rights	
		Sep 30 2023	Dec 31 2022
Secapital S.a.r.l. <sup>1</sup>	Luxembourg	100%	100%
ERIF Business Solutions Sp. z o.o. <sup>4</sup>	Poland	-	100%
ERIF Biuro Informacji Gospodarczej S.A. <sup>4</sup>	Poland	-	100%
Novum Finance Sp. z o.o. <sup>1</sup>	Poland	100%	100%
KRUK Romania S.r.l.	Romania	100%	100%
Kancelaria Prawna Raven P. Krupa Spółka komandytowa	Poland	98%	98%
KRUK Towarzystwo Funduszy Inwestycyjnych S.A.	Poland	100%	100%
KRUK Česká a Slovenská republika s.r.o.	Czech Republic	100%	100%
Prokura NFW FIZ (dawniej Prokura NS FIZ) <sup>1,7</sup>	Poland	100%	100%
InvestCapital Ltd <sup>1</sup>	Malta	100%	100%
RoCapital IFN S.A. <sup>1</sup>	Romania	100%	100%
Kruk Deutschland GmbH	Germany	100%	100%
KRUK Italia S.r.l.	Italy	100%	100%
ItaCapital S.r.l.	Italy	100%	100%
KRUK España S.r.l.	Spain	100%	100%
ProsperoCapital S.a.r.l. (w likwidacji) <sup>2</sup>	Luxembourg	-	100%
Presco Investments S.a.r.l.	Luxembourg	100%	100%
Presco NFW FIZ (dawniej P.R.E.S.C.O. Investment I NS FIZ) <sup>1,7</sup>	Poland	100%	100%
Bison NFW FIZ (dawniej Bison NS FIZ) <sup>1,7</sup>	Poland	100%	100%
Elleffe Capital S.r.l. <sup>6</sup>	Italy	-	100%
Corbul S.r.l. <sup>3</sup>	Romania	n/d	n/d
Gantoi, Furculita Si Asociatii S.p.a.r.l. <sup>3</sup>	Romania	n/d	n/d
Agecredit S.r.l.	Italy	100%	100%
Wonga.pl Sp. z o.o.	Poland	100%	100%
KRUK Investimenti S.r.l.	Italy	100%	100%
Zielony Areał Sp. z o.o.	Poland	100%	100%
Kruk Tech S.r.l. <sup>1</sup>	Romania	100%	100%
Kruk Immobiliare S.r.l. <sup>5</sup>	Italy	100%	-

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

<sup>2</sup> Entity dissolved through liquidation in the three months ended March 31st 2023.

<sup>3</sup> The Parent controls the company through a personal link.

<sup>4</sup> Entity sold outside the Group in the three months ended March 31st 2023.

<sup>5</sup> Entity established in the three months ended June 30th 2023.

<sup>6</sup> Entity sold outside the Group in the three months ended September 30th 2023.

<sup>7</sup> The Fund changed its name on September 29, 2023

## 2. Reporting period

The reporting period is the period from January 1st to September 30th 2023 and the comparative period is the period from January 1st to September 30th 2022. The consolidated statement of financial position has been prepared as at September 30th 2023 and the comparative data is presented as at June 30th 2023, September 30th 2022, and December 31st 2022. The consolidated statement of changes in equity was prepared for the period from January 1st 2023 to September 30th 2023 and the comparative periods are from January 1st to September 30th 2022 and from January 1st to December 31st 2022.

The quarterly financial data is presented for the periods from July 1st to September 30th 2023 and from July 1st to September 30th 2022.

The presented data has not been audited.

These financial statements do not contain all the information required to prepare full-year financial statements and should therefore be read in conjunction with the Group's consolidated financial statements prepared as at and for the year ended December 31st 2022 (available on the web page: [Interim reports / KRUK S.A.](#)).

## 3. Statement of compliance

These interim condensed consolidated financial statements of the Group have been prepared in the condensed form in accordance with IAS 34 applicable to interim financial statements.

In the opinion of the Management Board, there are no circumstances which could pose a significant threat to the Group companies continuing as going concerns. Therefore, these interim condensed consolidated financial statements have been prepared under the assumption that the companies will continue as going concerns for the foreseeable future, that is for 12 months from the reporting date.

These interim condensed financial statements were authorised for issue by the Parent's Management Board (the "Management Board") on November 7th 2023.

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

The Polish złoty is the functional currency of the Parent.

#### 4. Significant accounting policies

These interim condensed consolidated financial statements have been prepared based on the following accounting concepts:

- measurement at amortised cost calculated using the effective interest rate method:
  - including allowance for expected credit losses – for credit-impaired assets,
  - for financial assets held as part of the business model whose objective is to hold financial assets in order to collect contractual cash flows,and
  - for other financial liabilities;
- measurement at fair value – for derivatives and loans for which the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding,
- measurement at historical cost – for non-financial assets and liabilities.

The accounting policies applied to prepare these interim condensed financial statements are consistent with those applied in the most recent full-year consolidated financial statements as at and for the year ended December 31st 2022.

The Group applied the following amendments to standards and interpretations approved for use in the European Union as of January 1st 2023:

- IFRS 17 Insurance Contracts, including amendments to IFRS 17 issued in 2020 (Amendments to IFRS 17) and in 2021 (Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information);
- Amendments to IAS 12 introducing a definition of accounting estimates;
- Amendments to IAS 1 and IFRS Practice statement 2 concerning disclosure of accounting policies;
- Amendments to IAS 8 introducing a definition of accounting estimates.

The amendments had no significant effect on the consolidated financial statements of the Group.

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 January 1st 2023.

## 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
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities	The amendments concern the presentation of liabilities in the statement of financial position. In particular, they clarify that the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period. The amendments will apply prospectively.	The Group does not expect the amendments to have a significant impact on its consolidated financial statements.	January 1st 2024
Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants	The amendments clarify how the covenants that an entity has to comply with within the twelve months of the reporting date affect the classification of a liability as current or non-current.	The Group is assessing the potential impact of the amendments on its consolidated financial statements.	January 1st 2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	The amendments concern the measurement of lease liabilities in sale and leaseback transactions.	The Group does not expect the amendments to have a significant impact on its consolidated financial statements.	January 1st 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements	The amendments mandate the disclosure of information about how supply chain finance arrangements affect an entity's liabilities and cash flows and what is their effect on the entity's exposure to liquidity risk.	The Group is assessing the potential impact of the amendments on its consolidated financial statements.	January 1st 2024
Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules	The amendments relate to so-called Pillar 2 of the OECD's international tax reform, which is primarily intended to implement solutions to increase effective taxation of the largest corporate groups.	The Group is assessing the potential impact of the amendments on its	January 1st 2023

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
		consolidated financial statements.	
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rate – Lack of Exchangeability	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 Group is assessing the potential impact of the amendments on its consolidated financial statements.	January 1st 2025

## 5. Accounting estimates and judgements

In order to prepare interim consolidated 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 Group 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
	Sep 30 2023 (PLN '000)	Dec 31 2022 (PLN '000)		
Investments in debt portfolios	8,190,228	6,768,087	9	<p>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/entities (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.</p> <p>The Kruk Group prepares projections for recoveries from debt portfolios separately for each market. 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.</p> <p>The original forecast of estimated cash receipts, taking into account the initial value, is used to determine an effective interest rate equal to the internal rate of return including a credit risk component.</p>

Item	Amount estimated		Note	Assumptions and estimate calculation
	Sep 30 2023 (PLN '000)	Dec 31 2022 (PLN '000)		
				which is used for discounting estimated cash flows, and which remains unchanged throughout the life of a portfolio.
Goodwill	17,151	17,026	10.13	Goodwill impairment is estimated based on the expected discounted cash flows to be derived from a cash-generating unit. The discount rate used to discount expected cash flows reflects the current market assessment of the asset risk for the debt collection industry.
Loans measured at amortised cost	397,280	357,003	9	Gross loans are calculated based on expected cash flows discounted with the effective interest rate. The expected cash flows are determined for homogeneous groups of loans, based on historical prepayment data. The probability of prepayment varies, among other things, depending on the time elapsed since the grant of loan. The amount of gross loans is reduced by the amount of expected credit losses. It is determined based on, among other things, probability of default (PD), loss given default (LGD), and exposure at default (EAD).
Loans at fair value through profit or loss	6,852	12,440	9	Loans that do not meet the SPPI test are measured at fair value. The fair value of loans was determined based on Level 3, that is based on the projection of expected cash flows.  The main parameter that affects the fair value of loans is the interest rate used to discount expected cash flows to the present value and the amount of expected credit losses on the portfolio.

Item	Amount subject to judgement		Note	Assumptions underlying judgements
	Sep 30 2023 (PLN '000)	Dec 31 2022 (PLN '000)		
Deferred tax assets and liabilities	46,291 (assets)	44,921 (assets)	10.8	<p>The Group exercises control over the timing of temporary differences regarding subsidiaries, and thus recognizes deferred tax liabilities. These liabilities are based on estimates of future income tax payments, which are derived from three-year plans.</p> <p>The Kruk Group assesses the recoverability of deferred tax assets based on its approved financial forecast for the following years.</p> <p>The amount of deferred tax liabilities is affected by changes in expected future cash flows from investment companies to KRUK S.A. in the foreseeable future. The level of the cash flows depends on such factors as:</p> <ul style="list-style-type: none"> <li>• KRUK S.A.'s liquidity needs and the amount of raised and projected new debt financing available to KRUK S.A.,</li> <li>• raised and projected new debt financing available to the investment companies,</li> <li>• the planned expenditure on debt portfolios – its amount determines the projected liquidity position of the investment companies,</li> <li>• planned recoveries from purchased debt portfolios at the investment companies.</li> </ul> <p>Therefore, the amount of deferred tax liability for <i>expected future cash flows from subsidiaries</i> may be subject to material changes in individual reporting periods.</p>
	245,145 (liabilities)	201,420 (liabilities)		
Functional currency at InvestCapital	71,578	102,571		<p>InvestCapital carries out material transactions in three different currencies: EUR, PLN, and RON. Under IAS 21, the Kruk Group assesses the correctness of applying the functional currency for executed transactions on a quarterly basis, taking into account both historical and planned transactions. Given the volume of planned and held investments in debt portfolios, InvestCapital's functional currency is the euro.</p>



## 6. Financial risk management

The principles of financial risk management are presented in the most recent consolidated full-year financial statements prepared as at and for the financial year ended December 31st 2022. In the period from January 1st to September 30th 2023, there were no significant changes in the approach to financial risk management.

## 7. Reporting and geographical segments

### Reportable segments

Below, the Group presents its principal reportable segments. The division into segments presented below is based on the criterion of materiality of revenue in the consolidated statement of profit or loss. The President of the Management Board of the Parent reviews internal management reports relating to each business segment at least quarterly. The Group's reportable segments conduct the following activities:

- debt purchase: collection of purchased debt,
- credit management services: fee-based collection of debt on client's behalf;
- other: financial intermediation, lending, provision of business information.

The performance of each reportable segment is discussed below. The key performance metrics for each reportable segment are gross profit and EBITDA, which are disclosed in the management's internal reports reviewed by the President of the Management Board of the Parent. A segment's gross profit and EBITDA are used to measure the segment's performance since the management believes them to be the most appropriate metrics for the assessment of the segment's results against other entities operating in the industry.

The Group's operating activities concentrate in a few geographical areas: Poland, Romania, the Czech Republic, Slovakia, Germany, Spain and Italy.

The Group's operations are divided into four main geographical segments:

- Poland,
- Romania,
- Italy,
- Spain,
- other foreign markets.

In the presentation of data by geographical segments, segments' revenue is recognised based on the location of debt collection offices.

Revenue from credit management services and revenue from other products represent revenue from business partners.

There was no revenue from inter-segment transactions.

## Reportable segments

For the reporting period ended September 30th 2023

	Poland		Romania	Italy	Spain	Other foreign markets	Unallocated income / expenses	Head Office	TOTAL
	Poland excluding Wonga.pl	Wonga.pl							
<b>Revenue</b>	<b>796,205</b>	<b>100,177</b>	<b>431,953</b>	<b>311,614</b>	<b>223,136</b>	<b>40,620</b>	<b>19,049</b>	-	<b>1,922,754</b>
Purchased debt portfolios <i>including revaluation of projected recoveries</i>	754,745 145,039	-	427,367 145,058	303,512 23,134	210,906 4,500	40,620 1,718	-	-	<b>1,737,150</b> <b>319,449</b>
Credit management services	23,409	-	322	8,102	12,230	-	-	-	<b>44,063</b>
Other products	18,051	100,177	4,264	-	-	-	-	-	<b>122,492</b>
Other income	-	-	-	-	-	-	19,049	-	<b>19,049</b>
<b>Direct and indirect costs</b>	<b>(206,682)</b>	<b>(35,769)</b>	<b>(91,071)</b>	<b>(145,405)</b>	<b>(117,495)</b>	<b>(21,445)</b>	<b>(6,602)</b>	-	<b>(624,469)</b>
Purchased debt portfolios	(181,181)	-	(88,079)	(139,200)	(106,342)	(21,445)	-	-	<b>(536,247)</b>
Credit management services	(16,166)	-	(27)	(6,205)	(11,153)	-	-	-	<b>(33,551)</b>
Other products	(9,335)	(35,769)	(2,965)	-	-	-	-	-	<b>(48,069)</b>
Unallocated expenses	-	-	-	-	-	-	(6,602)	-	<b>(6,602)</b>
<b>Gross profit<sup>1</sup></b>	<b>589,523</b>	<b>64,408</b>	<b>340,882</b>	<b>166,209</b>	<b>105,641</b>	<b>19,175</b>	<b>12,447</b>	-	<b>1,298,285</b>
Purchased debt portfolios	573,564	-	339,288	164,312	104,564	19,175	-	-	<b>1,200,903</b>
Credit management services	7,243	-	295	1,897	1,077	-	-	-	<b>10,512</b>
Other products	8,716	64,408	1,299	-	-	-	-	-	<b>74,423</b>
Unallocated income / expenses	-	-	-	-	-	-	12,447	-	<b>12,447</b>
Administrative expenses	(54,337)	(9,916)	(22,016)	(27,044)	(17,498)	(10,725)	-	(85,384)	<b>(226,920)</b>
<b>EBITDA<sup>2</sup></b>	<b>535,186</b>	<b>54,492</b>	<b>318,864</b>	<b>139,165</b>	<b>88,144</b>	<b>8,450</b>	<b>12,447</b>	<b>(85,384)</b>	<b>1,071,364</b>
Depreciation and amortisation									<b>(42,939)</b>
Finance income/(costs)									<b>(195,655)</b>
Profit before tax									<b>832,770</b>
Income tax									<b>(75,455)</b>
<b>Net profit</b>									<b>757,315</b>
<b>Carrying amount of debt portfolios</b>	<b>2,858,381</b>	-	<b>1,390,486</b>	<b>1,998,172</b>	<b>1,765,962</b>	<b>177,227</b>	-	-	<b>8,190,228</b>
<b>Carrying amount of loans</b>	<b>66,538</b>	<b>318,193</b>	<b>19,401</b>	-	-	-	-	-	<b>404,132</b>
<b>Cash recoveries</b>	<b>1,032,464</b>	-	<b>476,769</b>	<b>423,202</b>	<b>259,979</b>	<b>93,553</b>	-	-	<b>2,285,967</b>

For the reporting period ended September 30th 2022

	Poland		Romania	Italy	Spain	Other foreign markets	Unallocated income / expenses	Head Office	TOTAL
	Poland excluding Wonga.pl	Wonga.pl							
<b>Revenue</b>	<b>708,217</b>	<b>94,356</b>	<b>416,055</b>	<b>267,449</b>	<b>74,970</b>	<b>46,023</b>	<b>3,747</b>	-	<b>1,610,818</b>
Purchased debt portfolios	666,089	-	402,869	261,210	63,291	46,023	-	-	<b>1,439,483</b>
<i>including revaluation of projected recoveries</i>	<i>133,397</i>	-	<i>160,869</i>	<i>42,633</i>	<i>(38,706)</i>	<i>6,787</i>	-	-	<b>304,980</b>
Credit management services	20,723	-	10,388	6,239	11,680	-	-	-	<b>49,030</b>
Other products	21,405	94,356	2,797	-	-	-	-	-	<b>118,558</b>
Other income	-	-	-	-	-	-	3,747	-	<b>3,747</b>
<b>Direct and indirect costs</b>	<b>(205,059)</b>	<b>(35,007)</b>	<b>(78,780)</b>	<b>(130,068)</b>	<b>(71,116)</b>	<b>(16,825)</b>	<b>(6,583)</b>	-	<b>(543,438)</b>
Purchased debt portfolios	(180,165)	-	(71,056)	(124,448)	(60,169)	(16,825)	-	-	<b>(452,663)</b>
Credit management services	(14,983)	-	(5,512)	(5,620)	(10,947)	-	-	-	<b>(37,061)</b>
Other products	(9,911)	(35,007)	(2,212)	-	-	-	-	-	<b>(47,131)</b>
Unallocated expenses	-	-	-	-	-	-	(6,583)	-	<b>(6,583)</b>
<b>Gross profit<sup>1</sup></b>	<b>503,158</b>	<b>59,349</b>	<b>337,275</b>	<b>137,382</b>	<b>3,855</b>	<b>29,198</b>	<b>(2,836)</b>	-	<b>1,067,380</b>
Purchased debt portfolios	485,924	-	331,813	136,763	3,122	29,198	-	-	<b>986,820</b>
Credit management services	5,740	-	4,877	619	733	-	-	-	<b>11,969</b>
Other products	11,493	59,349	585	-	-	-	-	-	<b>71,427</b>
Unallocated income / expenses	-	-	-	-	-	-	(2,836)	-	<b>(2,836)</b>
Administrative expenses	(43,083)	(7,663)	(20,163)	(21,411)	(13,641)	(7,517)	-	(79,090)	<b>(192,568)</b>
<b>EBITDA<sup>2</sup></b>	<b>460,075</b>	<b>51,686</b>	<b>317,111</b>	<b>115,971</b>	<b>(9,786)</b>	<b>21,681</b>	<b>(2,836)</b>	<b>(79,090)</b>	<b>874,812</b>
Depreciation and amortisation									<b>(36,798)</b>
Finance income/(costs)									<b>(127,352)</b>
Profit before tax									<b>710,662</b>
Income tax									<b>(33,582)</b>
<b>Net profit</b>									<b>677,080</b>
<b>Carrying amount of debt portfolios</b>	<b>2,666,301</b>	-	<b>1,160,486</b>	<b>1,435,040</b>	<b>742,626</b>	<b>153,684</b>	-	-	<b>6,158,136</b>
<b>Carrying amount of loans</b>	<b>47,039</b>	<b>295,129</b>	<b>18,056</b>	-	-	-	-	-	<b>360,224</b>
<b>Cash recoveries</b>	<b>933,027</b>	-	<b>438,923</b>	<b>316,301</b>	<b>164,713</b>	<b>74,758</b>	-	-	<b>1,927,722</b>

<sup>1</sup> Gross profit = operating income - operating expenses.<sup>2</sup> EBITDA = operating profit - depreciation and amortisation.

## 8. Seasonality or cyclicity of business

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

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

### Investments

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022 unaudited</b>
Investments in debt portfolios	8,190,228	6,768,087	6,158,136
Loans measured at amortised cost	397,280	357,003	344,671
Loans measured at fair value	6,852	12,440	15,553
	<b>8,594,360</b>	<b>7,137,530</b>	<b>6,518,360</b>

### Investments measured at amortised cost

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022 unaudited</b>
Investments in debt portfolios	8,190,228	6,768,087	6,158,136
Loans measured at amortised cost	397,280	357,003	344,671
	<b>8,587,508</b>	<b>7,125,090</b>	<b>6,502,807</b>

### Debt portfolios

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022 unaudited</b>
<b>Carrying amount of purchased debt portfolios</b>			
Unsecured portfolios	7,441,009	6,008,230	5,405,112
Secured portfolios	749,219	759,857	753,024
	<b>8,190,228</b>	<b>6,768,087</b>	<b>6,158,136</b>

If necessary, as at the end of each quarter the Group 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 Group 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*

	<b>Sep 30 2023</b> <b>unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022</b> <b>unaudited</b>
Discount rate <sup>1</sup>	8.00–147.10%	8.00–147.10%	8.00–147.10%
Cash flows estimation period	Oct 2023–Oct 2043	Jan 2023–Jun 2043	Oct 2022–Sep 2042
Undiscounted value of future recoveries	17,229,761	13,764,663	12,121,562

<sup>1</sup> the interest rate range Applicable to 99% of debt portfolios.

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

<i>PLN '000</i>	<b>Sep 30 2023</b> <b>unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022</b> <b>unaudited</b>
<b>Period</b>			
Up to 12 months	2,537,588	2,181,714	2,080,783
From 1 to 2 years	2,383,739	1,979,975	1,799,688
From 2 to 3 years	2,176,557	1,745,420	1,599,348
From 3 to 4 years	1,746,310	1,453,870	1,337,851
From 4 to 5 years	1,471,926	1,172,660	1,009,663
From 5 to 6 years	1,209,250	948,012	823,705
From 6 to 7 years	988,908	785,290	669,652
From 7 to 8 years	825,987	632,161	540,780
From 8 to 9 years	706,428	538,006	453,276
From 9 to 10 years	608,027	453,222	387,119
From 10 to 11 years	532,856	392,846	331,564
From 11 to 12 years	459,525	345,127	289,135
From 12 to 13 years	388,499	294,225	247,781
From 13 to 14 years	316,720	243,635	203,559
From 14 to 15 years	238,410	186,276	122,884
Over 15 years	639,031	412,224	224,775
	<b>17,229,761</b>	<b>13,764,663</b>	<b>12,121,562</b>

<i>PLN '000</i>	<b>Sep 30 2023</b> <b>unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022</b> <b>unaudited</b>
discount rate:			
< 25%	12,039,919	9,392,269	7,224,769
25–50%	4,424,520	3,753,717	3,819,327
> 50%	765,322	618,677	1,077,466
	<b>17,229,761</b>	<b>13,764,663</b>	<b>12,121,562</b>

The amounts of estimated remaining recoveries 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 recoveries on existing debt portfolios,
- revaluation of estimated remaining recoveries.

Below are presented changes of the net carrying amount of investments in debt portfolios:

PLN '000	Unsecured portfolios	Secured portfolios	TOTAL
<b>Carrying amount of investments in debt portfolios at January 1st 2023</b>	<b>6,008,230</b>	<b>759,857</b>	<b>6,768,087</b>
Purchase of debt portfolios	1,864,968	118,838	1,983,806
Cash recoveries	(2,012,294)	(273,673)	(2,285,967)
Increase/(decrease) in liabilities to indebted persons due to overpayments	4,810	-	4,810
Valuation of loyalty scheme*	4,888	-	4,888
Revenue from purchased debt portfolios	1,598,270	138,880	1,737,150
Carrying amount of property foreclosed	-	(2,308)	(2,308)
Carrying amount of property sold	-	2,898	2,898
Translation differences on debt portfolios**	(27,863)	4,727	(23,136)
<b>Carrying amount of investments in debt portfolios at September 30th 2023</b>	<b>7,441,009</b>	<b>749,219</b>	<b>8,190,228</b>

PLN '000	Unsecured portfolios	Secured portfolios	TOTAL
<b>Carrying amount of investments in debt portfolios at January 1st 2022</b>	<b>4,344,965</b>	<b>755,211</b>	<b>5,100,176</b>
Purchase of debt portfolios	2,130,808	180,264	2,311,072
Cash recoveries	(2,293,628)	(333,715)	(2,627,343)
Increase/(decrease) in liabilities to indebted persons due to overpayments	7,998	-	7,998
Valuation of loyalty scheme*	6,624	-	6,624
Revenue from purchased debt portfolios	1,758,830	153,846	1,912,676
Carrying amount of property foreclosed	-	(4,866)	(4,866)
Carrying amount of property sold	-	9,166	9,166
Translation differences on debt portfolios**	52,633	(49)	52,584
<b>Carrying amount of investments in debt portfolios at December 31st 2022</b>	<b>6,008,230</b>	<b>759,857</b>	<b>6,768,087</b>

PLN '000	Unsecured portfolios	Secured portfolios	TOTAL
<b>Carrying amount of investments in debt portfolios at January 1st 2022</b>	<b>4,344,965</b>	<b>755,211</b>	<b>5,100,176</b>
Purchase of debt portfolios	1,213,963	136,563	1,350,526
Purchase price adjustment for discount	-	-	-
Cash recoveries	(1,673,891)	(253,831)	(1,927,722)
Receivables from debt sold	-	-	-
Increase/(decrease) in liabilities to indebted persons due to overpayments	7,021	-	7,021
Valuation of loyalty scheme*	5,185	-	5,185
Payments from original creditor	-	-	-
Revenue from purchased debt portfolios	1,334,699	104,784	1,439,483
Carrying amount of property foreclosed	-	(3,704)	(3,704)
Carrying amount of property sold	-	7,592	7,592
Translation differences on debt portfolios**	173,169	6,410	179,579
<b>Carrying amount of investments in debt portfolios at September 30th 2022</b>	<b>5,405,111</b>	<b>753,025</b>	<b>6,158,136</b>

\* The amount of investments in debt portfolios is adjusted to account for the measurement of the loyalty scheme and the increase/(decrease) in liabilities to indebted persons due to overpayments in connection with the recognition of costs related to the bonus plan and a provision for overpayments under 'Other income/expenses from purchased debt portfolios'.

\*\* Including purchased debt portfolios in currencies other than PLN. The item results from exchange rate movements in the respective periods, mainly EUR/PLN fluctuations.

In the reporting period, the Group invested PLN 1,983,806 thousand in debt portfolios (nine months to September 30th 2022: PLN 1,350,526 thousand; 2022: PLN 2,311,072 thousand), while the amount of collections was PLN 2,285,967 thousand (nine months to September 30th 2022: PLN 1,927,722 thousand; 2022: 2,627,343 thousand).

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

<i>PLN '000</i>	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Dec 31 2022</b>	<b>Jan 1–Sep 30 2022 unaudited</b>
<b>Cumulative expected credit losses on purchased debt portfolios at beginning of period</b>	<b>2,328,752</b>	<b>1,600,562</b>	<b>1,600,562</b>
Revaluation of projected recoveries, including:			
<i>unsecured portfolios</i>	319,449	383,860	304,980
<i>secured portfolios</i>	337,857	441,314	360,303
Deviations from actual recoveries, decreases on early collections in collateralised cases, including:			
<i>unsecured portfolios</i>	(18,408)	(57,454)	(55,324)
<i>secured portfolios</i>	340,307	344,330	262,961
<i>unsecured portfolios</i>	289,147	295,489	227,855
<i>secured portfolios</i>	51,160	48,841	35,106
<b>Cumulative expected credit losses on purchased debt portfolios at end of period</b>	<b>2,988,508</b>	<b>2,328,752</b>	<b>2,168,503</b>

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

## Loans

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022 unaudited</b>
Loans measured at amortised cost	397,280	357,003	344,671
Loans measured at fair value	6,852	12,440	15,553
	<b>404,132</b>	<b>369,443</b>	<b>360,224</b>

## Loans measured at amortised cost

The structure of loans measured at amortised cost at the end of the reporting periods was as follows:

IFRS 9 classification	Carrying amount as at Sep 30 2023 unaudited	Carrying amount as at Dec 31 2022	Carrying amount as at Sep 30 2022 unaudited
<b>Gross carrying amount of loans measured at amortised cost</b>			
Basket 1	255,405	216,799	216,587
Basket 2	113,813	117,473	115,245
Basket 3	275,659	182,377	139,898
POCI loans	1,260	1,478	1,964
	<b>646,137</b>	<b>518,127</b>	<b>473,694</b>
<b>Allowance for expected credit losses</b>			
Basket 1	16,795	9,769	11,775
Basket 2	24,151	17,316	15,544
Basket 3	207,911	134,039	101,705
	<b>248,857</b>	<b>161,124</b>	<b>129,023</b>
<b>Net carrying amount</b>			
Basket 1	238,610	207,030	204,812
Basket 2	89,662	100,157	99,701
Basket 3	67,748	48,338	38,193
POCI loans	1,260	1,478	1,964
	<b>397,280</b>	<b>357,003</b>	<b>344,671</b>

Changes in the net carrying amount of loans measured at amortised cost are presented below.

PLN '000	Jan 1–Sep 30 2023 unaudited	Jan 1–Dec 31 2022	Jan 1–Sep 30 2022 unaudited
<b>Carrying amount of loans measured at amortised cost at beginning of period</b>	<b>357,003</b>	<b>279,213</b>	<b>279,213</b>
Acquisition of loans as part of portfolio purchase	-	8,530	8,530
New disbursements	416,181	593,852	449,466
Repayments	(493,310)	(663,700)	(494,204)
Interest income	178,085	220,864	155,643
Allowance for expected credit losses	(60,350)	(72,944)	(41,398)
Gain/(loss) on sale of loans	-	(9,263)	(13,710)
Translation differences on loans	(328)	451	1,131
Other differences	-	-	-
<b>Carrying amount of loans measured at amortised cost at end of period</b>	<b>397,280</b>	<b>357,003</b>	<b>344,671</b>



Changes in allowance for expected credit losses on loans measured at amortised cost:

PLN '000	Jan 1–Sep 30 2023 unaudited				Jan 1–Dec 31 2022			
	Basket 1	Basket 2	Basket 3	TOTAL	Basket 1	Basket 2	Basket 3	TOTAL
Loss allowance as at Jan 1	9,769	17,316	134,039	161,124	9,657	7,538	71,977	89,172
Loss allowance as at acquisition date	-	-	-	-	1,272	338	129	1,739
Transfer from basket 1 to basket 2	(17,633)	17,633	-	-	(3,489)	3,489	-	-
Transfer from basket 1 to basket 3	(11,104)	-	11,104	-	(3,707)	-	3,707	-
Transfer from basket 2 to basket 1	738	(738)	-	-	89	(89)	-	-
Transfer from basket 2 to basket 3	-	(32,744)	32,744	-	-	(4,959)	4,959	-
Transfer from basket 3 to basket 1	-	-	-	-	1	-	(1)	-
Transfer from basket 3 to basket 2	-	2	(2)	-	-	4	(4)	-
Allowance for expected credit losses recognised in the reporting period and changes reflecting loans advanced and repaid	35,025	22,681	30,027	87,733	5,946	10,996	53,271	70,213
Loss allowance at end of period	<b>16,795</b>	<b>24,151</b>	<b>207,911</b>	<b>248,857</b>	<b>9,769</b>	<b>17,316</b>	<b>134,039</b>	<b>161,124</b>

The amount of the allowance is determined for individual expected loss recognition buckets, based on estimates that reflect the risk of incurring the expected loss, made taking into account the stage of delinquency. The amount of the impairment loss at the end of the reporting period covers 38.5% of the gross carrying amount of loans measured at amortised cost (at the end of 2022: 31.1%). The total amount of undiscounted expected credit losses on impaired financial assets due to credit risk as at September 30th 2023 was PLN 21,654 thousand (December 31st 2022: PLN 21,525 thousand).

#### Loans measured at fair value

Changes in the carrying amount of loans measured at fair value:

PLN '000	Jan 1–Sep 30 2023 unaudited	Jan 1–Dec 31 2022	Jan 1–Sep 30 2022 unaudited
<b>Carrying amount of loans measured at fair value at beginning of period</b>	<b>12,440</b>	<b>37,123</b>	<b>37,123</b>
New disbursements	-	-	-
Repayments	(8,960)	(38,212)	(32,414)
Interest income	3,691	10,129	10,422
Remeasurement	(319)	3,400	422
Other remeasurement differences	-	-	-
<b>Carrying amount of loans measured at fair value at end of period</b>	<b>6,852</b>	<b>12,440</b>	<b>15,553</b>

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

### 10.1. Operating income including gain/(loss) on expected credit losses, change in investments, and other income/expenses from purchased debt portfolios

#### Breakdown by type of activity

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Revenue from purchased debt portfolios	1,737,150	575,972	1,439,483	446,469
Revenue from credit management services	44,063	13,225	49,030	15,763
Revenue from other services	122,492	33,702	118,558	45,010
Other income	19,049	571	3,747	1,650
	<u>1,922,754</u>	<u>623,470</u>	<u>1,610,818</u>	<u>508,892</u>

#### Income from financial assets measured at amortised cost

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Revenue from purchased debt portfolios	1,737,150	575,972	1,439,483	446,469
Revenue from loans	117,407	32,059	101,666	39,055
	<u>1,854,557</u>	<u>608,031</u>	<u>1,541,149</u>	<u>485,524</u>

#### Interest income on debt portfolios and loans measured at amortised cost

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Interest income on debt portfolios	1,083,216	388,058	849,620	303,436
Interest income on loans	178,085	57,992	155,643	61,177
	<u>1,261,301</u>	<u>446,050</u>	<u>1,005,263</u>	<u>364,613</u>

#### Revenue from sale of debts and loans

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Jun 30 2022 unaudited	Apr 1–Jun 30 2022 unaudited
Gain/(loss) on sale of debts	6,090	3,584	26,613	4,349
Profit/(loss) on loans	-	-	(13,710)	(3,072)
	<u>6,090</u>	<u>3,584</u>	<u>12,903</u>	<u>1,277</u>

**Gain/(loss) on expected credit losses**

PLN '000

	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jul 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Sep 30 2022 unaudited</b>	<b>Jul 1–Sep 30 2022 unaudited</b>
Gain/(loss) on expected credit losses from debt portfolios	663,620	189,568	574,424	142,615
Gain/(loss) on expected credit losses from loans	(60,350)	(25,933)	(40,267)	(19,050)
	<u>603,270</u>	<u>163,635</u>	<u>534,157</u>	<u>123,565</u>

**Revenue from purchased debt portfolios**

PLN '000

	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jul 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Sep 30 2022 unaudited</b>	<b>Jul 1–Sep 30 2022 unaudited</b>
Interest income	1,083,216	388,058	849,620	303,436
Other income/expenses from purchased debt portfolios	(15,776)	(5,238)	(11,174)	(3,931)
Gain/(loss) on expected credit losses from purchased debt portfolios	663,620	189,568	574,424	142,615
Gain/(loss) on sale of debts	6,090	3,584	26,613	4,349
	<u>1,737,150</u>	<u>575,972</u>	<u>1,439,483</u>	<u>446,469</u>

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

PLN '000

	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jul 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Sep 30 2022 unaudited</b>	<b>Jul 1–Sep 30 2022 unaudited</b>
Foreign currency gains/(losses)	(6,078)	(687)	1,032	379
Costs of loyalty scheme valuation	(4,888)	(1,893)	(5,185)	(780)
Costs of provision for overpayments	(4,810)	(2,658)	(7,021)	(3,530)
	<u>(15,776)</u>	<u>(5,238)</u>	<u>(11,174)</u>	<u>(3,931)</u>

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

PLN '000

	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jul 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Sep 30 2022 unaudited</b>	<b>Jul 1–Sep 30 2022 unaudited</b>
Revaluation of projected recoveries	319,449	98,842	304,980	61,097
Deviations of actual recoveries, decreases on early collections in collateralised cases, payments from original creditor	344,171	90,726	269,444	81,518
	<u>663,620</u>	<u>189,568</u>	<u>574,424</u>	<u>142,615</u>

## Revenue from loans

### Revenue from loans measured at amortised cost

PLN '000	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Interest income	178,085	57,992	155,643	61,177
Allowance for expected credit losses	(60,350)	(25,933)	(40,267)	(19,050)
Gain/(loss) on sale of loans	-	-	(13,710)	(3,072)
	117,735	32,059	101,666	39,055

### Revenue from loans measured at fair value

PLN '000	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Interest income	3,691	984	10,422	2,604
Remeasurement	(319)	353	422	1,181
	3,372	1,337	10,844	3,785

## Revenue from other services

PLN '000	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Revenue from credit management services	44,063	13,225	49,030	15,763
Revenue from collection, processing and provision of credit information on natural persons and business entities, financial intermediation and agency services, and auxiliary services provided to small and medium-sized enterprises	1,385	306	6,048	2,169
	45,448	13,531	55,078	17,933

## Other income

PLN '000	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Sale of shares in subsidiaries*	15,103	-	-	-
Gain on sale of property, plant and equipment	1,304	567	353	195
Rental	905	11	1,028	525
Recharged costs of services and court fees	439	(304)	1,309	798
Other cooperation	422	189	11	5
Recovery of written-off receivables and expenses	15	6	272	10
Compensation for motor damage	-	-	242	-
Other	861	102	532	117
	19,049	571	3,747	1,650

\*gain on sale of shares in ERIF Biuro Informacji Gospodarczej S.A. and shares in ERIF Business Solutions sp. z o.o.

## 10.2. Services

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Credit management services <sup>1</sup>	(37,222)	(14,588)	(32,389)	(10,645)
Legal assistance services <sup>2</sup>	(22,460)	(2,975)	(26,951)	(11,588)
IT services	(37,234)	(17,989)	(21,035)	(6,195)
Postal and courier services	(16,375)	(4,850)	(13,723)	(4,772)
Administrative and accounting support services	(16,630)	(5,872)	(11,937)	(4,785)
Banking services	(9,954)	(3,669)	(8,682)	(3,171)
Communications services	(8,202)	(2,501)	(6,579)	(2,367)
Space rental and service charges	(7,265)	(2,354)	(6,535)	(2,180)
Marketing and management services	(7,134)	(2,492)	(6,414)	(1,839)
Printing services	(2,456)	(859)	(2,506)	(655)
Security	(1,829)	(592)	(1,724)	(563)
Recruitment services	(1,313)	(333)	(1,419)	(502)
Other auxiliary services	(1,381)	(486)	(1,036)	(250)
Repair and maintenance services	(935)	(328)	(672)	(263)
Repair of vehicles	(826)	(268)	(1,005)	(263)
Other rental	(327)	(104)	(713)	(336)
Transport services	(125)	(27)	(102)	(24)
Packing services	(83)	(29)	(97)	(29)
	<b>(171,751)</b>	<b>(60,316)</b>	<b>(143,519)</b>	<b>(50,427)</b>

<sup>1</sup> Costs of debt management services provided by external service providers.

<sup>2</sup> Legal assistance mainly relates to debt portfolio management.

## 10.3. Employee benefits expense

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Salaries and wages	(285,211)	(94,744)	(254,026)	(87,452)
Old-age and disability pension contributions	(21,430)	(6,977)	(18,911)	(6,346)
Other social security contributions	(52,628)	(16,949)	(42,636)	(14,427)
Contribution to the State Fund for the Disabled	(1,563)	(491)	(1,384)	(479)
Equity-settled cost of stock option plan	(18,189)	(8,901)	(23,110)	(7,788)
	<b>(379,021)</b>	<b>(128,062)</b>	<b>(340,067)</b>	<b>(116,492)</b>

#### 10.4. Other expenses

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Court fees	(257,238)	(88,970)	(198,041)	(68,346)
Taxes and charges	(16,933)	(3,482)	(26,727)	(9,523)
Raw materials and consumables used	(8,872)	(2,935)	(10,663)	(4,341)
Staff training	(3,652)	(1,443)	(2,637)	(914)
Entertainment expenses	(3,087)	(907)	(1,327)	(773)
Business trips	(3,020)	(1,047)	(1,373)	(431)
Advertising	(3,058)	(1,182)	(5,738)	(1,777)
Non-deductible VAT	(1,817)	(670)	(1,820)	(669)
Refund of litigation costs	(103)	219	(1,011)	(395)
Property insurance	(688)	(241)	(672)	(263)
Motor insurance	(653)	(210)	(956)	(322)
Non-compete agreements	(271)	(83)	(335)	(82)
Membership fees	(149)	(83)	(327)	(157)
Losses caused by motor damage	(69)	(12)	(144)	(42)
Costs of services and fees to be re-invoiced	(410)	(410)	-	-
Provision for possible differences related to straight-line basis settlement	3,000	1,969	1,778	100
Other	(3,598)	(353)	(2,428)	(1,150)
	<b>(300,618)</b>	<b>(99,840)</b>	<b>(252,421)</b>	<b>(89,085)</b>

#### 10.5. Finance income

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Interest income on bank deposits	900	177	488	70
Net foreign exchange gains	9,836	5,082	-	-
	<b>10,736</b>	<b>5,259</b>	<b>488</b>	<b>70</b>

#### 10.6. Finance costs

PLN '000

	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Interest and commission expense on financial liabilities measured at amortised cost	(260,811)	(99,601)	(147,430)	(60,573)
<i>including interest</i>	<i>(247,422)</i>	<i>(94,029)</i>	<i>(136,116)</i>	<i>(56,304)</i>
Net foreign exchange gains	-	-	5,131	(187)
Interest income/expense on hedging instruments – IRS	15,413	8,754	5,363	3,882
Hedging costs	39,249	13,286	9,273	8,449
Interest income/expense on hedging instruments – CIRS	(242)	(734)	(177)	(172)
	<b>(206,391)</b>	<b>(78,295)</b>	<b>(127,840)</b>	<b>(48,601)</b>

The large increase in interest in the nine months ended September 30th 2023 relative to the nine months ended September 30th 2022 was attributable to a higher debt amount (borrowings and bonds) and significantly higher 1M/3M WIBOR rates in 2023.

### 10.7. Effect of exchange rate movements on consolidated statement of profit or loss

PLN '000	Note	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
Realised exchange gains/(losses)	10.6	297	(477)	954	1,909
Unrealised exchange gains/(losses)	10.6	9,539	5,559	4,177	(2,096)
Remeasurement of debt portfolios due to exchange rate movements	10.1	(6,078)	(687)	1,032	379
		3,758	4,395	6,163	192

### 10.8. Income tax

#### Income tax recognised in profit or loss and total comprehensive income for period

PLN '000	Jan 1–Sep 30 2023 unaudited	Jul 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Jul 1–Sep 30 2022 unaudited
<b>Current income tax recognised in profit or loss</b>				
Current income tax payable	(36,341)	(31,021)	(30,771)	(9,706)
<b>Deferred income tax recognised in profit or loss</b>				
Related to temporary differences and their reversal	(39,114)	12,268	(2,811)	6,857
<b>Income tax recognised in profit or loss</b>	(75,455)	(18,752)	(33,582)	(2,849)
<b>Deferred income tax recognised in other comprehensive income</b>				
Related to temporary differences and their reversal	(3,240)	11,924	-	-
<b>Income tax recognised in other comprehensive income</b>	(3,240)	11,924	-	-
<b>Income tax recognised in comprehensive income</b>	(78,695)	(6,829)	(33,582)	(2,849)

### Reconciliation of effective income tax rate

The effective income tax rate differs from the enacted income tax rates as the consolidated data includes primarily data of entities whose operations are subject to deferred income tax upon realisation of income or payment of dividend.

<i>PLN '000</i>	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Sep 30 2022 unaudited</b>
Profit before tax	832,770	710,662
Tax calculated at the Parent's enacted income tax rate (19%)	(158,226)	(135,026)
Effect of application of other income tax rates abroad and effect of deferred tax	2,811	7,124
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	79,960	94,320
Income tax recognised in profit or loss	<u>(75,455)</u>	<u>(33,582)</u>
Effective income tax rate (%)	9.06%	4.73%

The KRUK Group 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	
	Sep 30 2023 unaudited	Dec 31 2022	Sep 30 2023 unaudited	Dec 31 2022	Sep 30 2023 unaudited	Dec 31 2022
Property, plant and equipment	5,935	8,725	(4,047)	(4,983)	1,888	3,742
Intangible assets	-	-	(5,591)	(5,148)	(5,591)	(5,148)
Tax losses deductible in future periods	13,363	11,920	-	-	13,363	11,920
Trade and other receivables	-	-	(375)	(413)	(375)	(413)
Borrowings and other debt instruments	16,853	16,633	-	-	16,853	16,633
Employee benefit obligations	2,495	2,590	-	-	2,495	2,590
Provisions and liabilities	-	-	37	(109)	37	(109)
Investments in debt portfolios	-	-	(7,591)	(7,058)	(7,591)	(7,058)
Investments in loans	32,805	32,923	-	-	32,805	32,923
Derivative hedging instruments	-	-	(6,535)	(3,294)	(6,535)	(3,294)
Expected future outflows of income from investments in subsidiaries	-	-	(246,203)	(208,285)	(246,203)	(208,285)
<b>Deferred tax assets/liabilities</b>	<b>71,451</b>	<b>72,791</b>	<b>(270,305)</b>	<b>(229,290)</b>	<b>(198,854)</b>	<b>(156,499)</b>
Deferred tax assets offset against liabilities	(25,160)	(27,870)	25,160	27,870	-	-
<b>Deferred tax assets/liabilities in the statement of financial position</b>	<b>46,291</b>	<b>44,921</b>	<b>(245,145)</b>	<b>(201,420)</b>	<b>(198,854)</b>	<b>(156,499)</b>

**Change in temporary differences in the period**

PLN '000

	Net amount of income tax as at Jan 1 2023	Change in temporary differences recognised in profit or loss for the period	Net amount of income tax as at Sep 30 2023	Net amount of income tax as at Jan 1 2022	Change in temporary differences recognised in profit or loss for the period	Net amount of income tax as at Dec 31 2022
Property, plant and equipment	3,742	(1,854)	1,888	81	3,661	3,742
Intangible assets	(5,148)	(443)	(5,591)	(1,745)	(3,403)	(5,148)
Tax losses deductible in future periods	11,920	1,443	13,363	8,155	3,765	11,920
Trade and other receivables	(413)	38	(375)	(245)	(168)	(413)
Borrowings and other debt instruments	16,633	220	16,853	7,775	8,858	16,633
Employee benefit obligations	2,590	(95)	2,495	2,392	198	2,590
Provisions and liabilities	(109)	146	37	40	(149)	(109)
Investments in debt portfolios	(7,058)	(533)	(7,591)	(6,974)	(84)	(7,058)
Investments in loans	32,923	(118)	32,805	29,328	3,595	32,923
Expected future outflows of income from investments in subsidiaries	(208,285)	(37,918)	(246,203)	(168,325)	(39,960)	(208,285)
	(153,205)	(39,114)	(192,319)	(129,518)	(23,687)	(153,205)

PLN '000

	Net amount of income tax as at Jan 1 2023	Change in temporary differences recognised in other comprehensive income	Net amount of income tax as at Sep 30 2023	Net amount of income tax as at Jan 1 2022	Change in temporary differences recognised in other comprehensive income	Net amount of income tax as at Dec 31 2022
Derivative hedging instruments	(3,294)	(3,240)	(6,535)	-	(3,294)	(3,294)
	(3,294)	(3,240)	(6,535)	-	(3,294)	(3,294)

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 Group takes advantage of the exemption under 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 and it is probable that the temporary differences will not reverse in the foreseeable future. The total amount of temporary differences underlying the unrecognised deferred tax liability on retained earnings as at September 30th 2023 was PLN 3,414,110 thousand (as at December 31st 2022: PLN 3,676,475 thousand).

#### 10.9. Borrowings, finance lease liabilities and other financial liabilities

<i>PLN '000</i>	<b>Sep 30 2023</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022</b>
	<b>unaudited</b>		<b>unaudited</b>
<b>Non-current liabilities</b>			
Secured borrowings	2,309,728	2,155,455	1,775,860
Liabilities under debt securities (unsecured)	2,236,633	1,308,234	1,338,617
Lease liabilities	40,195	40,463	36,302
	<u>4,586,556</u>	<u>3,504,152</u>	<u>3,150,779</u>
<b>Current liabilities</b>			
Secured borrowings	214,429	339,401	164,344
Liabilities under debt securities (unsecured)	134,739	73,781	84,606
Lease liabilities	35,516	28,460	38,627
	<u>384,684</u>	<u>441,642</u>	<u>287,577</u>

**Terms and repayment schedule of borrowings, debt securities and leases**

PLN '000	Currency	Nominal interest rate	Maturity periods <sup>1</sup>	Sep 30 2023 unaudited	Dec 31 2022	Sep 30 2022 unaudited
Borrowings secured over the Group's assets	EUR/PLN	1M WIBOR + margin of 2.4–2.7pp; 3M WIBOR + margin of 1.8–2.7pp; 1M EURIBOR + 2.2–2.55pp	2023-2028	2,524,157	2,494,856	1,940,204
Liabilities under debt securities (unsecured)	PLN EUR	3M WIBOR + margin of 3.2–4.5pp; 4.00–4.80% <sup>2</sup> ; 3M WIBOR + margin of 6.5pp;	2023-2029	2,371,372	1,382,015	1,423,223
Lease liabilities	EUR/PLN CZK	3M WIBOR or 1M EURIBOR + margin of 0.8–9.7pp; 3.00–11.26%	2023-2030	75,711	68,923	74,929
				<b>4,971,240</b>	<b>3,945,794</b>	<b>3,438,356</b>

<sup>1</sup> Maturity of the last liability.

<sup>2</sup> Fixed interest rate.

**Impact of IBOR reform**

The Group 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 Group takes measures to prepare for a change in the benchmarks underlying concluded financial instruments in the event 3M WIBOR ceases to be published. The Group continuously monitors regulatory changes in benchmarks, and negotiates amendments to the Master and Credit Agreements governing the hedging instruments and bank loans used by the Group companies, 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:

PLN '000	Sep 30 2023 unaudited	Dec 31 2022
<b>Carrying amount of financial liabilities for which WIBOR is used as the benchmark</b>		
Borrowings secured over the Group's assets	256,949	814,934
Liabilities under debt securities (unsecured)	1,680,608	1,382,015
Lease liabilities	9,177	13,771
<b>Notional amount of hedging instruments for which WIBOR is used as the benchmark</b>		
CIRS	1,310,000	940,000
IRS	255,000	255,000

## 10.10. Hedging instruments

### Interest rate risk hedges

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

Open outstanding IRS contracts held by the KRUK Group companies as at September 30th 2023, with a total notional amount of PLN 255,000 thousand and EUR 360,000 thousand:

Bank	Group company	Type of transaction	Notional amount	Fixed rate	Variable rate	Term
Santander Bank Polska S.A.	KRUK S.A.	IRS	PLN 30,000,000.00	1.65%	3M WIBOR	Sep 5 2019 to Nov 27 2023
Santander Bank Polska S.A.	KRUK S.A.	IRS	PLN 25,000,000.00	1.65%	3M WIBOR	Sep 5 2019 to Feb 6 2024
ING Bank Śląski S.A.*	KRUK S.A.	IRS	PLN 35,000,000.00	1.6050%	3M WIBOR	Sep 4 2019 to Oct 12 2023
ING Bank Śląski S.A.*	KRUK S.A.	IRS	PLN 115,000,000.00	1.5775%	3M WIBOR	Sep 4 2019 to Sep 27 2024
ING Bank Śląski S.A.*	KRUK S.A.	IRS	PLN 50,000,000.00	1.5775%	3M WIBOR	Sep 4 2019 to Sep 28 2024
ING Bank Śląski S.A.	InvestCapital Ltd.	IRS	EUR 210,000,000.00	2.6535%	1M EURIBOR	Nov 29 2022 to Jun 30 2027
DNB Bank ASA	KRUK S.A.	IRS	EUR 150,000,000.00	2.9640%	3M EURIBOR	May 10 2023 to May 10 2028

\* The contracts were transferred from DNB Polska S.A. to ING Bank Śląski S.A. without changing their terms.

Open outstanding CIRS contracts held by Kruk Group companies as at September 30th 2023, with a total volume of PLN 1,310,000 thousand:

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

Bank	Group company	Type of transaction	Notional amount	Fixed rate [EUR]	Variable rate [PLN]	Transaction date	Transaction maturity date
ING Bank Śląski S.A.	KRUK S.A.	CCIRS	PLN 52,500,000	0.96%	3M WIBOR	Jul 15 2022	Jan 22 2025
ING Bank Śląski S.A.	KRUK S.A.	CCIRS	PLN 52,500,000	0.955%	3M WIBOR	Jul 18 2022	Jan 23 2024
ING Bank Śląski S.A.	KRUK S.A.	CCIRS	PLN 50,000,000	1.40%	3M WIBOR	Jul 20 2022	Mar 2 2026
ING Bank Śląski S.A.	KRUK S.A.	CCIRS	PLN 25,000,000	0.90%	3M WIBOR	Jul 20 2022	Mar 2 2024
DNB Bank ASA	KRUK S.A.	CCIRS	PLN 60,000,000	1.96%	3M WIBOR	Dec 12 2022	Jul 27 2027
DNB Bank ASA	KRUK S.A.	CCIRS	PLN 25,000,000	2.05%	3M WIBOR	Dec 21 2022	Nov 27 2026
DNB Bank ASA	KRUK S.A.	CCIRS	PLN 75,000,000	2.49%	3M WIBOR	Jan 10 2023	Mar 26 2025
DNB Bank ASA	KRUK S.A.	CCIRS	PLN 120,000,000	2.02%	3M WIBOR	Jan 27 2023	Jan 26 2028
ING Bank Śląski S.A.	KRUK S.A.	CCIRS	PLN 50,000,000	2.475%	3M WIBOR	Jul 25 2023	Jan 26 2028
ING Bank Śląski S.A.	KRUK S.A.	CCIRS	PLN 50,000,000	2.435%	3M WIBOR	Jul 25 2023	Jun 7 2028
DNB Bank ASA	KRUK S.A.	CCIRS	PLN 75,000,000	2.61%	3M WIBOR	Sep 22 2023	Mar 29 2028

The transactions were designated for hedge accounting.

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

### **Currency risk hedges**

In 2019–2022, the Group took steps to hedge against currency risk arising from the translation of net assets in a foreign entity, which involved execution of hedging transactions by Group companies. The Group's objective is to mitigate the effect of exchange differences arising on consolidation of foreign subsidiaries on the consolidated financial statements. 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 consolidated full-year financial statements as at and for the financial year ended December 31st 2022.

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

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

PLN '000

	Sep 30 2023 unaudited				Dec 31 2022				Item in the statement of financial position	Hedge type
	Assets	Liabilities	Nominal amount	Change in fair value used to determine ineffectiveness	Assets	Liabilities	Nominal amount	Change in fair value used to determine ineffectiveness		
<b>Instrument type:</b>										
<b>IRS</b>	6,554	-	255,000 (PLN)	(12,252)	18,806	-	255,000 (PLN)	5,003	Hedging instruments	Hedge of future cash flows
<b>IRS</b>	10,704	-	150,000 (EUR)	10,704	-	-	-	-	Hedging instruments	Hedge of future cash flows
<b>IRS</b>	20,853	-	210,000 (EUR)	5,097	15,756	-	210,000 (EUR)	15,756	Hedging instruments	Hedge of future cash flows
<b>CIRS</b>	30,447	7,694	1,310,000 (PLN)	21,048	11,529	9,824	940,000 (PLN)	1,705	Hedging instruments	Hedge of future cash flows/Hedge of net investment in a foreign operation
	<b>68,558</b>	<b>7,694</b>		<b>24,597</b>	<b>46,091</b>	<b>9,824</b>		<b>22,464</b>		



PLN '000

## Disclosure of the hedged item as at Sep 30 2023

	Nominal amount of the hedged item	Change in the fair value of the hedged item	Reserve for measurement of continuing hedges	Reserve (unsettled) for measurement of discontinued hedges
Hedge of future cash flows (interest rate risk)	255,000 (PLN)	(12,252)	3,275	-
Hedge of future cash flows (interest rate risk)	150,000 (EUR)	10,704	10,704	-
Hedge of future cash flows (interest rate risk)	210,000 (EUR)	5,097	20,102	-
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)	1,310,000 (PLN)	21,048	13,879	-

PLN '000

## Disclosure of the hedged item as at Dec 31 2022

	Nominal amount of the hedged item	Change in the fair value of the hedged item	Reserve for measurement of continuing hedges	Reserve (unsettled) for measurement of discontinued hedges
Hedge of future cash flows (interest rate risk)	255,000 (PLN)	5,003	18,806	-
Hedge of future cash flows (interest rate risk)	210,000 (EUR)	15,756	15,756	-
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)	940,000 (PLN)	1,705	(6,017)	-

PLN '000

Jan 1–Sep 30 2023 unaudited

Hedge reserve	Hedge of future cash flows (interest rate risk)	Hedge of net investment (currency risk)	Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	Total hedge reserve
<b>Hedge reserve at beginning of period</b>	34,562	4,082	(6,017)	32,627
<b>Measurement of instruments charged to capital reserves</b>	18,211	-	(28,093)	(9,882)
<b>Cost of hedging</b>	-	-	89,543	89,543
<b>Temporary differences/reversal of temporary differences</b>	(3,279)	-	39	(3,240)
<b>Amount reclassified to profit or loss during the period</b>	(15,413)	-	(41,593)	(57,006)
- Interest income / expense	(15,413)	-	(2,344)	(17,757)
- Cost of hedging	-	-	(39,249)	(39,249)
<b>Hedge reserve at end of period</b>	34,081	4,082	13,879	52,042

PLN '000

Jan 1–Dec 31 2022

Hedge reserve	Hedge of future cash flows (interest rate risk)	Hedge of net investment (currency risk)	Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	Total hedge reserve
<b>Hedge reserve at beginning of period</b>	13,803	4,082	-	17,885
<b>Measurement of instruments charged to capital reserves</b>	29,660	-	(19,995)	9,665
<b>Cost of hedging</b>			37,109	37,109
<b>Temporary differences/reversal of temporary differences</b>			(3,294)	(3,294)
<b>Amount reclassified to profit or loss during the period</b>	(8,901)	-	(19,837)	(28,738)
- Interest income / expense	(8,901)	-	(67)	(8,968)
- Cost of hedging	-	-	(19,770)	(19,770)
<b>Hedge reserve at end of period</b>	34,562	4,082	(6,017)	32,627

PLN '000

Jan 1–Sep 30 2022 unaudited

Hedge reserve	Hedge of future cash flows (interest rate risk)	Hedge of net investment (currency risk)	Hedge of future cash flows/Hedge of investment in a subsidiary (currency risk/interest rate risk)	Total hedge reserve
<b>Hedge reserve at beginning of period</b>	13,803	4,082	-	17,885
<b>Measurement of instruments charged to capital reserves</b>	16,270	-	(28,903)	(12,633)
<b>Cost of hedging</b>	-	-	3,754	3,754
<b>Amount reclassified to profit or loss during the period</b>	(5,363)	-	(9,075)	(14,438)
- Interest income / expense	(5,363)	-	198	(5,165)
- Cost of hedging	-	-	(9,273)	(9,273)
<b>Hedge reserve at end of period</b>	24,710	4,082	(34,224)	(5,432)

## 10.11. Earnings per share

### Basic earnings per share

<i>thousands of shares</i>	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Dec 31 2022</b>	<b>Jan 1–Sep 30 2022 unaudited</b>
Number of ordinary shares as at Jan 1	19,319	19,013	19,013
Effect of redemption and issue	-	123	65
Weighted average number of ordinary shares at end of reporting period	19,319	19,136	19,078
<i>PLN</i>			
Earnings per share	39.18	42.07	35.48

### Diluted earnings per share

<i>thousands of shares</i>	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Dec 31 2022</b>	<b>Jan 1–Sep 30 2022 unaudited</b>
Weighted average number of ordinary shares at end of reporting period	19,319	19,136	19,077
Effect of issue of unregistered shares not subscribed for	969	636	620
Weighted average number of ordinary shares at end of reporting period (diluted)	20,288	19,772	19,697
<i>PLN</i>			
Earnings per share (diluted)	37.30	40.71	34.36

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

PLN '000	Sep 30 2023 unaudited	Jun 30 2023 unaudited	Dec 31 2022	Sep 30 2022 unaudited
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	94,183	80,306	71,422	69,052
Other intangible assets	66,010	68,334	70,833	62,990
Goodwill	17,151	16,474	17,026	25,177
Investments	6,049,901	5,408,519	4,951,442	4,400,403
Hedging instruments	57,627	121,785	42,762	24,710
Deferred tax asset	46,291	35,926	44,921	46,352
<b>Total non-current assets</b>	<b>6,331,163</b>	<b>5,731,344</b>	<b>5,198,406</b>	<b>4,628,684</b>
<b>Current assets</b>				
Inventories	16,864	15,799	16,369	16,913
Investments	2,544,459	2,383,903	2,186,088	2,117,957
Trade receivables	22,852	15,723	13,033	19,523
Other receivables	47,110	46,121	41,156	43,601
Income tax receivable	11,659	28,453	-	-
Hedging instruments	10,931	2,266	3,329	-
Other assets	17,740	17,579	20,541	19,031
Cash and cash equivalents	193,522	164,053	202,160	197,030
<b>Total current assets</b>	<b>2,865,137</b>	<b>2,673,897</b>	<b>2,482,676</b>	<b>2,414,055</b>
<b>Total assets</b>	<b>9,196,300</b>	<b>8,405,241</b>	<b>7,681,082</b>	<b>7,042,739</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	19,319	19,319	19,319	19,128
Share premium	358,506	358,506	358,506	342,740
Hedge reserve	52,042	103,904	32,627	(5,432)
Measurement reserve (defined benefit plans)	4,155	4,155	4,155	-
Translation reserve	67,368	(23,123)	100,448	169,297
Other capital reserves	168,085	159,184	149,896	145,312
Retained earnings	3,056,117	2,827,326	2,589,066	2,460,942
<b>Equity attributable to owners of the Parent</b>	<b>3,725,592</b>	<b>3,449,271</b>	<b>3,254,017</b>	<b>3,131,987</b>
<b>Non-controlling interests</b>	<b>(378)</b>	<b>(537)</b>	<b>(720)</b>	<b>(531)</b>
<b>Total equity</b>	<b>3,725,214</b>	<b>3,448,734</b>	<b>3,253,297</b>	<b>3,131,456</b>
<b>Non-current liabilities</b>				
Borrowings, debt securities and leases	4,586,556	3,722,506	3,504,152	3,150,779
Deferred tax liability	245,145	258,971	201,420	178,680
Provisions	909	909	14,124	936
Hedging instruments	7,694	-	9,824	29,088
<b>Total non-current liabilities</b>	<b>4,840,304</b>	<b>3,982,386</b>	<b>3,729,520</b>	<b>3,359,483</b>
<b>Current liabilities</b>				
Borrowings, debt securities and leases	384,684	424,121	441,642	287,577
Trade and other payables	148,288	163,237	158,271	154,738
Liabilities under dividends	-	289,782	-	-
Income tax payable	7,126	3,972	16,406	12,658
Employee benefit obligations	57,496	58,875	59,639	53,650
Provisions	33,188	34,134	22,307	43,177
<b>Total current liabilities</b>	<b>630,782</b>	<b>974,121</b>	<b>698,265</b>	<b>551,800</b>
<b>Total liabilities</b>	<b>5,471,086</b>	<b>4,956,507</b>	<b>4,427,785</b>	<b>3,911,283</b>
<b>Total equity and liabilities</b>	<b>9,196,300</b>	<b>8,405,241</b>	<b>7,681,082</b>	<b>7,042,739</b>

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

### 10.13. Goodwill

PLN '000

	Kancelaria Prawna RAVEN	Kruk Espana S.L.	ERIF BIG S.A.	Total
<b>Gross carrying amount as at Jan 1 2022</b>	299	47,867	725	48,891
Increase	-	-	-	-
Decrease	-	-	-	-
Translation differences	-	448	-	448
<b>Gross carrying amount as at Dec 31 2022</b>	299	48,315	725	49,339
<b>Gross carrying amount as at Jan 1 2023</b>	299	48,315	725	49,339
Increase	-	-	-	-
Decrease	-	-	(725)	(725)
Translation differences	-	850	-	850
<b>Gross carrying amount as at Sep 30 2023</b>	299	49,165	-	49,464
<b>Impairment losses</b>				
<b>Impairment losses as at Jan 1 2022</b>	-	(25,051)	-	(25,051)
Increase	-	(7,262)	-	(7,262)
Decrease	-	-	-	-
<b>Impairment losses as at Dec 31 2022</b>	-	(32,313)	-	(32,313)
<b>Impairment losses as at Jan 1 2023</b>	-	(32,313)	-	(32,313)
Increase	-	-	-	-
Decrease	-	-	-	-
<b>Impairment loss as at Sep 30 2023</b>	-	(32,313)	-	(32,313)
<b>Net carrying amount</b>				
As at Jan 1 2022	299	22,816	725	23,840
As at Dec 31 2022	299	16,002	725	17,026
As at Jan 1 2023	299	16,002	725	17,026
As at Sep 30 2023	299	16,852	-	17,151

As at September 30th 2023, there were no indications of goodwill impairment.



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

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>	<b>Sep 30 2022 unaudited</b>
Real property	15,471	16,243	16,809
Other inventories	1,393	126	104
	<u>16,864</u>	<u>16,369</u>	<u>16,913</u>

As part of its operating activities, the Group forecloses property securing acquired debt. A portion of the recoveries is derived from the sale of such property on the open market.

<i>PLN '000</i>	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Dec 31 2022</b>	<b>Jan 1–Sep 30 2022 unaudited</b>
<b>Carrying amount of property held at beginning of period</b>	<b>16,243</b>	<b>20,295</b>	<b>20,295</b>
Carrying amount of property foreclosed	5,783	5,378	4,216
Carrying amount of property sold	(2,898)	(5,716)	(5,542)
Impairment losses	(3,475)	(3,689)	(2,288)
Translation differences on property	(182)	(25)	128
<b>Carrying amount of property held at end of period</b>	<b>15,471</b>	<b>16,243</b>	<b>16,809</b>

**10.15. Trade and other receivables****Trade receivables**

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>
Short-term trade receivables	22,852	13,033
	<u>22,852</u>	<u>13,033</u>

**Other receivables**

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>
Taxes receivable (other than income tax)	32,761	24,606
Receivables under collected debts	5,914	7,666
Receivables under security deposits and bid bonds	7,653	8,405
Employee loans	177	248
Other receivables	115	115
Receivables for court fees and stamp duty	490	116
	<u>47,110</u>	<u>41,156</u>

**10.16. Cash and cash equivalents**

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>
Cash in hand	366	128
Cash in current accounts	193,156	196,341
Cash proceeds from bond issues deposited in brokerage account	-	5,691
	<u>193,522</u>	<u>202,160</u>

**10.17. Employee benefit obligations**

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>
Salaries and wages payable	25,673	24,753
Social benefit obligations	18,575	20,983
Accrued holiday entitlements	7,663	8,017
Personal income tax	4,711	5,156
Special accounts	874	730
	<u>57,496</u>	<u>59,639</u>

**10.18. Trade and other payables**

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>
Trade payables	91,417	109,702
Other liabilities	39,151	29,231
Tax and duties payable	4,597	7,113
Accrued expenses	6,276	5,932
Deferred income	6,847	6,293
	<u>148,288</u>	<u>158,271</u>

**10.19. Provisions**

<i>PLN '000</i>	<b>Sep 30 2023 unaudited</b>	<b>Dec 31 2022</b>
Provisions for retirement gratuity payments	15,096	14,124
Provision for the loyalty scheme	11,440	11,746
Other provisions	7,561	10,561
	<u>34,097</u>	<u>36,431</u>

	Provision for retirement gratuities	Provision for the loyalty scheme	Other provisions
Carrying amount as at Jan 1 2022	16,433	11,750	14,876
Increase / accrual	-	1,865	
Used / reversed	(2,309)	(1,869)	
Reversal of provision for possible differences relative to straight-line basis settlement			(4,315)
Carrying amount as at Dec 31 2022	<u>14,124</u>	<u>11,746</u>	<u>10,561</u>
Carrying amount as at Jan 1 2023	14,124	11,746	10,561
Increase / accrual	972	402	
Use	-	(708)	
Reversal of provision for possible differences relative to straight-line basis settlement			(3,000)
Carrying amount as at Sep 30 2023	<u>15,096</u>	<u>11,440</u>	<u>7,561</u>

On September 11th 2019, after hearing the request of the District Court of Lublin for a preliminary ruling on the interpretation of Article 16(1) of Directive 2008/48/EC of the European Parliament and of the Council on credit agreements for consumers, the Court of Justice of the European Union ruled that the article should be interpreted in such a way that the consumer's right to reduce the total cost of credit in the event of early repayment covers all the costs imposed on the consumer.

In connection with the decisions of the Office of Competition and Consumer Protection and its position on the straight-line method of fee refunds, the Group reassessed the level of provisions for the difference between the applied refund method and the straight-line method. The provision reflects the Group's estimate of the probability of an outflow of funds. Since September 18th 2020, the Group has applied the straight-line method to account for fee refunds on early loan repayment.

## 11. Related-party transactions

### *Remuneration of the management personnel - Management Board*

Below is presented information on the remuneration payable to members of the Parent's key management personnel:

<i>PLN '000</i>	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Sep 30 2022 unaudited</b>
Base pay/ managerial contract (gross)	5,750	5,315
Additional benefits	172	73
Share-based payments	<u>18,189</u>	<u>23,110</u>
	<u>24,111</u>	<u>28,498</u>

### Remuneration of members of the Supervisory Board

Remuneration of members of the Parent's Supervisory Board:

<i>PLN '000</i>	<b>Jan 1–Sep 30 2023 unaudited</b>	<b>Jan 1–Sep 30 2022 unaudited</b>
Base pay (gross)	919	845
Additional benefits	13	14
	<u>932</u>	<u>858</u>

### Other transactions with the Company's directors

As at September 30th 2023, members of the Management Board and persons closely related to them jointly held 10.2% of the total voting rights at the Parent's General Meeting (December 31st 2022: 10.5%).

## 12. Management of risk arising from financial instruments

The Group 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 Group's exposure to each type of the above risks, the Group's objectives, policies and procedures for measuring and managing the risks, and the Group's management of capital. For a full description of the risk management, see the Group's most recent full-year consolidated financial statements.

### Key risk management policies

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 in the Group's activities. The Group, through appropriate training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### Credit risk

Credit risk is the risk of financial loss to the Group if a business partner, indebted person or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is chiefly associated with loans advanced by the Group, receivables for the services provided by the Group 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:

	<b>Sep 30 2023</b> <b>unaudited</b>	<b>Dec 31 2022</b>
Investments in debt portfolios	8,190,228	6,768,087
Loans	404,132	369,443
Hedging instruments	68,558	46,091
Trade and other receivables, excluding tax receivables	37,201	29,583
Cash and cash equivalents	193,522	202,160
	<u>8,893,641</u>	<u>7,415,364</u>

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

PLN '000

	<b>Sep 30 2023</b> <b>unaudited</b>	<b>Dec 31 2022</b>
Poland	3,355,963	3,229,373
Romania	1,430,444	1,290,022
Italy	2,090,209	1,566,139
Spain	1,772,952	1,113,564
Other foreign markets	244,073	216,266
	<u>8,893,641</u>	<u>7,415,364</u>

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

PLN '000

	<b>Carrying</b> <b>amount as at</b> <b>Sep 30 2023</b>	<b>Carrying</b> <b>amount as at</b> <b>Dec 31 2022</b>	<b>Carrying</b> <b>amount as at</b> <b>Sep 30 2022</b>
Unsecured retail portfolios	7,234,730	5,798,186	5,197,842
Secured retail portfolios	247,495	281,444	267,466
Unsecured corporate portfolios	206,279	210,044	207,270
Secured corporate portfolios	501,724	478,413	485,558
	<u>8,190,228</u>	<u>6,768,087</u>	<u>6,158,136</u>

## Liquidity risk

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

Liquidity risk management aims to ensure that the Group has sufficient liquidity to pay its liabilities as they fall due, without exposing the Group to a risk of loss or impairment of its reputation.

The key objectives of liquidity management include:

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

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

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

In accordance with the liquidity management policy adopted by the Group, the following conditions must be met by a Group entity before new debt can be incurred:

- the debt can be repaid from the Group's own assets;
- the debt is incurred taking into account the possibility of transferring the funds between companies, and the time and cost of such transfer;
- 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 Sep 30 2023

PLN '000

	Carrying amount	Undiscounted contractual/estimated cash flows	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
<b>Non-derivative financial assets and liabilities</b>							
Investments in debt portfolios*	8,190,228	17,229,761	1,298,095	1,239,493	2,383,739	5,394,793	6,913,641
Loans*	404,132	605,588	213,198	165,210	157,576	39,416	30,188
	37,201	37,201	37,201	-	-	-	-
Trade and other receivables, excluding tax receivables							
Cash and cash equivalents	193,522	193,522	193,522	-	-	-	-
Secured borrowings	(2,524,157)	(3,337,562)	(112,901)	(118,159)	(281,212)	(2,825,290)	-
Unsecured bonds in issue	(2,371,372)	(3,261,573)	(201,986)	(131,180)	(392,860)	(2,409,377)	(126,170)
Lease liabilities	(75,711)	(79,949)	(17,968)	(16,714)	(23,474)	(18,654)	(3,139)
Trade and other payables	(130,568)	(130,568)	(130,568)	-	-	-	-
	<u>3,723,275</u>	<u>11,256,420</u>	<u>1,278,593</u>	<u>1,138,650</u>	<u>1,843,769</u>	<u>180,888</u>	<u>6,814,520</u>

\*Cash flows based on estimates.

As at Dec 31 2022  
PLN '000

	Carrying amount	Undiscounted contractual/estimated cash flows	Less than 6 months	6–12 months	1–2 years	2–5 years	Over 5 years
<b>Non-derivative financial assets and liabilities</b>							
Investments in debt portfolios*	6,768,087	13,764,663	1,109,132	1,072,582	1,979,975	4,371,950	5,231,024
Loans*	369,443	490,554	188,793	107,084	113,785	52,962	27,930
Trade and other receivables, excluding tax receivables	29,583	29,583	29,583	-	-	-	-
Cash and cash equivalents	202,160	202,160	202,160	-	-	-	-
Secured borrowings	(2,494,856)	(3,095,404)	(152,934)	(86,748)	(256,371)	(2,549,374)	(49,977)
Unsecured bonds in issue	(1,382,015)	(1,928,811)	(67,451)	(132,349)	(175,021)	(1,195,002)	(358,988)
Lease liabilities	(68,923)	(70,960)	(17,216)	(14,568)	(24,141)	(12,321)	(2,714)
Trade and other payables	(138,933)	(138,933)	(138,933)	-	-	-	-
	<u>3,284,546</u>	<u>9,252,852</u>	<u>1,153,134</u>	<u>946,001</u>	<u>1,638,227</u>	<u>668,215</u>	<u>4,847,275</u>

\*Cash flows based on estimates.

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.

Contractual cash flows were determined based on interest rates effective as at September 30th 2023 and December 31st 2022, as appropriate.

The Group 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 September 30th 2023, the undrawn revolving credit facility limit available to the Group was PLN 684,008 thousand (December 31st 2022: PLN 382,997 thousand). The limit is available until January 31st 2028.



## Market risk

Market risk is the risk of impact of changes in market prices, such as foreign exchange rates and interest rates on the Group's results or on the value of financial instruments held and investments made by the Group. The objective behind market risk management is to maintain and control the Group'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 terms and conditions of bonds.

As at September 30th 2023, financial assets denominated in foreign currencies accounted for 60% of total assets, while liabilities denominated in foreign currencies represented 34% of total equity and liabilities (December 31st 2022: 55% and 25%, respectively).

**Exposure to currency risk and sensitivity analysis**

The Group's exposure to currency risk attributable to financial instruments denominated in foreign currencies, calculated based on the exchange rates effective as at the end of the reporting period:

PLN '000	Sep 30 2023					Sep 30 2023				
	Exposure to currency risk					Analysis of sensitivity of currency risk exposure to +10% increase in exchange rates				
	PLN	EUR	RON	CZK	TOTAL	PLN	EUR	RON	CZK	TOTAL
Trade and other receivables	-	4,183	12,320	-	<b>16,503</b>	-	418	1,232	-	<b>1,650</b>
Investments	-	260	1,357,307	12,689	<b>1,370,256</b>	-	26	135,731	1,269	<b>137,026</b>
Cash	156	4,093	7,726	144	<b>12,119</b>	16	409	773	14	<b>1,212</b>
Borrowings, debt securities and leases	-	(908,664)	-	-	<b>(908,664)</b>	-	(90,866)	-	-	<b>(90,866)</b>
Trade and other payables	(678)	(3,570)	(6,282)	-	<b>(10,530)</b>	(68)	(357)	(628)	-	<b>(1,053)</b>
<b>Currency risk exposure – effect on profit or loss</b>	<b>(523)</b>	<b>(903,698)</b>	<b>1,371,071</b>	<b>12,834</b>	<b>479,683</b>	<b>(52)</b>	<b>(90,370)</b>	<b>137,108</b>	<b>1,283</b>	<b>47,969</b>
Trade and other receivables	-	12,456	27,373	20	<b>39,849</b>	-	1,246	2,737	2	<b>3,985</b>
Investments	-	3,773,932	54,482	154,254	<b>3,982,667</b>	-	377,393	5,448	15,425	<b>398,266</b>
Cash	-	87,546	18,163	8,121	<b>113,830</b>	-	8,755	1,816	812	<b>11,383</b>
Borrowings, debt securities and leases	-	(2,111,542)	(2,337)	(1,158)	<b>(2,115,037)</b>	-	(211,154)	(234)	(116)	<b>(211,504)</b>
Trade and other payables	-	(35,908)	(9,753)	(971)	<b>(46,631)</b>	-	(3,591)	(975)	(97)	<b>(4,663)</b>
<b>Currency risk exposure – effect on other comprehensive income</b>	<b>-</b>	<b>1,726,484</b>	<b>87,928</b>	<b>160,266</b>	<b>1,974,677</b>	<b>-</b>	<b>172,649</b>	<b>8,792</b>	<b>16,026</b>	<b>197,467</b>
<b>Exposure to currency risk</b>	<b>(523)</b>	<b>822,785</b>	<b>1,458,998</b>	<b>173,100</b>	<b>2,454,361</b>	<b>(52)</b>	<b>82,279</b>	<b>145,900</b>	<b>17,310</b>	<b>245,437</b>
Hedge effect		(1,310,000)			<b>(1,310,000)</b>	-	(131,000)	-	-	(131,000)
Currency risk exposure after hedging	(523)	(487,215)	1,458,998	173,100	<b>1,144,361</b>	(52)	(48,721)	145,900	17,310	<b>114,437</b>

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)	
	Jan 1–Sep 30 2023 unaudited	Jan 1–Sep 30 2022 unaudited	Sep 30 2023 unaudited	Dec 31 2022
EUR 1	4.5773	4.6880	4.6356	4.6899
USD 1	4.2337	4.4413	4.3697	4.4018
RON 1	0.9255	0.9497	0.9320	0.9475
CZK 1	0.1923	0.1904	0.1901	0.1942

\*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.

### Exposure to interest rate risk

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

PLN '000	Carrying amount	
	Sep 30 2023 unaudited	Dec 31 2022
<b>Fixed-rate financial instruments</b>		
Financial assets	8,506,890	7,067,305
Financial liabilities	(309,646)	(317,046)
Fixed-rate financial instruments before hedging	8,197,244	6,750,259
Hedge effect (nominal amount)	(3,233,816)	(2,179,879)
Fixed-rate financial instruments after hedging	4,963,428	4,570,380
<b>Variable-rate financial instruments</b>		
Financial assets	386,751	348,059
Financial liabilities	(4,799,856)	(3,777,505)
Variable-rate financial instruments before hedging	(4,413,105)	(3,429,446)
Hedge effect (nominal amount)	3,233,816	2,179,879
Variable-rate financial instruments after hedging	(1,179,289)	(1,249,567)

## 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	Jun 30 2023 unaudited		Dec 31 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets and liabilities measured at fair value</b>				
Hedging instruments (IRS)	38,111	38,111	34,562	34,562
Hedging instruments (CIRS)	22,753	22,753	1,705	1,705
Loans	6,852	6,852	12,440	12,440
	<u>67,716</u>	<u>67,716</u>	<u>48,707</u>	<u>48,707</u>
<b>Financial assets and liabilities other than measured at fair value</b>				
Investments in debt portfolios	8,190,228	8,238,297	6,768,087	6,358,969
Loans	397,280	402,348	357,003	346,876
Trade and other receivables, excluding tax receivables	37,201	37,201	42,019	42,019
Trade and other payables	(130,568)	(130,568)	(138,204)	(138,204)
Secured borrowings	(2,524,157)	(2,520,151)	(2,494,856)	(2,498,822)
Liabilities under debt securities (unsecured)	(2,371,372)	(2,412,326)	(1,382,015)	(1,366,416)
	<u>3,598,612</u>	<u>3,614,802</u>	<u>3,152,034</u>	<u>2,744,422</u>

### Interest rates used for fair value estimation

	Sep 30 2023 unaudited	Dec 31 2022
Investments in debt portfolios	0.30–216.23%	0.00–216.23%
Loans	18.57–44.13%	10.20–57.02%
Secured borrowings	6.05–8.59%	4.08–9.78%

### Hierarchy of financial instruments

#### Hierarchy of financial instruments measured at fair value

The table below presents financial instruments recognised in the statement of financial position at fair value according to the valuation method applied. 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).

#### Hierarchy of financial instruments – Level 1

PLN '000

	Level 1	
	Carrying amount	Fair value
<b>As at Dec 31 2022</b>		
Liabilities under debt securities (unsecured)	(1,382,015)	(1,366,416)
<b>As at Sep 30 2023</b>		
Liabilities under debt securities (unsecured)	(2,371,372)	(2,412,326)

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.

#### Hierarchy of financial instruments – Level 2

PLN '000

	Level 2	
	Carrying amount	Fair value
<b>As at Dec 31 2022</b>		
Hedging instruments (IRS)	34,562	34,562
Hedging instruments (CIRS)	1,705	1,705
Secured borrowings	(2,494,856)	(2,498,822)
<b>As at Sep 30 2023</b>		
Hedging instruments (IRS)	38,111	38,111
Hedging instruments (CIRS)	22,753	22,753
Secured borrowings	(2,524,157)	(2,520,151)

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 Group uses a 3M WIBOR forecast provided by an external company.

The fair value of financial liabilities under borrowings is determined on the basis of future cash flows from the executed transactions, calculated based on the difference between the margin applicable to the financial

liabilities as at the reporting date and the margin as at the transaction date. For the purpose of fair value calculation the Group uses margin rates from the most recent credit facility agreement.

### Hierarchy of financial instruments – Level 3

PLN '000	Level 3	
	Carrying amount	Fair value
<b>As at Dec 31 2022</b>		
Investments in debt portfolios	6,768,087	6,358,969
Loans	369,443	359,316
Trade and other receivables, excluding tax receivables	42,019	42,019
Trade and other payables	(138,204)	(138,204)
<b>As at Sep 30 2023</b>		
Investments in debt portfolios	8,190,228	8,238,297
Loans	404,132	409,200
Trade and other receivables, excluding tax receivables	37,201	37,201
Trade and other payables	(130,568)	(130,568)

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 Group 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.

## 13. Factors and events with a material bearing on the Group's financial results

### Net result for the nine months ended September 30th 2023

The Group's net profit for the three months to September 30th 2023 came in at PLN 757,315 thousand, representing an increase from net profit earned in the corresponding period of 2022, which amounted to PLN 677,080 thousand (PLN +80,235 thousand, or +12% year on year). Cash EBITDA for the first nine months of 2023 was PLN 1,620,173 thousand, having improved 19% year on year.

### Revenue

In the nine months ended September 30th 2023, the KRUK Group generated PLN 1,922,754 thousand in revenue, up by 19% (PLN +311,936 thousand) year on year. Revenue from purchased debt portfolios amounted to PLN 1,737,150 thousand, up by 21% (PLN +297,667 thousand) year on year. The largest increase

by far was recorded in the Spanish market (PLN +147,616 thousand, or +233%), with significant increases achieved also in Poland (PLN +88,662 thousand, or +13%) and Italy (PLN +42,302 thousand, or +16%).

In the nine months ended September 30th 2023, the Group booked PLN 319,449 thousand in total revaluation of projected recoveries, compared with PLN 304,980 thousand a year earlier.

### **Costs of operations**

In the nine months ended September 30th 2023, costs of operations excluding depreciation and amortisation (direct and indirect costs, administrative expenses and other expenses) amounted to PLN 851,390 thousand, having increased by PLN 115,383 thousand (16%) on the corresponding period of the previous year. The increase was driven mainly by a rise in employee costs and salaries, as well as court and bailiff fees.

### **Finance costs**

In the nine months to September 30th 2023, net finance costs were PLN 195,655 thousand, having grown PLN 68,303 thousand relative to the same period of 2022, driven by a higher debt amount (up by PLN 1,535,268 thousand), as well as elevated 1M/3M WIBOR rates (the average of quotations for the last day of each month in the period January–September 2022 was 5.39%/5.85%, compared with 6.75%/6.74% in the comparative period of 2023) and 1M/3M EURIBOR rates (up from -0.20%/-0.01% to 3.14%/3.34%, respectively). IRS and CIRS contracts used for hedging purposes and fixed-rate bonds (a total of PLN 3,413,816 thousand) represented 70% of the Group's total debt as at September 30th 2023. WIBOR-sensitive debt accounted for 4% (PLN 192,802 thousand) and EURIBOR-sensitive debt – for 26% (PLN 1,299,480 thousand) of the Group's total debt as at September 30th 2023.

### **Investment in new debt portfolios**

Total expenditure on debt portfolios in the nine months ended September 30th 2023 was PLN 1,989,806 thousand, up by 47% from PLN 1,350,526 thousand in the corresponding period of the previous year. The Group purchased debt portfolios in each of its operating markets, with Spain and Italy accounting for the largest share of total investments made in the nine months to September 30th 2023 (36% and 33%, respectively). The aggregate nominal value of purchased debt portfolios was PLN 10,092,586 thousand, 30% more than in the same period of 2022.

### **Recoveries and revaluation of portfolios**

Amounts recovered in the nine months ended September 30th 2023 from portfolios purchased by the KRUK Group reached PLN 2,285,967 thousand, up 19% year on year, with over half of this amount collected in the foreign markets. The year-on-year increase of PLN 358,245 thousand was attributable mainly to PLN 106,901 thousand growth in recoveries on the Italian market (up 34% year on year), PLN 99,437 thousand growth in recoveries on the Polish market (up 11% year on year), and PLN 95,266 thousand growth in recoveries on the Spanish market (up 58% year on year). Higher recoveries were also recorded in Romania (PLN 37,846 thousand, +9%) and the Czech and Slovak markets (PLN 19,443 thousand, +29%).

### **Impact of inflation on the business of the Group**

Inflation has an effect on the KRUK Group's costs, in particular on labour costs and indirectly, through higher interest rates, on finance costs. The impact of inflation on revenues 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 KRUK Group,
- negative, if inflation leads to an economic downturn, lower incomes, higher unemployment, and debtors ceasing to repay their debt.

### Russia's invasion of Ukraine

Russia's aggression against Ukraine started on February 24th 2022. The KRUK Group does not hold any assets in Ukraine or Russia, nor does it carry out any business activity in those countries. A Ukrainian company is one of the suppliers of IT development services to Wonga, a subsidiary. Given the circumstances, the cooperation with the Ukrainian supplier is continued to a limited extent. This does not affect Wonga's ongoing operations, and it is possible to source the services in Poland.

With no operations conducted in Ukraine or Russia, the Group expects the implications of the conflict for its operations will be indirect and limited.

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

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

In the period between January 1st and September 30th 2023, the Group issued new bonds:

- on January 4th 2023 – unsecured Series AL3 bonds with a nominal value of PLN 120,000 thousand, bearing interest at a floating rate based on 3M WIBOR plus a margin of 4.50pp, maturing on January 4th 2029;
- on February 20th 2023 – unsecured Series AN3 bonds with a nominal value of PLN 50,000 thousand issued in a public offering, bearing interest at a floating rate based on 3M WIBOR plus a margin of 4.00pp, maturing on February 20th 2028;
- on June 12th 2023 – unsecured Series AN4 bonds with a nominal value of PLN 50,000 thousand (issued in a public offering), bearing interest at a variable rate based on 3M WIBOR plus a margin of 4.00pp, maturing on June 13th 2028;
- on May 10th 2023 – unsecured Series NO0012903444 bonds with a nominal value of EUR 150,000 thousand issued in a public offering, bearing interest at a floating rate based on 3M EURIBOR plus a margin of 6.50pp, maturing on May 10th 2028;
- on August 8th 2023 – unsecured AO1 bonds with a nominal value of PLN 75,000 thousand, bearing interest at a variable rate based on 3M WIBOR plus a margin of 4.00pp, maturing on August 8th 2028.

Subsequent to the reporting date, the Group also issued:

- on October 3rd 2023 – unsecured AO2 bonds with a nominal value of PLN 90,000 thousand, bearing interest at a variable rate based on 3M WIBOR plus a margin of 4.00pp, maturing on October 3rd 2028;



- on October 17th 2023 – unsecured Series AL4 bonds with a nominal value of PLN 450,000 thousand issued in a public offering, bearing interest at a floating rate based on 3M WIBOR plus a margin of 4.65pp, maturing on October 17th 2029.

No bonds were redeemed in the reporting period.

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

On May 17th 2023, the Management Board of KRUK S.A. passed a resolution recommending that the Parent's Annual General Meeting approve dividend payment to the Parent's shareholders of PLN 15.00 per share. The dividend would be distributed from the Parent's net profit earned in 2022. The dividend recommendation is consistent with the dividend policy adopted by the Management Board on December 2nd 2021. The recommendation was endorsed by the Parent's Supervisory Board on May 22nd 2023.

The recommendation took into account the current financial condition of the KRUK Group, further implementation of the strategy, as well as the Group's plans and growth prospects.

On June 20th 2023, the General Meeting of KRUK S.A. passed a resolution to distribute a dividend of PLN 15.00 per share to the Parent's shareholders. The dividend of PLN 289,781,850.00 was distributed from the Parent's net profit earned in 2022. The dividend record date was September 7th 2023, while the dividend payment date was September 28th 2023.

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

#### **KRUK Group's assets pledged as security**

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 the Group's assets as at September 30th 2023 is presented below.

Type	Beneficiary	Amount	Expiry date	Terms and conditions
<b>Guarantees provided/promissory notes issued</b>				
Surety for PROKURA NS FIZ's liabilities under the revolving credit facility of July 2nd 2015, as amended, between PROKURA NS FIZ, KRUK S.A. and mBank S.A.	mBank S.A.	PLN 180,000 thousand	No later than July 3rd 2030	Prokura NS FIZ's failure to pay amounts owed to the bank under the revolving credit facility agreement
Blank promissory note	Santander Bank Polska S.A.	PLN 162,398 thousand	Until the derivative transactions are settled and the bank's claims thereunder are satisfied	KRUK S.A.'s failure to repay its liabilities under treasury transactions made on the basis of the master agreement on the procedure for execution and settlement of treasury transactions of June 13th 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 54,900 thousand*	No later than July 31st 2027	InvestCapital LTD's failure to repay its liabilities under treasury transactions made on the basis of Annex 3 of June 21st 2018 to the master agreement on the procedure for execution and settlement of treasury transactions

\* surety amount depends on the limit available to InvestCapital Ltd, the limit as at 30/09/2023 is 0

Type	Beneficiary	Amount	Expiry date	Terms and conditions
Surety for liabilities of InvestCapital Ltd, Kruk Romania S. R. L., Kruk Espana S. L. U. and PROKURA NS FIZ under the revolving multi-currency credit facility agreement of July 3rd 2017, as amended, between KRUK S.A., InvestCapital Ltd, Kruk Romania S. R. L., Kruk Espana S.L.U. and PROKURA NS FIZ (the borrowers) and DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A. and PKO BP S.A. and Bank Handlowy w Warszawie S.A.	DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A., Bank Handlowy w Warszawie S.A.	EUR 862,500 thousand	Until all obligations under the multi-currency revolving credit facility agreement are satisfied	Borrower's failure to pay amounts due under the multicurrency revolving credit facility agreement
Blank promissory note	mBank S.A.	PLN 7,500 thousand	Until the transactions are settled and the bank's claims thereunder are satisfied	KRUK S.A.'s failure to pay its liabilities under financial market transactions executed under the master agreement of February 7th 2019
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of September 21st 2021 between PROKURA NS FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 26,784 thousand	No later than September 20th 2029	PROKURA NS 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 December 14th 2021 between PROKURA NS FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 55,770 thousand	No later than December 13th 2029	PROKURA NS 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 Pekao S.A. under the overdraft facility agreement of February 1st 2022 between PROKURA NS FIZ, KRUK S.A. and Pekao S.A.	Pekao S.A.	PLN 120,000 thousand	No later than January 31st 2031	Prokura NS FIZ's failure to pay amounts owed to the bank under the overdraft facility agreement

Type	Beneficiary	Amount	Expiry date	Terms and conditions
Surety for PROKURA NS FIZ's liabilities towards PKO BP S.A. under the non-renewable working capital facility agreement of August 22nd 2022 between PROKURA NS FIZ, KRUK S.A. and PKO BP S.A.	PKO BP S.A.	PLN 63,360 thousand	No later than August 21st 2030	PROKURA NS 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 July 7th 2022.	BANKINTER S.A.	EUR 1,600 thousand	Until all obligations under the direct debit collection management contract of July 7th 2022 are satisfied.	InvestCapital Ltd's failure to pay amounts due to the Bank under the direct debit collection management contract of July 7th 2022.
Corporate guarantee issued by Kruk S.A. for InvestCapital Ltd.	InvestCapital Ltd	PLN 180,000 thousand	No later than January 15th 2024	The purpose of the guarantee is to protect the interests of InvestCapital Ltd's creditors who may question the capital redemption in InvestCapital Ltd., which took place on September 22nd 2023
Corporate guarantee issued by Kruk S.A. for InvestCapital Ltd.	InvestCapital Ltd	PLN 60,000 thousand	No later than January 10th 2024	The purpose of the guarantee is to protect the interests of InvestCapital Ltd's creditors who may question the capital redemption in InvestCapital Ltd., which took place on September 14th 2023
<b>Guarantees obtained</b>				
Guarantee issued by Santander Bank Polska S.A. for KRUK S.A.'s liabilities under the rental agreement	DEVCo Sp. z o.o.	EUR 300 thousand and PLN 215 thousand	No later than December 30th 2023	KRUK S.A.'s failure to repay its liabilities under the rental agreement secured with the guarantee

## Credit sureties or guarantees, security pledges

On August 22nd 2023, Kruk S.A. and its subsidiaries InvestCapital LTD, Kruk Romania S.R.L., Prokura NFW FIZ and Kruk España S.L.U. (the borrowers) executed an agreement amending the revolving multi-currency credit facility agreement of July 3rd 2017, as amended, with the bank syndicate comprising DNB Bank ASA of Oslo, ING Bank Śląski S.A. of Katowice, Santander Bank Polska S.A. of Warsaw and PKO BP S.A. of Warsaw and Bank Handlowy w Warszawie S.A. of Warsaw (the Lenders) (the Amendment Agreement). Under the Amendment Agreement, the facility limit was increased to EUR 525,000 thousand and the availability period of the facility was extended by another 12 months, i.e. until July 3rd 2028. In accordance with the Amendment Agreement, KRUK S.A., KRUK Romania S.R.L. and Kruk España S.L.U. issued a surety for all liabilities of the borrowers under the revolving multi-currency credit facility agreement, and the borrowers signed relevant amendments to the pledge agreements reflecting the Amendment Agreement. In addition, on August 23rd 2023 KRUK S.A. and Prokura NFW FIZ made declarations on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to EUR 862,500 thousand, which will expire on or before December 31st 2032.

To secure liabilities under the revolving multi-currency credit facility agreement of July 3rd 2017, as amended:

- on January 10th, March 22nd, June 15th 2023 and, after the reporting date, on July 12th 2023 InvestCapital LTD and the Lenders signed agreements under Spanish law creating pledges over debt portfolios purchased by InvestCapital LTD on the Spanish market;
- on January 18th 2023, additional bonds issued by KRUK Investimenti S.R.L. were pledged pursuant to the agreement of January 24th 2022 made between InvestCapital LTD and DNB Bank ASA, as the security agent, under Italian law, creating pledges over bonds issued by KRUK Investimenti S.R.L. and the bank account of InvestCapital LTD to which proceeds from the bonds are paid;
- on February 1st 2023, InvestCapital LTD and DNB Bank ASA, acting as the security agent, signed agreements under Romanian law creating pledges over debt portfolios purchased by InvestCapital LTD on the Romanian market;
- on February 2nd 2023, InvestCapital LTD, Kruk Romania S.R.L. and DNB Bank ASA, acting as the security agent, signed an annex under Romanian law to the agreement creating pledges over bank accounts held by Kruk Romania S.R.L.;
- on February 20th 2023, additional bonds issued by ItaCapital S.r.l. were pledged pursuant to an agreement of July 3rd 2017 made between InvestCapital LTD and DNB Bank ASA, as the security agent, under Italian law, creating pledges over bonds and the bank account of InvestCapital LTD to which proceeds from the bonds are paid;
- on May 22nd 2023, Prokura NFW FIZ and DNB Bank ASA, acting as the security agent, signed an agreement under Polish law creating a registered pledge over debt portfolios purchased by Prokura NS FIZ on the Polish market.
- subsequent to the reporting date, on October 25th 2023, Kruk Romania S.R.L. and DNB Bank ASA, acting as the security agent, signed an agreement under Romanian law establishing pledges over debt portfolios purchased by Kruk Romania S.R.L. on the Romanian market.

As at September 30th 2023, the value of the security created in favour of the Lenders was PLN 5,059,710 thousand.

In order to secure the repayment of Prokura NFW FIZ's liabilities under the up to PLN 52,800 thousand non-revolving working capital facility agreement of August 22nd 2022 between Prokura NFW FIZ, KRUK S.A. and PKO BP S.A.:

- On February 10th 2023, Prokura NFW FIZ and PKO BP S.A. signed an agreement to create a registered pledge over a set of rights (debt portfolios owned by Prokura NFW FIZ). The pledge was created up to the maximum amount of PLN 79,200 thousand.

As at September 30th 2023, the value of all portfolios pledged in favour of PKO BP S.A. was PLN 141,957 thousand.

In order to secure the repayment of Prokura NFW FIZ's liabilities under the PLN 120,000 thousand revolving credit facility agreement of July 2nd 2015, as amended, between Prokura NFW FIZ, KRUK S.A. and mBank S.A. of Warsaw:

- On March 20th 2023, Prokura NFW FIZ entered into an agreement with mBank S.A. to create a registered pledge over a set of rights (debt portfolios owned by Prokura NFW FIZ). The pledge was created up to the maximum amount of PLN 180,000 thousand.

As at September 30th 2023, the value of all portfolios pledged in favour of mBank S.A. was PLN 182,873 thousand.

On February 27th 2023, the credit facility agreement between KRUK S.A., its subsidiary Prokura NFW FIZ and ING Bank Śląski S.A. of December 20th 2018, as amended, was terminated by mutual agreement between the parties. Following the termination of the credit facility agreement:

- on February 27th 2023, the surety for up to PLN 300,000 thousand provided by KRUK S.A. to secure repayment of the borrower's (Prokura NFW FIZ's) liabilities expired;
- on February 27th 2023, the following pledge agreements were terminated by mutual agreement between the parties:
  - the agreement of January 4th 2019 between Prokura NFW FIZ and ING Bank Śląski S.A. creating a registered and financial pledge over receivables under a bank account agreement;
  - the agreement of December 20th 2018 between KRUK S.A. and ING Bank Śląski S.A. creating a financial pledge over receivables under a bank account agreement;
- on June 2nd and June 6th 2023, based on decisions issued by the District Court for Wrocław–Fabryczna in Wrocław, 7th Commercial Division, the registered pledges created over debt portfolios held by Prokura NFW FIZ and over Prokura NFW FIZ's bank account were deleted from the pledge register.

In order to secure the repayment of KRUK S.A.'s liabilities under the revolving credit facility agreement of June 2nd 2023 between KRUK S.A. and Alior Bank S.A.:

- on June 21st 2023, KRUK S.A. made a declaration on voluntary submission to enforcement under Art. 777.1.5 of the Code of Civil Procedure for up to PLN 75m, which will expire on or before June 1st 2028;
- on July 21st 2023, an agreement was executed between KRUK S.A. and Alior Bank S.A. creating a financial and registered pledge over investment certificates. The registered pledge was created up to the maximum amount of PLN 75,000 thousand.

In connection with a PLN 60,000 thousand share capital cancellation at InvestCapital Ltd., carried out on September 14th 2023 and due to become final by January 10th 2024, on September 14th 2023 KRUK S.A. issued a corporate guarantee of up to PLN 60,000 thousand for the benefit of InvestCapital Ltd. The guarantee expires on January 10th 2024. The purpose of the guarantee is to secure the interests of InvestCapital Ltd.'s creditors, who can challenge the share capital cancellation by January 10th 2024.

In connection with a PLN 180,000 thousand share capital cancellation at InvestCapital Ltd., carried out on September 22nd 2023 and due to become final by January 15th 2024, on September 22nd 2023 KRUK S.A. issued a corporate guarantee of up to PLN 180,000 thousand for the benefit of InvestCapital Ltd. The guarantee expires on January 15th 2024. The purpose of the guarantee is to secure the interests of InvestCapital Ltd.'s creditors, who have the right to challenge the share cancellation by January 15th 2024.

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

After the end of the third quarter of 2023, there were no events with a potential material bearing on the Group's future performance.

**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 Zasepa**

*Member of the Management Board*

**Monika Grudzień-Wiśniewska**

*Person keeping the accounting records*

**Hanna Stempień**

*Prepared by*

*Wrocław, November 7th 2023*