

**Independent statutory auditor's report
on the audit of the annual consolidated
financial statements**

of the Polski Fundusz Rozwoju S.A. Corporate Group
for the financial year 1 January 2023 to 31 December 2023

Report on the audit of the annual consolidated financial statements for the Shareholder Meeting and the Supervisory Board of Polski Fundusz Rozwoju S.A.

Opinion on the consolidated financial statements

We have audited the enclosed annual consolidated financial statements of the Corporate Group in which the parent entity is Polski Fundusz Rozwoju S.A. (Polish Development Fund) with its registered office in Warsaw at ul. Krucza 50, hereinafter the "Parent Entity", the "Group", for the financial year 1 January 2023 to 31 December 2023, comprising a consolidated balance sheet as at 31 December 2023, a consolidated statement of profit and loss, a consolidated statement of changes in equity, a consolidated cash flow statement for the financial year ended on that date, along with notes and explanations, hereinafter the "consolidated financial statements".

The consolidated financial statements were prepared in the form of an electronic file under the name "PFR_SSF2023", bearing the electronic signatures of the Management Board of the Parent Entity affixed on 24 May 2024.

The consolidated financial statements were prepared following the accounting and financial reporting rules defined in the Accounting Act of 29 September 1994, hereinafter the "Accounting Act", and the Regulation of the Minister of Finance of 25 September 2009

on the detailed rules for preparing the consolidated financial statements of corporate groups by entities other than banks, insurance companies and reinsurance companies, hereinafter referred to as the "Regulation on Consolidation Rules", applicable to the preparation of financial statements for periods ended 31 December 2023.

In our opinion, the enclosed consolidated financial statements of the Polski Fundusz Rozwoju S.A. Corporate Group:

- present a true and fair view of the assets and financial standing of the Group as at 31 December 2023, its consolidated financial result and consolidated cash flow for the financial year ended on that date, in accordance with the Accounting Act and the adopted accounting policies,
- comply, in terms of form and content, with the provisions of law applicable to the Group as well as with the provisions of the Parent Entity's Articles of Association having effect on their content.

Basis of the opinion

We have audited the consolidated financial statements in accordance with the National Auditing Standards, as worded in the International Auditing Standards, adopted by the National Council of Statutory Auditors, National Auditing Standard 220 (Z) adopted by the Polish Agency for Audit Oversight, hereinafter the "National Auditing Standards", the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, hereinafter the "Act on Statutory Auditors", applicable to the audits of financial statement for periods ended 31 December 2023.

Our responsibility, in accordance with these standards, is described in the section entitled "*Statutory auditor's responsibility for auditing the consolidated financial statements*".

We are independent of the Group companies in line with the International Code of Ethics for Professional Accountants (including the International Independence Standards), hereinafter the "IESBA Code", adopted by the National Council of Statutory Auditors, and the independence requirements set out in the Act on Statutory Auditors.

We have also fulfilled our other ethical duties defined in the Statutory Auditors Act and the IESBA Code. The key statutory auditor and the audit firm remained independent of the Group in the course of the auditing process, in accordance with the independence requirements set out in the Act on Statutory Auditors.

We believe that the audit evidence we have obtained constitutes a sufficient and appropriate basis for us to express an audit opinion.

Key audit matters

The key audit matters are matters that, in our professional judgment, were the most significant in the course of the audit of the consolidated financial statements for the reporting period in question. They comprise the most significant assessed material misstatement risks, including the assessed risks of material misstatement due to fraud. We addressed these matters in the context of our audit of the consolidated financial statements as a whole and when formulating our opinion, and we summarized our response to these risks, and where we found it appropriate, we presented our most important observations relating to these risks.

The below-presented key audit matters include all the most significant risks of material misstatement and other issues that we found to be key audit matters.

We do not express a separate opinion on these matters.

Key audit matter: Assets and liabilities concerning the government Financial Shield programs

Did the key audit matter constitute a significant risk: YES

<i>Description of the key audit matter</i>	<i>How was that matter addressed in the course of the audit</i>
<p>Pursuant to the Act of 4 July 2019 on the system of development institutions, the Parent Entity carries out tasks entrusted to it by state administration authorities. In 2023, these tasks included mainly administering the government programs of the Polish Development Fund's Financial Shield for Large Enterprises, the government program of the Polish Development Fund's Financial Shield for Small and Medium Enterprises and the government support program for Polskie Linie Lotnicze LOT S.A. (hereinafter, respectively, the "Financial Shields", "Financial Shield").</p> <p>As part of administering the aforementioned programs, the Parent Entity undertakes actions for the account and at the exclusive cost and risk of the State Treasury, in accordance with the agreement on the terms of and the method for transferring funds for the implementation of government programs, entered into between Polski Fundusz Rozwoju S.A. and the State Treasury. These actions include, among other things, raising third-party financing through the issue of bonds and the distribution of aid instruments pursuant to the terms of the aforementioned programs.</p> <p>In the consolidated financial statements as at 31 December 2023, the Group shows the Financial Shield assets in an amount of PLN 74,633,208 thousand and the Financial Shield liabilities totaling PLN 74,633,208 thousand, which represents ca. 81% of the balance sheet total.</p> <p>The recognition of transactions deriving from the administration of the Financial Shield programs in the consolidated financial statements required the Parent Entity's</p>	<p>We conducted procedures in the course of the audit which were aimed at obtaining sufficient appropriate audit evidence regarding the recognition, balance sheet valuation and presentation of the assets and liabilities relating to the government Financial Shield programs in the consolidated financial statements.</p> <p>Below we present the procedures applied which in our assessment were of key importance for achieving the audit objectives:</p> <ul style="list-style-type: none"> • talking to the key personnel of the Parent Entity in order to understand the most important terms of individual Financial Shield programs and the Parent Entity's tasks involved in administering these programs, • analyzing legal regulations, the agreement on the terms of and the method for transferring funds for the implementation of government programs, the terms of issue of bonds and program documents and by-laws concerning the government Financial Shield programs, • gaining understanding of internal control procedures in the process concerning program administration, • analyzing accounting policies concerning the valuation and presentation of the assets and liabilities of the Financial Shield programs, • assessing the valuation and presentation of the assets and liabilities of the government Financial Shield programs in the consolidated financial statements, • conducting reliability procedures in respect of the existence, completeness, recognition and valuation of the Financial Shield assets and liabilities,

<p>Management Board to apply a judgment when defining the accounting policies.</p> <p>Having regard to the value of the assets and liabilities concerning the Financial Shields, we decided that this was a key audit matter for us.</p> <p>Recognizing and valuing assets and liabilities of such significant importance for the consolidated financial statements could result in their material misstatement.</p> <p>The introduction to the consolidated financial statements includes a description of the valuation principles applied to the assets and liabilities relating to the government Financial Shield programs, and in note 1 “Government Financial Shield Programs” of the notes detailed information concerning the structure and value of these assets and liabilities is presented.</p>	<ul style="list-style-type: none"> • assessing the completeness and adequacy of the disclosures in the consolidated financial statements relating to the assets and liabilities of the government Financial Shield programs.
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Key audit matter: valuation of investment certificates and shares in the remaining entities in which the company holds an equity stake

Did the key audit matter constitute a significant risk: YES

<i>Description of the key audit matter</i>	<i>How was that matter addressed in the course of the audit</i>
<p>The value of the investment certificates presented in the balance sheet under the item: other non-current financial assets was PLN 11 147 043 thousand as at 31 December 2023, and the value of shares held in other entities in which the company holds an equity stake was PLN 5 109 833 thousand, which represents a total of ca. 18% of the Group's assets.</p> <p>Pursuant to the accounting principles adopted in the Group, the value of an investment certificate is determined by measuring the value of the assets of a given fund, determining the net asset value of the funds and net asset value per investment certificate. Then, the fair value of individual investment certificates held by the Group is determined. The net asset value of the funds is, in turn, the resultant of measurements to fair value of these funds' deposits. If funds adopt inappropriate methods or parameters for valuation models, this may result in a material misstatement in the financial statements of funds and, consequently, lead to a material misstatement in the valuation of investment in investment certificates in the Group's consolidated financial statements.</p> <p>Shares in other entities in which the company holds an equity stake are measured at fair values in accordance with the market price as at the balance sheet date.</p>	<p>We conducted procedures in the course of the audit which were aimed at obtaining sufficient appropriate audit evidence to confirm the correctness of the valuation of investment certificates and shares in other entities in which the Company holds an equity stake. Below we present the procedures applied which in our assessment were of key importance for achieving the audit objectives:</p> <ul style="list-style-type: none"> • analyzing the accounting policy concerning asset valuation, • understanding the process of measuring investment certificates at fair values, • verifying mathematically the correctness of the calculation of the value of investment certificates, • analyzing the financial statements and reports on the audit of the investment funds in the case of which the net asset value is the basis for determining the fair value of investment certificates, • reviewing and analyzing selected reports on the fair value measurements of funds' deposits, prepared by third-party experts appointed by the management, • verifying the applied market price constituting the basis for the valuation of shares in other entities in which the Company holds an equity stake, • assessing the completeness and adequacy of the disclosures in the consolidated financial statements relating to the valuation of investment certificates and

<p>Bearing in mind the risk of uncertainty relating to significant judgments and estimates made by the Management Board, we decided it was a key audit matter for us.</p> <p>The introduction to the consolidated financial statements includes a description of the valuation principles applied to the investment certificates and shares in other entities in which the company holds an equity stake and note 10 "Investments" and note 37 "Information on financial instruments" of the notes include information concerning these assets.</p>	<p>shares in other entities in which the company holds an equity stake.</p>
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Responsibility of the Management Board and the Supervisory Board of the Parent Entity for the consolidated financial statements

The Management Board of the Parent Entity is responsible for preparing consolidated financial statements presenting a true and fair view of the Group's assets and financial situation and its financial result, in accordance with the provisions of the Accounting Act, the adopted accounting policies, the provisions of law applicable to the Group, and the Articles of Association of the Parent Entity.

The Management Board of the Parent Entity is also responsible for internal control, which it considers necessary for preparing consolidated financial statements free from any material misstatement due to fraud or error. When preparing consolidated financial statements, the Management Board of the Parent Entity is responsible for assessing the Group's ability to operate as a going concern, for disclosing,

if applicable, matters relating to the operation as a going concern and for adopting the going concern assumption as the accounting basis, except where the Management Board of the Parent Entity either intends to liquidate the Group or discontinue its operation as a going concern, or where there is no real alternative for liquidation or the discontinuation of operations.

The Management Board and the members of the Supervisory Board of the Parent Entity are obliged to ensure that consolidated financial statements meet the requirements set out in the Accounting Act. The Parent Entity's Supervisory Board members are responsible for overseeing the financial reporting process.

Statutory auditor's responsibility for auditing consolidated financial statements

Our objective is to reach reasonable assurance about whether the consolidated financial statements as a whole are free from any material misstatement due to fraud or error, and to produce an audit report including our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that the audit conducted in line with the above-specified standards will always detect an existing material misstatement. Misstatements may arise as a result of fraud or error and are considered material if it can be reasonably expected that they might, whether individually or in combination, affect users' business decisions taken on the basis of the consolidated financial statements.

The scope of the audit does not cover assurance as to the Group's future profitability or the effectiveness or efficiency of the running of its affairs by the Parent Entity's Management Board at present or in the future.

- we draw a conclusion regarding the appropriateness of the application of the going concern assumption by the Parent Entity's Management Board as the accounting basis and, based on the audit evidence obtained, conclude whether there is material uncertainty relating to events or conditions that might cast significant doubt on the Group's ability to operate as a going concern. If we conclude that there is material uncertainty, we are required to point out, in our statutory auditor's report, the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on audit evidence obtained by the date of the statutory auditor's report, but future events or conditions may result in the Group discontinuing its operation as a going concern;
- we assess the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the consolidated

When performing an audit complying with the National Auditing Standards, we apply a professional judgment and maintain professional skepticism, as well as:

- we identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error, we design and conduct audit procedures corresponding to these risks and obtain audit evidence that is sufficient and appropriate to constitute the basis for our opinion. The risk of failing to detect a material misstatement due to fraud is greater than that due to error, since fraud may involve collusion, forgery, deliberate omission, misleading or circumventing internal control procedures;
- we gain understanding of internal control suitable for the audit in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we assess the appropriateness of the applied accounting policies, the reasonableness of accounting estimates and related disclosures made by the Parent Entity's Management Board;

Among the matters referred to the Parent Entity's Supervisory Board, we identified matters that were the most significant during the audit of the consolidated financial statements for the reporting period in question and therefore we found them to be key audit matters. We describe these matters in our audit report in the section entitled "Key audit matters", except for those matters that are not permitted by law or regulations to be disclosed to the public or where, in exceptional circumstances, we determine that the matter should not be presented in our report, because the adverse consequences are likely to outweigh the benefits of such information to the public interest.

financial statements present the transactions and events underlying them in a manner ensuring fair presentation;

- we obtain sufficient appropriate audit evidence with respect to financial information concerning entities or businesses within the Group in order to express an opinion on the consolidated financial statements. We are responsible for managing, overseeing and conducting the audit of the Group and we are solely responsible for our opinion based on the audit.

We provide the Parent Entity's Supervisory Board with information relating to the audit, in particular information concerning the planned scope and time of the audit and significant audit findings, including any significant internal control weaknesses identified by us in the course of the audit.

Pursuant to the Act on Statutory Auditors, we are also required to include, in the report, an opinion on whether the consolidated financial statements comply with the provisions of law applicable to the Group and the Parent Entity's Articles of Association in terms of their form and content. We have formulated an opinion in this respect on the basis of the work carried out in the course of the audit.

Other information, including the Group activity report

Other information is financial and non-financial information included in the consolidated annual report, other than consolidated financial statements and an audit report.

Other information includes the Group activity report for the year ended 31 December 2023, along with the statement of non-financial information referred to in Article 55 sec. 2b of the Accounting Act, constituting a separate part of the Group activity report, as well as the following elements of the annual report: selected financial data translated into EUR, the Management Board's statement, hereinafter the "Other Information".

Responsibility of the Parent Entity's Management Board and Supervisory Board

The Parent Entity's Management Board is responsible for preparing the Other Information in compliance with provisions of law.

The Management Board and the members of the Supervisory Board of the Parent Entity are obliged to ensure that the Group activity report, along with its separate parts, meet the requirements set out in the Accounting Act.

Statutory auditor's responsibility

Our opinion on the audit of the consolidated financial statements does not cover the Other Information. In connection with auditing the financial statements, our responsibility is to become familiar with the Other Information and, while doing it, considering whether or not the Other Information is significantly inconsistent with the consolidated financial statements or our knowledge gained in the course of the audit, or otherwise seems materially misstated. If, based on our work, we identify a material misstatement in the Other Information, we are required to note this in our audit report.

It is also our duty, pursuant to the requirements set out in the Act on Statutory Auditors, to express an opinion on whether the activity report has been prepared in accordance with regulations and whether it is consistent with the information disclosed in the consolidated financial statements. Moreover, we are required to advise whether the Group has prepared a non-financial statement.

Activity report

The Group activity report was prepared along with a standalone activity report of Polski Fundusz Rozwoju S.A. as a single document in the form of an electronic file under the name “

PFR_SZ2023”, bearing electronic signatures of the Parent Entity's Management Board affixed on 24 May 2024.

Opinion on the Group Activity Report

In our view, based on the work carried out in connection with auditing the consolidated financial statements, the enclosed Group Activity Report of the Polski Fundusz Rozwoju S.A. Corporate Group for the financial year ended 31 December 2023:

- has been prepared in accordance with Article 49 of the Accounting Act,

- presents information consistent with information included in the audited consolidated financial statements.

In light of the knowledge about the Group and its environment obtained in the course of the audit, we declare that we have not identified material misstatements in the Group activity report.

Information about the statement of non-financial information

Pursuant to the requirements set out in the Act on Statutory Auditors, we advise that the Parent Entity's Management Board has prepared the statement of non-financial information referred to in Article 55 sec. 2b of the Accounting Act as a separate part of the Group Activity Report.

We have carried out no attestation work in relation to the statement of non-financial information and give no assurance in this respect.

Signed by
Przemysław
Koblak
Date
24 May 2024 5:26 PM

Przemysław Koblak
Statutory auditor No. 13416

Key statutory auditor conducting the audit on behalf of PKF Consult Grupa z ograniczoną odpowiedzialnością Sp. k., audit firm No. 477

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Warsaw, 24 May 2024