

# Report of the independent statutory auditor on the audit of the annual financial statements

For Shareholders of Elektrotim Spółka Akcyjna

## Report on the audit of the annual financial statements

### Opinion

We have audited the annual financial statements of Elektrotim Spółka Akcyjna (Company) with its registered office in Wrocław, ul. Stargardzka 8, consisting of the statement of financial position as at December 31, 2022, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the financial year ended on that date, additional information on the adopted accounting principles and other explanatory information.

In our opinion, the attached annual financial statements:

- present a fair and clear picture of the Company's property and financial position as at December 31, 2022, as well as its financial result and cash flows for the financial year ended on that date, according to International Accounting Standards, International Financial Reporting Standards and interpretations announced in the form of regulations of the European Commission and the adopted accounting principles (policy) related with them
- was prepared on the basis of properly kept accounting books,
- is compliant in terms of form and content with the provisions of law applicable to the Company and the provisions of the Company's Articles of Association.

This opinion is consistent with the additional report for the Audit Committee issued as of the date of this audit report.

## Basis of opinion

We conducted our audit according to:

- the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (consolidated text: Journal of Laws of 2022, item 1302, as amended) (Act on Statutory Auditors),
- International Auditing Standards in the version adopted as National Auditing Standards (KSB) by resolution of the National Council of Statutory Auditors No. 3430/52a/2019 of March 21, 2019, as amended, and
- Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014 on detailed requirements regarding statutory audits of financial statements of public-interest entities, repealing Commission Decision 2005/909/EC (Official Journal EU L 158 of 27.05.2014, p. 77 and Official Journal EU L 170 of 11/06/2014, p. 66) (Regulation 537/2014).

Our responsibilities under these standards are further described in the Auditor's Responsibility for the Audit of the Annual Financial Statements section of our report. We are independent of the Company according to the International Code of Ethics for Professional Accountants (including International Independence Standards) of the Council of International Ethical Standards for Accountants (IESBA Code) adopted by the resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of March 25, 2019 as the rules of professional ethics statutory auditors and other ethical requirements applicable to the audit of financial statements in Poland. In particular, during the audit, the key statutory auditor and the audit firm remained independent of the Company according to the independence requirements set out in the Act on Statutory Auditors and Regulation 537/2014. In addition, we have fulfilled our other ethical responsibilities according to these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. We addressed these matters in the context of our audit of the annual financial statements as a whole and took them into account when formulating our opinion on these statements. Below, we have also summarized our response to these risks and, where deemed appropriate, key observations related to these risks. We do not express a separate opinion on these matters.

### Risk of incorrect recognition of revenue from contracts with customers

#### Description

According to the statement of profit or loss for the financial year ended 31 December 2022, revenue from the performance of contracts with customers amounted to PLN 428,243 thousand and was recognized on a stage-of-completion basis. According to the requirements of the International Financial Reporting Standard 15 Revenue from contracts with customers, the Management Board of the Company assesses, based on the analysis of individual contracts, whether the revenue from a given contract should be recognized when the performance obligation is fulfilled or recognized when it is fulfilled.

Revenues related to the performance of the contract recognized during the fulfillment of the obligation are measured in accordance with the method of measuring the degree of fulfillment of the obligation based on expenditures in accordance with IFRS 15. The degree of fulfillment of the obligation is determined as the ratio of the costs incurred to the estimated costs necessary to perform the contract. This valuation has a significant impact on the Company's financial statements. Revenue from contracts with customers is recognized in the amount equal to the transaction price, which is the amount of consideration to which the Company expects to be entitled in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties. Valuation of contracts in progress requires the Company's Management Board to make estimates based on professional judgment and the state of knowledge as at the balance sheet date. Considering the materiality of the items in the Company's financial statements, as well as the susceptibility of the items to the risk of distortion, we considered this a key issue for our audit. Disclosures regarding this matter are presented in note 2.20 of the financial statements.

#### Auditor's response

The audit procedures carried out in this area included, among others:

- analysis and assessment of the applied accounting policies and procedures relating to the contract valuation process and their recognition,
- compliance tests for selected control mechanisms,
- analysis of the terms and conditions of material sales contracts,
- performance on a selected sample, tests relevant to determining the correct moment of revenue recognition and the correct value of revenue from contracts with customers,
- in the form of direct communication with contractors, confirmation of selected sales transactions with the Company's contractors,
- verification, on a selected sample, of recognizing sales in the correct reporting period taking into account the terms of contracts concluded with the Company's contractors,
- assessment of assumptions and estimates made by the Company's Management Board.

#### Responsibility of the Company's Management Board and Supervisory Board for the annual financial statements

The Management Board of the Company is responsible for preparing, on the basis of properly kept accounting books, the annual financial statements, which present a reliable and clear picture of the property and financial situation as well as the financial result and cash flows of the Company according to the International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations of the European Commission, adopted accounting principles (policy) and applicable laws, as well as the Company's Articles of Association. The Management Board of the Company is also responsible for the internal control it deems necessary to prepare the annual financial statements that are free from material misstatement, whether due to fraud or error. In preparing the annual financial statements, the Management Board of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and for adopting the going concern assumption, except when the Management Board either intends to liquidate the Company or to cease operations or there is no realistic alternative to liquidating or discontinuing operations. Pursuant to the Accounting Act of September 29, 1994 (consolidated text: Journal of Laws of 2023, item 120, as amended) (Accounting Act), the Management Board and members of the Supervisory Board of the Company are obliged to ensure that the annual financial statements met the requirements provided for in the Accounting Act. Members of the Supervisory Board are responsible for overseeing the Company's financial reporting process.

## Responsibility of the statutory auditor for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted according to KSB will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

The scope of the audit does not include assurances as to the future profitability of the Company or the effectiveness or efficiency of the management of its affairs by the Company's Management Board now or in the future.

We exercise professional judgment and maintain professional skepticism when auditing in accordance with KSB, and:

- We identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than that due to error because fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls;
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of the applied accounting principles (policy) and the reasonableness of accounting estimates and related disclosures made by the Company's Management Board;
- we assess the appropriateness of the Management Board's use of the going concern assumption and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, however, future events or conditions may cause the Company not to continue as a going concern;
- We evaluate the overall presentation, structure and content of the annual financial statements, including disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that ensures fair presentation.

We provide the Supervisory Board with information about, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and we inform it of all relationships and other matters that could reasonably be considered to pose a threat to our independence, and where applicable, we inform about the safeguards applied.

From the matters communicated with the Supervisory Board, we identified those matters that were of most significance in the audit of the financial statements for the current financial year and therefore we considered them key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences would reasonably be expected to outweigh the benefits to public interest resulting from the publication of such information.

#### Other information, including an activity report

Other information includes the report on the Company's activities for the financial year ended December 31, 2022, together with the statement on the application of corporate governance, which is a separate part of this report on activities, and the annual report for the financial year ended December 31, 2022 (excluding the annual financial statements and our auditor's report).

#### Responsibility of the Management Board and the Supervisory Board

The Company's Management Board is responsible for preparing other information according to the Accounting Act and other applicable laws. In addition, the Management Board and Members of the Supervisory Board of the Company are obliged to ensure that the report on activities meets the requirements provided for in the Accounting Act.

#### Auditor's Responsibility

Our opinion on the annual financial statements does not cover the other information and we do not express any form of assurance thereon arising from the KSB. In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether it is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work performed, we find a material misstatement of other information, we are required to report this in our audit report. Our duty, according to the requirements of the Act on Statutory Auditors, is also to issue an opinion on whether the report on activities has been prepared in accordance with the regulations and whether it is consistent with the information contained in the annual financial statements. In addition, we are obliged to inform you whether the Company has prepared a statement on non-financial information and to issue an opinion on whether the Company has included the required information in the statement on the application of corporate governance. The report on the Company's activities, selected financial data, the Management Board's statement on the financial statements and the report on the activities, information from the Management Board on the selection of an audit firm to audit the annual financial statements in accordance with the regulations, we obtained before the date of this audit report, and the remaining elements of the annual report will be made available to us after that date. In the event that we find a material distortion in the annual report, we are obliged to inform the Supervisory Board of the Company.

#### Opinion on the activity report

In our opinion, the report on activities has been prepared according to the applicable regulations, i.e. in accordance with the provisions of Art. 49 of the Accounting Act and § 70 of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2018, item 757) (Regulation on current and periodic information) and is consistent with the information contained in the attached annual financial statements. In addition, we declare that in the light of the knowledge about the Company and its environment obtained during the audit of the annual financial statements, we have not found any significant distortions in the report on activities.

#### Opinion on the corporate governance statement

In our opinion, in the statement on the application of corporate governance, the Company included the information specified in § 70 sec. 6 point 5 of the Regulation on current and periodic information. Information indicated in § 70 sec. 6 point 5 lit. c-f, h and lit. and of this Regulation on current and periodic information contained in the statement on the application of corporate governance are consistent with the applicable regulations and the information contained in the annual financial statements.

#### Information on the preparation of a statement on non-financial information

According to the requirements of the Act on Statutory Auditors, we inform you that the Company has prepared a statement on non-financial information referred to in art. 49b sec. 1 of the Accounting Act as a separate part of the report on activities.

#### Report on other legal and regulatory requirements

#### Statement on non-audit services provided

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited by Art. 136 of the Act on Statutory Auditors and Art. 5 sec. 1 of Regulation 537/2014.

#### Choosing an audit firm

We were appointed to audit the Company's annual financial statements for 2022, 2023 and 2024 by resolution of the Company's Supervisory Board of September 10, 2021. We audit the Company's financial statements continuously, starting from the financial year ended on December 31, 2020, i.e. for the next 3 financial years. We were appointed for research for a two-year period for the years 2020-2021 and a three-year period for the years 2022-2024.

Elżbieta Grześkowiak

Statutory Auditor No. 5014

The key statutory auditor conducting the audit on behalf of

Grant Thornton Polska Simple joint-stock company,

Poznań, ul. Abpa Antoniego Baraniaka 88 E, audit firm no. 4055

Poznań, April 27, 2023.