

Independent Expert Auditor's Report on the Audit of the Annual Consolidated Financial Statements

For the Shareholders of Elektrotim S.A.

Report on the Audit of the Annual Consolidated Financial Statements

Opinion

We have audited the annual consolidated financial statements of the Capital Group (the Group), in which Elektrotim Spółka Akcyjna (the Parent Company) with its registered office in Wrocław, Stargardzka 8, is the parent company. The consolidated financial statements comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year ended on that date, the notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the attached annual consolidated financial statements:

- present a true and fair view of the financial position of the Capital Group as of December 31, 2023, and its financial performance and cash flows for the financial year ended on that year in accordance with International Accounting Standards, International Financial Reporting Standards, and related interpretations issued in the form of European Commission regulations and adopted accounting principles (policies),
- are consistent in form and content with the applicable legal regulations binding on the Capital Group and the provisions of the Parent Company's articles of association.

This opinion is consistent with the additional report to the Audit Committee issued on the same date as this audit report.

Basis for opinion

We conducted our audit in accordance with:

- the Act on Statutory Auditors, Audit Firms, and Public Oversight dated May 11, 2017 (the Act on Statutory Auditors),
- National Auditing Standards in the wording of the International Standards on Auditing adopted by the resolutions of the National Council of Statutory Auditors and the Council of the Polish Agency for Audit Oversight (NAS),
- Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014, on specific requirements regarding statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC (Regulation 537/2014).

Our responsibilities under those standards are further described in the *Expert Auditor's responsibilities for the audit of the annual consolidated financial statements* section of our report. We are independent of the entities within the Capital Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) adopted by the resolution of the National Council of Statutory Auditors as the ethical standards for statutory auditors, and with other ethical requirements that are relevant to our audit of financial statements in Poland. In particular, during the audit, the key statutory auditor and the audit firm remained independent of the entities within the Capital Group in accordance with the independence requirements specified in the Act on Statutory Auditors and in Regulation 537/2014. We have also fulfilled our other ethical responsibilities in accordance with 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 judgment, were of most significance in our audit of the annual consolidated financial statements for the current reporting period. These matters include the most significant assessed types of risks of material misstatement, including the assessed types of risks of material misstatement due to fraud. We addressed these matters in the context of our audit of the annual consolidated financial statements as a whole and in forming our opinion on these financial statements. Below, we have summarized our response to those risks and, where applicable, our key observations related to those risks. We do not provide a separate opinion on these matters.

RISK OF INCORRECT RECOGNITION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

Description

The Group's revenue is recognized based on the percentage of completion, amounting to 547 million PLN in 2023.

In accordance with the requirements of International Financial Reporting Standard 15 *Revenue from Contracts with Customers*, the Parent Company's Management assesses, based on the analysis of individual contracts, whether the revenue from a given contract should be recognized over time as the performance obligation is satisfied, or at a point in time upon fulfillment of the performance obligation.

Revenue related to contract performance recognized over time is measured using the input method in accordance with IFRS 15. The degree of fulfillment of the performance obligation is determined as the ratio of costs incurred to the estimated costs necessary to complete the contract. This measurement significantly impacts the Group's consolidated financial statements.

The valuation of ongoing contracts requires the Parent Company's Management to make estimates based on professional judgment and the state of knowledge as of the balance sheet date.

Given the significance of this item in the Group's consolidated financial statements and its susceptibility to misstatement due to the necessity of making judgments and estimates, we have determined that this is a key audit matter.

Disclosures related to this matter are presented in notes 1.3.4.18 and 2.19 of the consolidated financial statements.

Expert Auditor's response

Audit procedures performed in this area included, among others:

- analysis and assessment of the accounting policies and procedures related to the contract valuation process and their recognition,
- performing reliability tests on a selected sample of contracts, including:
 - analysis of contractual records, completeness of cost and revenue budgets, and changes in budgets that occurred during the reporting period,
 - determination of the transaction price and recognition of revenue values recognized over time,
 - discussions with the Parent Company's Management regarding budget assumptions and the measurement of the progress of work,
 - confirmation, through direct communication with the Parent Company's counterparties, of selected contractual terms and selected sales transactions,
 - verification of selected sales invoices and cost invoices issued during the reporting period to confirm the correctness of their allocation in the contract valuation process,
- assessment of the assumptions and estimates made by the Parent Company's Management in determining contract budgets, particularly in estimating the amount of potential loss provisions.

VALUATION OF ASSETS AND LIABILITIES HELD FOR SALE

Description

As presented in note 2.14 of the consolidated financial statements, the assets and liabilities of the subsidiary ZEUS S.A., with a carrying value of 12 million PLN and 27 million PLN, respectively, as of December 31, 2023, were classified as held for sale.

A significant risk in the area of assets and liabilities held for sale is their valuation to fair value less costs to sell, which involved the necessity of making estimates.

Expert Auditor's response

Our audit procedures included, in particular:

- verification of the documentation specifying the terms of the sale,
- discussion of events that occurred after the balance sheet date,
- critical assessment and examination of the assumptions made by the Parent Company's Management Board for the valuation of the group of assets and liabilities held for sale, particularly regarding the application of the requirements of International Financial Reporting Standard 13 *Valuation at Fair Value* and International Financial Reporting Standard 5 *Non-current Assets Held for Sale and Discontinued Operations*,
- conducting, on a selected sample, tests relevant to confirming the correctness of determining the fair value of the group of assets and liabilities held for sale.

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

The Parent Company's Management Board is responsible for preparing the annual consolidated financial statements that present a true and fair view of the financial position and financial performance and cash flows of the Capital Group in accordance with International Accounting Standards, International Financial Reporting Standards, and related interpretations issued in the form of European Commission regulations, adopted accounting principles (policies), and applicable laws, as well as the Parent Company's articles of association. The Parent Company's Management Board is also responsible for such internal control as it deems necessary to enable the preparation of annual consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Capital Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Management Board either intends to liquidate the Capital Group or to cease operations, or has no realistic alternative but to do so.

In accordance with the Accounting Act of September 29, 1994 (the Accounting Act), the Management Board and the members of the Parent Company's Supervisory Board are required to ensure that the annual consolidated financial statements comply with the requirements set forth in the Accounting Act. The members of the Parent Company's Supervisory Board are responsible for overseeing the Capital Group's financial reporting process.

Responsibility of the Expert Auditor for the audit of the annual consolidated financial statements

Our objective is to obtain reasonable assurance about whether the annual consolidated 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 in accordance with the National Auditing Standards (NAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these annual consolidated financial statements.

The scope of our audit does not include assurance on the future profitability of the Capital Group or the effectiveness or efficiency of the Parent Company's Management Board's current or future management of the Capital Group's affairs.

During an audit conducted in accordance with NAS, we exercise professional judgment and maintain professional skepticism, as well as:

- identify and assess the risks of material misstatement of the annual consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to 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 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- 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 Capital Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Board Management;
- conclude on the appropriateness of the Parent Company's Board Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Capital Group'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 consolidated 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 Capital Group to cease to continue as a going concern;
- evaluate the overall presentation, structure, and content of the annual consolidated financial statements, including the disclosures, and whether the annual consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Capital Group to express an opinion on the annual consolidated financial statements. We are responsible for the direction, supervision, and performance of the Capital Group audit and remain solely responsible for our audit opinion.

We communicate with the Parent Company's Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent Company's Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with the Parent Company's Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current financial year and are therefore the 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 of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the operation report

Other information consists of the Capital Group's operation report for the financial year ended December 31, 2023, along with the statement on corporate governance, which is a separate part of this operation report, and the consolidated annual report for the financial year ended December 31, 2023 (excluding the annual consolidated financial statements and our auditor's report).

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

The Parent Company's Management Board is responsible for the preparation of other information in accordance with the Accounting Act and other applicable laws. Additionally, the Management Board and the members of the Parent Company's Supervisory Board are required to ensure that the Capital Group's operation report meets the requirements set forth in the Accounting Act.

Expert Auditor's responsibility

Our opinion on the annual consolidated financial statements does not cover other information, and we do not express any form of assurance on it derived from the National Auditing Standards. In connection with our audit of the annual consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether it is materially inconsistent with the annual consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in our audit report. Our responsibility in accordance with the requirements of the Act on Statutory Auditors is also to express an opinion on whether the Capital Group's operation report has been prepared in accordance with applicable laws and whether it is consistent with the information contained in the annual consolidated financial statements. Additionally, we are required to express an opinion on whether the Parent Company's statement on corporate governance includes the required information. We obtained the Capital Group's operation report and selected financial data, the Parent Company's Management Board statement on the consolidated financial statements and the Capital Group's operation report, and the Parent

Company's Management Board statement on the selection of the audit firm conducting the audit of the annual consolidated financial statements in accordance with applicable regulations before the date of this audit report, while the remaining elements of the consolidated annual report will be made available to us after that date. If we identify a material misstatement in the consolidated annual report, we are required to report it to the Parent Company's Supervisory Board.

Opinion on the operation report

In our opinion, the Capital Group's operation report has been prepared in accordance with applicable regulations, specifically the provisions of Article 55(2a) of the Accounting Act and § 71 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 information required by the laws of a non-member state as equivalent (Regulation on current and periodic information), and is consistent with the information contained in the accompanying annual consolidated financial statements. Furthermore, based on our knowledge of the Capital Group and its environment obtained during the audit of the annual consolidated financial statements, we have not identified any material misstatements in the operation report.

Opinion on the statement on corporate governance

In our opinion, the Parent Company's statement on corporate governance includes the information specified in § 70(6)(5) of the Regulation on current and periodic information. The information indicated in § 70(6)(5)(c-f), (h), and (i) of this Regulation, included in the statement on corporate governance, is in accordance with applicable regulations and consistent with the information contained in the annual consolidated financial statements.

Report on other legal and regulatory requirements

Opinion on the compliance of the tagging of the consolidated financial statements prepared in a single electronic reporting format with the requirements of the regulation on technical standards for the specification of a single electronic reporting format

In connection with the audit of the annual consolidated financial statements, we were engaged to perform a reasonable assurance service to express an opinion on whether the Capital Group's annual consolidated financial statements as of and for the year ended December 31, 2023, prepared in a single electronic reporting format and included in the file named *elt-2023-12-31-pl.zip* (the consolidated financial statements in ESEF format), have been tagged in accordance with the requirements set out in Commission Delegated Regulation (EU) No 2019/815 of December 17, 2018, supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards for the specification of a single electronic reporting format (ESEF Regulation).

Identification of criteria and description of the subject of the service

The consolidated financial statements in the ESEF format were prepared by the Parent Company's Management Board to meet the tagging requirements and the technical specifications for the single electronic reporting format as specified in the ESEF Regulation. The subject of our assurance service is

the compliance of the tagging of the consolidated financial statements in the ESEF format with the requirements of the ESEF Regulation, and the requirements specified in these regulations constitute, in our opinion, appropriate criteria for us to form our opinion.

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

The Parent Company's Management Board is responsible for preparing the consolidated financial statements in the ESEF format in accordance with the tagging requirements and the technical specifications for the single electronic reporting format as specified in the ESEF Regulation. This responsibility includes selecting and applying appropriate XBRL tags using the taxonomy specified in these regulations.

The Management Board's responsibility also includes designing, implementing, and maintaining internal control systems that ensure the preparation of consolidated financial statements in the ESEF format free from material non-compliance with the requirements of the ESEF Regulation.

The members of the Parent Company's Supervisory Board are responsible for overseeing the financial reporting process, which includes the preparation of financial statements in accordance with the format required by applicable law.

Expert Auditor's responsibility

Our objective was to express an opinion, based on the reasonable assurance engagement we conducted, on whether the consolidated financial statements in the ESEF format have been tagged in accordance with the requirements of the ESEF Regulation.

We performed our engagement in accordance with the National Standard on Assurance Engagements Other than Audits and Reviews 3001PL *Audit of Financial Statements Prepared in the Uniform Electronic Reporting Format*, adopted by the resolution of the National Council of Statutory Auditors (KSUA 3001PL), and where applicable, in accordance with the National Standard on Assurance Engagements Other than Audits and Reviews 3000 (Z) in the wording of the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, adopted by the resolution of the National Council of Statutory Auditors (KSUA 3000 (Z)).

This standard imposes an obligation on the auditor to plan and execute procedures in such a way as to obtain reasonable assurance that the consolidated financial statement in the ESEF format has been prepared in accordance with specified criteria. Reasonable assurance is a high level of assurance but does not guarantee that a service conducted in accordance with KSUA 3001PL and, where applicable, with KSUA 3000 (Z), will always detect existing material misstatements.

The selection of procedures depends on the auditor's judgment, including their assessment of the risk of material misstatements due to fraud or error. When making this risk assessment, the auditor considers internal control related to the preparation of the consolidated financial statement in the ESEF format to plan appropriate procedures that will provide the auditor with sufficient and appropriate evidence in the circumstances. The assessment of the functioning of the internal control system was not carried out for the purpose of expressing an opinion on the effectiveness of its operation.

Summary of work performed

Planned and executed procedures included, among others:

- gaining an understanding of the process for preparing the consolidated financial statement in the ESEF format, which includes the process of selecting and applying XBRL tags by the Management Board of the Parent Company and ensuring compliance with the ESEF Regulation, including understanding the internal control mechanisms associated with this process,
- reconciling the tagged information contained in the consolidated financial statement in the ESEF format to the audited annual consolidated financial statement,
- assessing compliance with technical standards regarding the specifications of the single electronic reporting format, including the use of the XHTML format, using specialized IT tools,
- evaluating the completeness of the tagging of information in the consolidated financial statement in the ESEF format with XBRL tags,
- assessing whether the XBRL tags from the taxonomy specified in the ESEF Regulation were appropriately applied and whether taxonomy extensions were used in situations where appropriate elements were not identified in the basic taxonomy specified in the ESEF Regulation,
- evaluating the accuracy of the anchoring of applied taxonomy extensions to the basic taxonomy specified in the ESEF Regulation.

We believe that the evidence we have obtained provides a sufficient and appropriate basis for expressing our opinion on the compliance of the tagging with the requirements of the ESEF Regulation.

Ethical requirements, including independence

In performing the service, the auditor and the audit firm adhered to the independence requirements and other ethical requirements set out in the IESBA Code. The IESBA Code is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. We also complied with other independence and ethical requirements applicable to this attestation service in Poland.

Quality management requirements

The audit firm applies national quality control standards as adopted by the resolution of the Council of the Polish Audit Oversight Agency, which require the audit firm to design, implement, and maintain a quality management system that includes policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Opinion on compliance with ESEF Regulation requirements

The basis for the auditor's opinion is constituted by the matters described above, and therefore, the opinion should be read considering these matters.

In our opinion, the consolidated financial statement in the ESEF format has been tagged, in all material respects, in accordance with the requirements of the ESEF Regulation.

Statement on services other than financial statement audits

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

Selection of the audit firm

We were selected to audit the annual consolidated financial statements of the Capital Group for the years 2022, 2023, and 2024 by a resolution of the Supervisory Board of the Parent Company dated September 10, 2021. We have been auditing the consolidated financial statements of the Capital Group continuously since the financial year ended December 31, 2020, which covers four consecutive financial years. We were appointed for a two-year period for the years 2020-2021 and a three-year period for the years 2022-2024.

Elżbieta Grzeškowiak

Expert Auditor No. 5014

Key expert auditor conducting the audit on behalf of Grant Thornton Polska Prosta spółka akcyjna,
Poznań, Abpa Antoniego Baraniaka 88 E, audit firm No. 4055

Poznań, April 23, 2024