

Tomasz Budkowski, MA  
sworn translator of English

\*\*\* Certified translation from Polish \*\*\*

---

[Certified translation from Polish; document consists of 21 pages]  
[Two initials affixed to each page except the titular page and signature page]  
[The footer contains the page number and the following notation: LM PAY  
SPÓŁKA AKCYJNA (formerly: MEDIRATY SPÓŁKA Z OGRANICZONĄ  
ODPOWIEDZIALNOŚCIĄ) for the period from 01.01.2021 to 31.12.2021.  
The XML file from which this printout is derived is a financial statement  
within the meaning of the Accounting Act]

**LM PAY SPÓŁKA AKCYJNA (formerly:  
MEDIRATY SPÓŁKA Z OGRANICZONĄ  
ODPOWIEDZIALNOŚCIĄ)**

Financial statements for the period from  
**01.01.2021 to 31.12.2021**



## INTRODUCTION TO THE FINANCIAL STATEMENTS

### 1. Company data

**Name:** LM PAY SPÓŁKA AKCYJNA (formerly: MEDIRATY SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ)

**Headquarters:** Lechicka 23A/, 02-156 Warsaw

**PKD (Polish Classification of Activity) codes defining the entity's primary activity.**  
6492Z, 6420Z, 6491Z, 6499Z, 6619Z, 6621Z, 6622Z, 6629Z

**Tax identification number:**  
**NIP:** 5223017773

**Number in the relevant court register:**  
**KRS:** 0000940085

### 2. Indication of the duration of the entity's operations, if limited

Not applicable

### 3. The period covered by the financial statements:

Financial statements prepared for the period from 01.01.2021 to 31.12.2021

### 4. Indication of whether the financial statements include aggregate data

The financial statements do not include aggregate data.

### 5. Assumption of continued economic activity

Financial statements prepared on the assumption that the entity will continue as a going concern. No circumstances have been identified that indicate a threat to continued operations.

### 6. Information about the merger of companies

Not applicable.

### 7. Accounting policy

**Discussion of the methods adopted for valuation of assets and liabilities (including amortisation):**

A. Intangible assets

Not present

B. Fixed assets

Not present

C. Fixed assets under construction

Not present

D. Investments

Investments in subsidiaries, jointly controlled entities and affiliates, as well as other long-term investments, are valued at fair value.



Fair value is calculated in an annual valuation report prepared as of the balance sheet date by an expert.

Long-term investments in the form of loans granted are valued at adjusted acquisition price or at the amount required to be paid, taking into account the simplifications described in Item M.

Other short-term investments excluding cash and financial assets are valued at adjusted cost - if a maturity date has been specified for the asset, and short-term investments for which there is no alternative market, at another specified fair value.

Financial assets at the time of entry into the books are valued at cost (purchase price), which is the fair value of the consideration paid.

Transaction costs are included in the initial value of these financial instruments. Financial assets are entered in the books on the date of the transaction.

#### E. Accounts receivable and accounts payable

Receivables are valued at the amount of required payment, in accordance with the principle of prudence. At the end of the financial year, receivables are analysed for impairment. Receivables in foreign currencies not settled as of the balance sheet date are valued at the average exchange rate established for a given currency by the National Bank of Poland on that date. Disputed, doubtful or significantly overdue receivables were covered by write-offs. Impairment charges on the balance sheet have reduced these receivables.

Liabilities are measured at the price to be paid.

#### F. Inventories

The Company, due to the service nature of its business, does not carry out warehouse management.

#### G. Cash and cash equivalents

Cash shown in the balance sheet includes cash on hand, in the bank and short-term deposits with a maturity of three months or less.

Monetary assets are valued at face value at the end of the reporting period.

#### H. Accruals/prepayments

The Company makes prepaid expenses if they relate to future reporting periods. Accrued expenses are made in the amount of probable liabilities attributable to the current reporting period.

#### I. Income tax

Provision for income taxes is made in relation to all positive temporary differences occurring at the balance sheet date between the tax value of assets and liabilities and their carrying value as shown in the financial statements.

A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from the amortisation of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred tax asset is recognized for all deductible temporary differences, as well as unused deferred tax assets and unused tax losses carried forward, to the extent that it is probable that taxable income will be generated to utilize the aforementioned differences, assets and losses.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and is reduced accordingly to the extent that it is no longer probable that sufficient taxable income will be available to partially or fully realize the deferred tax asset.





Deferred tax assets and deferred tax liabilities are measured using the tax rates that are expected to apply in the period when the asset is realized or the liability is released, taking as a basis the tax rates (and tax laws) enacted as of the balance sheet date.

#### J. Valuation of assets and liabilities expressed in foreign currencies

Transactions expressed in currencies other than the Polish zloty are translated into Polish zlotys using the exchange rate in effect on the day preceding the transaction.

The value of outgoing foreign currencies from the bank account is valued sequentially at exchange rates starting with the one applied earliest.

As of the balance sheet date, assets and liabilities expressed in currencies other than the Polish zloty are translated into the Polish zloty using the average exchange rate of the National Bank of Poland, respectively.

#### K. Exchange rate differences

Exchange rate differences resulting from the valuation as of the balance sheet date of assets and liabilities denominated in foreign currencies, except for long-term investments, and arising in connection with the payment of receivables and liabilities in foreign currencies, as well as on the sale of currencies, are included in financial income or expenses, respectively.

#### L. Financial instruments

Financial instruments are valued in accordance with the Accounting Act and the Decree of the Minister of Finance dated 12/12/2001 on detailed rules for recognition, valuation methods, scope of disclosure and presentation of financial instruments.

#### M. Materiality of the financial statements

The Company applies simplifications under Article 4 (4) of the Accounting Law when this does not have a material adverse effect on the fulfilment of the obligation.

The Company establishes the following criteria for the level of materiality (materiality is exceeded when both parameters are simultaneously exceeded):

- 0.99% of total assets
- 0.49% of operating income from sales.

#### **Determination of financial result:**

##### **A. Financial result**

The Company's financial result in a given financial year includes all revenues earned, attributable to the Company, and expenses charged to the Company related to such revenues, as presented above principles, other operating income and expenses, the result of prudent valuation of assets and liabilities.

##### **B. Revenues and expenses**

The costs of current operating activities are recorded in the accounts of Group "4" - by type (Group 4).

Operating expenses are accounted for over time whenever the period to which they relate is longer than one financial year. Operating expenses relating to more than one reporting period but not extending beyond the financial year are included in full in the expenses of the current reporting period.

Operating expenses represent costs directly related to the Company's core business. Costs are recognized on an accrual basis to ensure that revenues and related expenses are commensurate.

Other operating expenses include loss on disposal of nonfinancial fixed assets, revaluation of property, plant and equipment and inventories, costs of unused production capacity not included in product manufacturing costs, allowances for receivables, compensation, penalties paid, donations made, penalty interest on taxes, social security and customs duties.

Finance costs include paid and accrued interest on loans and borrowings received, losses related to securities trading, excess of foreign exchange losses over gains, write-offs of financial assets and short-term securities.





The value of sales is accounted for based on the amount of invoices issued during the year less value added tax. Sales revenues presented in the income statement are reduced by discounts and other concessions granted to customers treated according to the same principles as discounts.

Revenue from the provision of services is recognized in proportion to the degree of completion of the service, provided that it can be reliably estimated. If the effects of a transaction related to the provision of services cannot be reliably determined, revenue from the provision of services is recognized only up to the amount of costs incurred for such services.

The origination fee associated with the loans is recognized in the Company's operating income in the year of the loan up to the amount of the profit on the loan after taking into account the Company's financing costs associated with the loan throughout the financing period. In connection with early repayment bonuses granted to borrowers, the Company makes provisions for early repayment bonuses. The level of provisions set up reflects anticipated early loan repayments. Interest on loans, the granting of which is the Company's core business, is recognized in service revenue as it accrues, if its receipt is not in doubt.

Other operating income includes gain on disposal of nonfinancial fixed assets, the equivalent of reversed provisions and asset write-downs, expired or cancelled liabilities, received grants, subsidies, contributions, compensation and donations.

Financial income includes interest received or receivable on loans and advances, income related to securities trading and the excess of positive exchange differences over negative exchange differences.

Dividends due are recognised as financial income as at the date of the shareholders' meeting of the company in which the entity has invested adopting a resolution on the distribution of profit, unless the resolution specifies another date for the entitlement to dividends.



**Preparation of financial statements:**

The financial statements have been prepared in accordance with the practice of entities operating in Poland, based on Appendix 1 of the Accounting Act of 29 September 1994 (Journal of Laws of 2019, item 351, as amended) and the implementing regulations issued on that basis.

**Other accounting principles adopted by the entity:**

The accounting principles adopted by the Company have been applied continuously and are in line with the accounting principles adopted at the entity.

The company prepares its income statement on a comparative basis.

Income from repayment of loans granted, including interest, was included in the entity's operating activities.

The granting and repayment of loans were included in the investment segment of the cash flow statement.

**8. Additional detailing information****Bookkeeping**

The account books are kept by an external accountant, KP Consulting Sp. z o.o., with its registered office in Warsaw (00-825) at ul. Sienna 64. Account books are kept at the location of the accounting office.

The account books include:

- 1) journal,
- 2) general ledger,
- 3) support books,
- 4) statements of turnover and balances of general ledger accounts and balances of auxiliary accounts.

The account books of account are kept in computerized form, with the help of the Comarch Optima program - a comprehensive service system used to record all business operations.

Settlements of salaries for labour and contracts of mandate are carried out using the Comarch Optima human resources and payroll program.

**Change of legal form and name of the entity**

Effective from December 21, 2021, MEDIRATY sp. z o. o. (KRS: 0000516085) was transformed into the company LM PAY S.A. (KRS: 0000940085). For the transformation under the terms of Article 551 et seq. of the Commercial Companies Code, and thus in accordance with Article 553 § 1 and § 2 of the Commercial Companies Code, the transformed company, i.e. LM PAY S.A., is entitled to all the rights and obligations of the transformed company, i.e. MEDIRATY sp. z o. o.



**BALANCE SHEET***Assets Data in PLN*

	Amount at the end of current financial year	Amount at end of previous financial year
<b>A. Fixed assets</b>	<b>64,391,409.41</b>	<b>58,542,843.72</b>
<b>I. Intangible assets</b>		
1. Costs of completed development works		
2. Goodwill		
3. Other intangible assets		
4. Advances for intangible assets		
<b>II. Tangible non-current assets</b>	<b>2,000.00</b>	
1. Fixed assets		
a) land (including the right of perpetual usufruct)		
b) buildings, premises, right to premises and civil engineering facilities		
c) technical devices and machines		
d) means of transport		
e) other fixed assets		
2. Fixed assets under construction	2,000.00	
3. Advances for fixed assets under construction		
<b>III. Long-term receivables</b>	<b>232,560.00</b>	
1. From related entities		
2. From other entities in which the entity has equity interests		
3. From other entities	232,560.00	
<b>IV. Long-term investments</b>	<b>63,727,163.36</b>	<b>58,247,163.36</b>
1. Real estates		
2. Intangible assets		
3. Long-term financial assets	63,727,163.36	58,247,163.36
a. in related entities	45,432,068.75	39,702,068.75
- stocks or shares		
- other securities		
- loans granted	45,432,068.78	39,702,068.75
- other long-term financial assets		
b. From other entities in which the entity has equity interests		
- stocks or shares		
- other securities		
- loans granted		
- other long-term financial assets		





c. in other entities	18,295,094.61	18,545,094.61
- stocks or shares		
- other securities		
- loans granted	18,295,094.61	18,545,094.61
- other long-term financial assets		
4. Other long-term investments		
<b>V. Long-term prepayments/accruals</b>	<b>429,686.05</b>	<b>295,680.36</b>
1. Assets on account of deferred income tax	414,987.72	174,538.87
2. Other prepayments/accruals	14,698.33	121,141.49
<b>B. CURRENT ASSETS</b>	<b>49,851,986.88</b>	<b>24,122,057.19</b>
<b>I. Inventories</b>	<b>15,000.00</b>	
1. Materials		
2. Semi-finished products and work in progress		
3. Finished products		
4. Goods		
5. Advances for deliveries and services	15,000.00	
<b>II. Short-term receivables</b>	<b>519,952.84</b>	<b>130,491.06</b>
1. Receivables from related entities	99,427.28	110,011.64
a) trade receivables, maturing:		
- up to 12 months		
- over 12 months		
b) other	99,427.28	110,011.64
2. Receivables from other entities in which the entity has equity interests		
a) trade receivables, maturing:		
- up to 12 months		
- over 12 months		
b) other		
3. Receivables from other entities	420,525.56	20,479.42
a) trade receivables, maturing:	413.14	18,926.20
- up to 12 months	413.14	18,926.20
- over 12 months		
b) from taxes, subsidies, customs, and insurance		38.00
social and health and other public law titles		
c) other		
	420,112.42	1,515.22
d) claimed at court		
<b>III. Short-term investments</b>	<b>47,749,291.01</b>	<b>23,071,128.82</b>
1. Short-term financial assets	47,749,291.01	23,071,128.82
a) in related entities	5,519,466.56	2,624,264.86



- stocks or shares		
- other securities		
- loans granted	5,519,466.56	
- other short-term financial assets		2,624,264.86
b) in other entities	42,125,879.80	19,375,109.18
- stocks or shares		
- other securities		
- loans granted	42,125,879.80	19,375,109.18
- other short-term financial assets		
c) cash and other financial assets	103,944.65	1,071,754.78
- cash in hand and at bank	103,944.65	1,071,754.78
- other cash		
- other cash assets		
2. Other short-term investments		
<b>IV. Short-term accruals</b>	<b>1,567,743.03</b>	<b>920,437.31</b>
<b>C. Called-up share capital (fund) not paid</b>		
<b>D. Own shares (stocks)</b>		
<b>Total assets</b>	<b>114,243,396.29</b>	<b>82,664,900.91</b>



## BALANCE SHEET

Liabilities Data in PLN

	Amount as of the end of the current financial year	Amount as of the end of the previous financial year
<b>A. Equity (fund)</b>		
<b>I. Share capital (fund)</b>	<b>18,257,501.83</b>	<b>13,626,360.15</b>
<b>II. Reserve capital (fund), including:</b>	<b>2,220,000.00</b>	<b>2,220,000.00</b>
- share premium	<b>11,406,360.15</b>	<b>8,688,864.98</b>
<b>III. Revaluation reserve (fund), including:</b>	<b>6,476,851.10</b>	<b>6,476,851.10</b>
- due to fair value revaluation		
<b>IV. Other reserve capitals (funds)</b>		
- created in accordance with the deed of Company formation (articles of association)		
- for own shares (stocks)		
<b>V. Profit (loss) from previous years</b>		
<b>VI. Net profit (loss)</b>	<b>4,631,141.68</b>	<b>2,717,495.17</b>
<b>VII. Write-offs of net profit during the financial year     (negative amount)</b>		
<b>B. LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>95,985,894.46</b>	<b>69,038,540.76</b>
<b>I. Provisions for liabilities</b>	<b>1,154,699.34</b>	<b>939,223.00</b>
1. Deferred tax liability	1,154,699.34	489,223.00
2. Provisions for retirement and similar benefits		
- long-term		
- short-term		
3. Other provisions		450,000.00
- long-term		
- short-term		
		<b>450,000.00</b>
<b>II. Long-term liabilities</b>	<b>20,326,923.84</b>	<b>56,981,000.00</b>
1. To related entities		
2. To other entities in which the entity has equity interests		
3. From other entities	20,326,923.84	56,981,000.00
a) credits and loans	19,456,923.84	11,032,000.00
b) on account of issuance of debt securities	870,000.00	45,949,000.00
c) other financial liabilities		
d) bill-of-exchange liabilities		
e) other		
<b>III. Current liabilities</b>	<b>74,504,271.28</b>	<b>11,118,317.76</b>
1. To related entities		
a) trade liabilities, maturing, including:		





- up to 12 months		
- over 12 months		
b) other		
2. To other entities in which the entity has equity interests		
a) trade liabilities, maturing:		
- up to 12 months		
- over 12 months		
b) other		
3. From other entities	74,504,271.28	11,118,317.76
a) credits and loans	21,079,398.63	1,672,125.48
b) on account of issuance of debt securities	52,636,000.00	9,340,000.00
c) other financial liabilities		
d) trade liabilities, maturing:	202,233.78	73,293.39
- up to 12 months	202,233.78	73,293.39
- over 12 months		
e) advances for deliveries and services		237.60
f) bill-of-exchange liabilities		
g) on account of taxes, customs duties, social security and health and other public law titles	570,899.00	32,661.29
h) on account of wages and salaries	15,739.87	
i) other		
4. Special funds		
<b>IV. Accruals/prepayments</b>		
1. Negative goodwill		
2. Other prepayments/accruals		
- long-term		
- short-term		
<b>Total assets</b>	<b>114,243,396.29</b>	<b>82,664,900.91</b>



## INCOME STATEMENT

Comparative variant Data in PLN

	Amount for the current financial year	Amount for the previous financial year
<b>A. Net sales and equalized revenues, including:</b>	<b>13,084,058.14</b>	<b>8,190,965.25</b>
- from related entities	13,084,058.14	8,190,965.25
I. Net revenue from sale of products		
II. Change in the balance of products (increase - positive value, decrease – negative value)		
III. Cost of manufacturing products for the entity's own needs		
IV. Net revenues from sales of goods and materials	<b>2,227,249.17</b>	<b>1,110,260.82</b>
<b>B. Operating expenses</b>		
I. Amortisation/depreciation		
II. Consumption of materials and energy		19.98
III. Third-party services	1,680,139.36	797,829.27
IV. Taxes and fees, including:	149,615.95	299,384.33
- excise duty		
V. Salaries	103,902.00	
VI. Social security and other benefits, including:	15,000.00	
- retirement		
VII. Other operating costs	278,591.86	13,027.24
VIII. Value of goods and materials sold		
<b>C. Profit (loss) on sales(A-B)</b>	<b>10,856,808.97</b>	<b>7,080,704.43</b>
<b>D. Other operating revenue</b>	<b>1,072,678.17</b>	
I. Profit from disposal of non-financial non-current assets		
II. Grants		
III. Revaluation of non-financial assets		
IV. Other operating revenue	1,072,678.17	
<b>E. Other operating costs</b>	<b>1,702,516.22</b>	<b>921,440.27</b>
I. Loss on disposal of non-financial non-current assets		
II. Revaluation of non-financial assets		
III. Other operating revenue	1,702,516.22	921,440.27
<b>Profit (loss) from operating activity(C+D-E)</b>	<b>10,226,970.92</b>	<b>6,159,264.16</b>
<b>G. Financial revenue</b>	<b>2,895,643.62</b>	<b>2,650,177.35</b>
I. Dividends and share in profit, including:		
a) from related entities, including:		
- in which the entity has equity interests		
b) from other entities, including:		
- in which the entity has equity interests		



II. Interest, including:	2,895,201.70	2,624,264.86
- from related entities	2,895,201.70	2,624,264.86
III. Profit on outflow of financial assets, including:		
- in related entities		25,912.00
IV. Revaluation of financial assets		0.49
V. Other	<b>441.92</b>	
<b>H. Financial costs</b>	<b>7,419,690.37</b>	<b>5,413,574.21</b>
I. Interest, including:	6,448,110.63	4,660,627.71
- for related entities		21,989.54
II. Loss on outflow of financial assets, including:		
- in related entities		
III. Revaluation of financial assets		
IV. Other	971,579.74	<b>752,946.50</b>
<b>I. Gross profit (loss)(F+G-H)</b>	<b>5,702,924.17</b>	<b>3,395,867.30</b>
<b>J. Income tax</b>	<b>1,071,782.49</b>	<b>678,372.13</b>
<b>K. Other mandatory reductions in profit (increases in loss)</b>		
<b>L. Net profit (loss)(I-J-K)</b>	<b>4,631,141.68</b>	<b>2,717,495.17</b>





## STATEMENT OF CHANGES IN EQUITY

Data in PLN

	Amount as of the end of the current financial year	Amount as of the end of the previous financial year
<b>I. Equity (fund) at the beginning of the period (opening balance)</b>	<b>13,626,360.15</b>	<b>2,412,013.88</b>
<b>I. Equity (fund) at the beginning of the period (opening balance)</b>	<b>13,626,360.15</b>	<b>2,412,013.88</b>
- changes in adopted accounting principles (policy)		
- adjustments of errors		
<b>I.a. Equity (fund) at the beginning of the period (opening balance), after adjustments</b>	<b>13,626,360.15</b>	<b>2,412,013.88</b>
1. Share capital	2,220,000.00	2,220,000.00
<b>1. Basic capital (fund) at the beginning of the period</b>	<b>2,220,000.00</b>	<b>200,000.00</b>
1.1. Changes in share capital (fund)		2,020,000.00
a) increase (due to)		2,020,000.00
- issuance of shares (share issuance)		2,020,000.00
b) decrease (due to)		
- redemption of shares (stocks)		
<b>1.2. Basic capital (fund) at the end of the period</b>	<b>2,220,000.00</b>	<b>2,220,000.00</b>
2. Supplementary capital	11,406,360.15	8,688,864.98
<b>2. Reserve capital (fund) at the beginning of the period</b>	<b>8,688,864.98</b>	
2.1. Changes in supplementary capital (fund)	2,717,495.17	8,688,864.98
a) increase (due to)	2,717,495.17	8,745,999.80
- issuance of shares above par value		6,476,851.10
- profit distribution (by law)	2,717,495.17	2,269,148.70
- profit distribution (over the statutorily required minimum value)		
b) decrease (due to)		57,134.82
- coverage of loss		57,134.82
<b>2.2. Supplementary capital (fund) at the end of the period</b>	<b>11,406,360.15</b>	<b>8,688,864.98</b>
3. Revaluation reserve		
3. Revaluation reserve (fund) at the beginning of the period - changes in adopted accounting principles (policies)		
3.1. Changes in revaluation reserve (fund)		
a) increase (due to)		
b) decrease (due to)		
- purchases of fixed assets		
3.2. Revaluation reserve (fund) at the end of the period		
4. Reserve capitals		
4. Other reserve capitals (funds) at the beginning of the period		



4.1. Changes in other reserve capitals (funds)		
a) increase (due to)		
b) decrease (due to)		
<b>4.2. Other reserve capitals (funds) at the end of the period</b>		
5. Retained earnings		
<b>5. Profit (loss) from previous years at the beginning of the period</b>	<b>2,717,495.17</b>	<b>2,212,013.88</b>
<b>5.1. Profit from previous years at the beginning of the period</b>	<b>2,717,495.17</b>	<b>2,269,148.70</b>
- changes in adopted accounting principles (policy)		
- adjustments of errors		
<b>5.2. Retained earnings at beginning of period, after adjustments</b>	<b>2,717,495.17</b>	<b>2,269,148.70</b>
a) Increase (due to)		
- distribution of retained earnings		
b) Decrease (due to)	2,717,495.17	2,269,148.70
- profit-sharing	2,717,495.17	2,269,148.70
<b>5.3. Retained earnings at the end of the period</b>		
<b>5.4. Loss from previous years at the beginning of the period</b>		<b>57,134.82</b>
- changes in adopted accounting principles (policy)		
- adjustments of errors		
<b>5.5. Loss from previous years at the beginning of the period, after adjustments</b>		<b>57,134.82</b>
a) Increase in loss (due to)		
- carry-forward losses to be covered		
b) Decrease in loss (due to)		57,134.82
- coverage of loss with supplementary capital		57,134.82
- coverage of loss with net profit		
<b>5.6. Loss from previous years at the end of the period</b>		
<b>5.7. Profit (loss) from previous years at the end of the period</b>		
<b>6. Net result</b>	<b>4,631,141.68</b>	<b>2,717,495.17</b>
a) net income	4,631,141.68	2,717,495.17
b) net loss		
c) profit deductions		
<b>II. Equity (fund) at the end of the period (closing balance)</b>	<b>18,257,501.83</b>	<b>13,626,360.15</b>
<b>III. Equity (fund), after taking into account the proposed distribution of profit (coverage of loss)</b>	<b>18,257,501.83</b>	<b>13,626,360.15</b>



**CASH FLOW STATEMENT**  
*Indirect method Data in PLN*

	Amount for the current financial year	Amount for the previous financial year
<b>A. Cash flow from operating activities</b>		
<b>I. Net profit (loss)</b>	<b>4,631,141.68</b>	<b>2,717,495.17</b>
<b>II. Total adjustments</b>	<b>2,883,557.62</b>	<b>2,617,040.26</b>
1. Amortisation and/or depreciation		
2. Foreign exchange gains (losses)	3,552,908.93	2,036,362.85
3. Interest and profit sharing (dividends)		
4. Profit (loss) from operating activity		
5. Change in provisions	215,476.34	847,787.00
6. Change in Inventories	-15,000.00	
7. Change in receivables	-622,021.78	23,307.04
8. Change in short-term liabilities, except for loans and borrowings	682,680.37	79,511.04
9. Change in accruals	-781,311.41	-242,263.00
10. Other adjustments	-149,174.83	-127,664.67
<b>III. Net cash flow from operating activities (I±II)</b>	<b>7,514,699.30</b>	<b>5,334,535.43</b>
<b>B. Cash flow from investing activities</b>		
<b>1. Proceeds</b>	<b>53,994,004.92</b>	<b>28,984,778.68</b>
1. Disposal of intangible and tangible fixed assets		
2. Disposal of investments in real estate and intangible assets		
3. From financial assets, including:	53,994,004.92	28,984,778.68
a) in related entities		
b) in other entities	53,994,004.92	28,984,778.68
- disposal of financial assets		
- dividends and share in profit		
- repayment of long-term loans granted	53,994,004.92	27,381,329.18
- interest		1,603,449.50
- other proceeds from financial assets		
4. Other investment income		
<b>II. Expenses</b>	<b>83,927,199.36</b>	<b>73,848,552.05</b>
1. Acquisition of intangible and tangible fixed assets		
2. Investments in real estate and intangible assets		
3. For financial assets, including:	83,927,199.36	73,848,552.05



a) in related entities	5,730,000.00	27,392,080.59
b) in other entities	78,197,199.36	46,456,471.46
- acquisition of financial assets	78,197,199.36	46,456,471.46
- long-term loans granted		
4. Other capital expenditure		
<b>III. Net cash flow from investing activities (I-II)</b>	<b>-29,933,194.44</b>	<b>-44,863,773.37</b>
<b>C. Cash flow from financing activities</b>		
<b>I. Proceeds</b>	<b>51,831,494.00</b>	<b>64,717,708.82</b>
1. Net proceeds from issuance of shares and other equity instruments and capital contributions		2,000,000.00
2. Credits and loans	37,094,494.00	11,363,708.82
3. Issuance of debt securities	14,737,000.00	51,354,000.00
4. Other financial inflows		
<b>II. Expenses</b>	<b>30,380,808.99</b>	<b>24,251,692.58</b>
1. Acquisition of treasury shares (stocks)		
2. Dividends and other distributions to owners		
3. Other than distributions to owners, profit distribution expenses		
4. Repayment of loans and credits	7,510,000.00	4,760,000.00
5. Redemption of debt securities	16,520,000.00	14,905,810.00
6. On account of other financial liabilities		
7. Payments of liabilities under finance leases		
8. Interest		
9. Other financial expenses	6,350,808.99	4,585,882.58
<b>III. Net cash flow from financing activities (I-II)</b>	<b>21,450,685.01</b>	<b>40,466,016.24</b>
<b>D. Total net cash flow</b>	<b>-967,810.13</b>	<b>936,778.30</b>
<b>E. Balance sheet change in cash, including:</b>	<b>-967,810.13</b>	<b>936,778.30</b>
- change in cash due to exchange rate differences		134,976.48
<b>F. Cash at the beginning of the period</b>	<b>1,071,754.78</b>	<b>1,071,754.78</b>
<b>G. Cash at the end of the period, including:</b>	<b>103,944.65</b>	<b>1,071,754.78</b>
- with limited availability		







K. Income tax

646,755.00

363,688.00



**SIGNATURES ON THE STATEMENT**

*[two illegible signatures]*



**SUPPLEMENTARY INFORMATION**

*Data in PLN*

Notes and explanations

Additional\_information\_clarification\_to\_the\_statement\_.pdf

XX

I, **Tomasz Budkowski**, sworn translator (TP/423/06), hereby certify that this is a true translation of the document presented to me.

The register in my custody is 13/08/2023

Wrocław, 3 August 2023

T Budkowski 





Tomasz Budkowski, MA  
sworn translator of English

**\*\*\* Certified translation from Polish \*\*\***

---

*[Certified translation from Polish language; document consists of 18 pages]*

**LM PAY SPÓŁKA AKCYJNA  
(Formerly: MEDIRATY LIMITED LIABILITY  
COMPANY)**

---

NOTES TO THE FINANCIAL STATEMENTS

---



## NOTES AND EXPLANATIONS

### **Note 1 - Events after the balance sheet date**

Significant events occurred after the balance sheet date until the date of signing the financial statements affecting the Company's assets and financial position not included in the financial statements:

- 1) Increase in share capital to PLN 3,103,895.00 through the issuance of series B shares.
- 2) A conditional increase in share capital of PLN 330,055.00 as a result of the issue of subscription warrants authorising the acquisition of series C shares.
- 3) On 24.02.2022, Russia's aggression against Ukraine took place.

### **Note 2 - Changes in accounting policy**

The Company made no changes to its accounting policies in the current year.

### **Note 3 - Costs of completed development work and goodwill**

Value of completed development work and goodwill - did not occur.

### **Note 4 - Land in perpetual use**

The value of land in perpetual usufruct - did not occur.

### **Note 5 - The value of fixed assets not amortised or depreciated by the entity, used under rental, tenancy and other, including lease agreements**

Did not occur.

### **Note 6 - Information on the number and value of securities or rights held, including share certificates, convertible debt securities, warrants and options, with an indication of the rights they confer**

Did not occur.

### **Note 7 - Intangible assets**

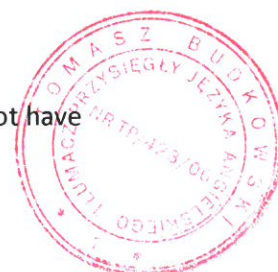
Major intangible assets - did not occur.

### **Note 8 - Non-current assets**

Major fixed assets - did not occur.

### **Note 9 - Inventory write-offs**

The company did not write off inventories, as it operates a service business and does not have inventory.



#### Note 10 - Prepayments

Status as of:	31.12.2021r.	31.12.2020r.
Assets on account of deferred income tax	414,987.72	174,538.87
Other long-term prepayments	14,698.33	12,141.49
<b>Total long-term prepayments</b>	<b>429,686.05</b>	<b>295,680.36</b>
<b>Short-term prepayments</b>	<b>1,567,743.03</b>	<b>920,437.31</b>

#### Note 11 - Share capital

Share capital as of the balance sheet date was PLN 2,220,000.00.

Ownership structure of share capital as of December 31, 2021:

Name of shareholder	Number of shares held	Nominal value of shares held	Percentage share in the share capital	Percentage of votes held
Medical Finance Group SA	44,400	2,220,000.00	100%	100%
<b>Total</b>	<b>44,400</b>	<b>2,220,000.00</b>	<b>100%</b>	<b>100%</b>

#### Note 12 - Distribution of profit / coverage of loss for the current financial year

The net profit for the financial year 2021 in the amount of PLN 4,617,441.68 will be used to increase the capital reserve.

#### Note 13 - Change in provisions

	Deferred tax liability	Provisions for retirement and similar benefits		Other provisions		Total
		Long-term	Short-term	Long-term	Short-term	
Opening balance 01.01.2021	489,223.00	-	-			489,223.00
Increases	665,476.34	-	-			665,476.34
Use		-	-			-
Closing balance 31.12.2021	1,154,699.34	-	-	-	-	1,154,699.34

#### Note 14 - Average employment in the fiscal year

The Company's average employment in 2021 was 0.1.

#### Note 15 - Remuneration of members of the management, supervisory or administrative bodies





Did not occur.

**Note 16 - Transactions with members of management, supervisory or administrative bodies**

During the fiscal year, the company did not grant loans to members of its management bodies.

The company paid the CEO's benefit under the surety. The amount of these benefits in the fiscal year was PLN 248,668.48.

As of the balance sheet date, the capital value of loans received from members of the management bodies amounted to PLN 400,000.00.

All of the above transactions were conducted at arm's length.

**Note 17 - Information on revenues, costs and results of discontinued operations in the financial year or expected to be discontinued in the next year**

Did not occur.

**Note 18 - Information on income and expenses of extraordinary value or which occurred incidentally**

Did not occur.

**Note 19 - Information on exchange rates adopted for valuation of financial statement items expressed in foreign currencies**

Did not occur.

**Note 20 - Continuing operations**

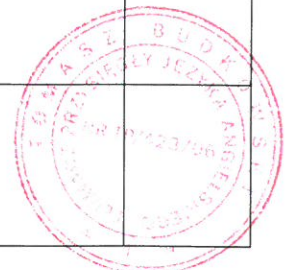
The financial statements have been prepared on the assumption of continued business operations for the foreseeable future.



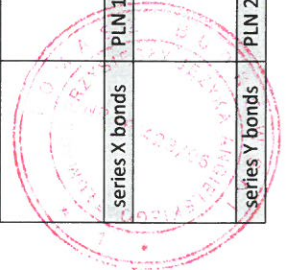
**Note 21 - Contingent liabilities and liabilities secured on the Company's assets**

As of December 31, 2021, the Company had collateral established on the entity's assets amounting to:

Liability	Issue amount / credit limit	Date of allocation / agreement	End date of liability / collateral	Type of collateral	Subject matter of collateral	Value of collateral	Entity in whose favour the collateral / pledgee was established	Pledge number in the pledge registry	Court of registration
Contract No. 000/19/715 on revolving credit	PLN 5,000,000	26/02/2021	20/02/2024						
				Registered pledge	B3 - loan receivables portfolio	PLN 2,100,000	Cooperative Bank in Ostrow Mazowiecka	2642910	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	B3 - loan receivables portfolio	PLN 3,000,000	Cooperative Bank in Ostrow Mazowiecka	2676261	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	D1 - bank account	PLN 3,000,000	Cooperative Bank in Ostrow Mazowiecka	2643560	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series I bonds	PLN 10,000,000	10/01/2020	10/01/2022						
				Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - CVI Trust sp. z o.o.	2637178	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	B3 - loan receivables portfolio	60% emissions	Collateral Administrator - CVI Trust sp. z o.o.	2635599	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	bank accounts		Collateral Administrator - CVI Trust sp. z o.o.		District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register



series K bonds	PLN 12,000,000	23/03/2020	23/03/2022	Assignment of receivables		10% emissions	Collateral Administrator - CVI Trust sp. z o.o.		
				Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - CVI Trust sp. z o.o.	2642061	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	B3 - loan receivables portfolio	60% emissions	Collateral Administrator - CVI Trust sp. z o.o.	2645394	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	bank accounts		Collateral Administrator - CVI Trust sp. z o.o.	2644748	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Assignment of receivables		10% emissions	Collateral Administrator - CVI Trust sp. z o.o.		
series S bonds	PLN 3,000,000	30/11/2020	30/05/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral administrator - Advocate Kamil Cholewiński	2673078	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series T bonds	PLN 2,000,000	24/11/2020	30/05/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2670075	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series U bonds	PLN 1,283,000	30/11/2020	30/05/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2672789	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series W bonds	PLN 1,500,000	23/12/2020	23/06/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2681818	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series X bonds	PLN 1,800,000	23/12/2020	23/06/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2681864	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series Y bonds	PLN 2,000,000	2021-02-26	26/08/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński		





series AA bonds	PLN 1,750,000	29/04/2021	30/09/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2685763	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AB bonds	PLN 1,915,000	29/04/2021	28/04/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2692393	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AC bonds	PLN 1,215,000	19/05/2021	18/05/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2682860	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AD bonds	PLN 150,000	29/04/2021	01/07/2023	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2694228	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AE bonds	PLN 1,690,000	16/07/2021	15/07/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2689977	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AF bonds	PLN 720,000	09/08/2021	30/07/2023	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2694443	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AG bonds	PLN 2,305,000	30/08/2021	29/08/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2702782	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral administrator - Advocate Kamil Cholewiński	2702856	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register





series AH bonds	PLN 3,342,000	15/10/2021	29/09/2023	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2698672	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AI bonds	PLN 500,000	28/10/2021	27/10/2022	Registered pledge	B3 - loan receivables portfolio	100% emissions	Collateral Administrator - Advocate Kamil Cholewiński	2708159	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
series AK bonds	PLN 16,000,000	29/04/2021	22/12/2023	Registered pledge	B3 - loan receivables portfolio	160% emissions	Collateral Administrator - CVI Trust sp. z o.o.	2713129	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	D1 - bank accounts		Collateral Administrator - CVI Trust sp. z o.o.	2713512	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	D1 - bank accounts		Collateral Administrator - CVI Trust sp. z o.o.	2713513	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Registered pledge	D1 - bank accounts		Collateral Administrator - CVI Trust sp. z o.o.	2713701	District Court for the Capital City of Warsaw, XI Commercial Division of the Pledge Register
				Assignment of receivables		PLN 800,000	Collateral Administrator - CVI Trust sp. z o.o.		
				Assignment of receivables		PLN 400,000	Collateral Administrator - CVI Trust sp. z o.o.		



The Company did not provide guarantees, sureties or other contingent liabilities in 2021.

## Note 22 - Consolidation of financial statements

The Company is a subsidiary of Medical Finance Group S.A., based at ul. Lechicka 23A  
REGON 142446622 NIP: 5242711463 KRS: 0000422868

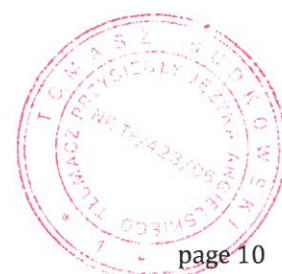
## Note 23 - Transactions with related parties

Entity	Medical Finance Group S.A.	
	In 2021	In 2020
Type of revenue/cost		
Interest on loan granted (income)	2,895,201.70	2,624,264.86
Interest on loan received (cost)	-	21,989.54
Entity	Medical Finance Group S.A.	
Type of transaction/ Balance as of	31.12.2021r.	31.12.2020r.
Loans granted	50,951,535.31	42,326,333.61
Other receivables (settlements arising from assignment of the loan portfolio)	91,427.28	91,467.44
Other liabilities		
Other receivables	8,000.00	18,544.20



Note 24 - Long-term investments

	Real estates	Intangible assets	Non-current financial assets in related parties	Non-current financial assets in other entities in which the entity has committed capital resources	Non-current financial assets in other entities	Other long-term investments	Total
<b>Opening balance 01.01.2021</b>	-	-	<b>39,702,068.75</b>	-	-	18,545,094.61	<b>58,247,163.36</b>
<b>Increases</b>	-	-	<b>8,690,000.00</b>	-	-	-	<b>8,690,000.00</b>
- loans granted	-	-	8,690,000.00	-	-	-	<b>8,690,000.00</b>
-transfer	-	-	-	-	-	-	-
- purchase of shares	-	-	-	-	-	-	-
- pricing	-	-	-	-	-	-	-
<b>Decreases</b>	-	-	<b>2,960,000.00</b>	-	-	<b>250,000.00</b>	<b>3,210,000.00</b>
- sale	-	-	-	-	-	-	-
-transfer	-	-	-	-	-	250,000.00	<b>250,000.00</b>
- repayment of loans	-	-	2,960,000.00	-	-	-	<b>2,960,000.00</b>
- write-off	-	-	-	-	-	-	-
- depreciation	-	-	-	-	-	-	-
- pricing	-	-	-	-	-	-	-
<b>Closing balance 31.12.2021</b>	-	-	<b>45,432,068.75</b>	-	-	<b>18,295,094.61</b>	<b>63,727,163.36</b>



## Note 25 - Receivables by maturity period

Receivables	Opening balance	Closing balance	Opening balance	Closing balance
	01.01.2021 r.	31.12.2021r.	01.01.2021 r.	31.12.2021r.
	up to 12 months		over 12 months	
<b>Related entities:</b>	<b>110,011.64</b>	<b>99,427.28</b>	-	-
a) trade liabilities	-	-	-	-
b) other	110,011.64	99,427.28	-	-
<b>Other entities:</b>	<b>20,479.42</b>	<b>420,524.56</b>	-	-
a) Credits and loans	-	-	-	-
b) For supplies and services	18,926.20	412.14	-	-
c) Taxes, duties, insurance and other benefits	38.00	-	-	-
d) Other	1,515.22	420,112.42	-	-
d) Claimed at court	-	-	-	-
<b>Total</b>	<b>130,491.06</b>	<b>519,951.84</b>	-	-

The Company did not recognize an allowance for trade receivables in the current year.

## Note 26 - Liabilities by maturity period

Balance at December 31, 2021

	Liabilities by maturity				
	Up to 1 year	Above 1 months up to 3 years	Above 3 years to 5 years	Above 5 years	Total
To related entities	-	-	-	-	-
Towards entities in which the entity has equity interests	-	-	-	-	-
In view of the others units, including:	74,517,971.28	20,326,923.84	-	-	94,844,895.12
- credits and loans	21,079,398.63	19,456,923.84	-	-	40,536,322.47
- on account of issuance of debt securities	52,636,000.00	870,000.00	-	-	53,506,000.00
- on account of supplies and services	202,233.78	-	-	-	202,233.78
- other financial liabilities	-	-	-	-	-
- from taxes	584,599.00	-	-	-	584,599.00
- on account of wages and salaries	15,739.87	-	-	-	15,739.87
- other	-	-	-	-	-
<b>Total</b>	<b>74,517,971.28</b>	<b>20,326,923.84</b>	-	-	<b>94,844,895.12</b>



As of December 31, 2022, the Company had liabilities under issued bonds in the total amount of PLN 53,506,000.00, of which PLN 870,000.00 relates to the long-term part and the amount of PLN 52,636,000.00 in the short-term part. Bond liabilities by series amount to:

Series of bonds	Amount of liability by maturity periods	
	> 12 months	< 12 months
A	-	1,150,000.00
B	-	2,386,000.00
D	-	3,000,000.00
H	-	5,198,000.00
I	-	7,000,000.00
K	-	7,000,000.00
N	-	1,000,000.00
S	-	3,000,000.00
T	-	2,000,000.00
U	-	1,283,000.00
W	-	1,500,000.00
X	-	1,800,000.00
Y	-	2,000,000.00
Z	-	1,602,000.00
AA	-	1,750,000.00
AB	-	1,915,000.00
AC	-	1,215,000.00
AD	150,000.00	-
AE	-	1,690,000.00
AF	720,000.00	-
AG	-	2,305,000.00
AH	-	3,342,000.00
AI	-	500,000.00
<b>Total</b>	<b>870,000.00</b>	<b>52,636,000.00</b>

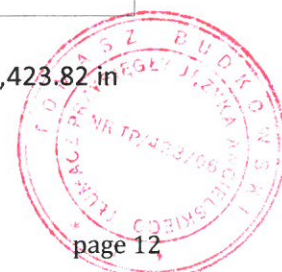
#### Note 27 - Loans granted

The value of loans granted as of the balance sheet date was:

Loans granted	Long-term part	Short-term part
<b>Related parties, including:</b>	<b>45,432,068.75</b>	<b>5,519,466.56</b>
- Medical Finance Group S.A.	45,432,068.75	5,519,466.56
<b>Other entities, including:</b>	<b>18,295,094.61</b>	<b>42,125,879.80</b>
- medical loans	18,295,094.61	42,125,879.80
- other loans	-	-

The Company has written off outstanding loan receivables in the amount of PLN 1,452,423.82 in 2021.

The write-offs as of 31.12.2021 amounted to PLN 1,846,304.37.



**Note 28 - Structure of net revenues from sales**

Type	For the year 2021	For the year 2020
Sales of financial intermediation services	27,239.34	181,396.91
Interest on loans	2,417,183.45	1,544,104.65
Preparation fee for granting of loans	10,639,635.35	6,465,463.69
Other revenues	-	-
<b>Total net revenues from sales</b>	<b>13,084,058.14</b>	<b>8,190,965.25</b>

**Note 29 - Other operating revenues**

Type	For the year 2021	For the year 2020
<b>Profit on disposal of fixed assets and intangible assets</b>		
<b>Grants</b>	-	-
<b>Revaluation of assets non-financial, including:</b>	-	-
- release of write-offs of receivables	-	-
- release of provisions	-	-
- refunded, remitted taxes	-	-
- reimbursements received for litigation costs	-	-
- on account of inventory differences	-	-
<b>Other, including:</b>	<b>1,072,678.17</b>	-
- remission of ZUS (social insurance) contributions		-
- release of provision for early repayment of loans	675,000.00	
- other	397,678.17	
<b>Total</b>	<b>1,072,678.17</b>	-



### Note 30 - Other operating costs

	For the year 2021	For the year 2020
<b>Loss on disposal of fixed assets and intangible assets</b>	-	-
<b>Revaluation of assets non-financial, including:</b>	-	-
Inventory write-downs	-	-
- write-offs of receivables	-	-
<b>Revaluation of investments</b>		<b>471,440.27</b>
<b>Other operating costs, including:</b>	<b>1,702,516.22</b>	<b>450,000.00</b>
- created provisions	225,000.00	450,000.00
- donations	-	-
- receivables written off	1,452,423.82	-
- liquidation costs of fixed assets	-	-
- litigation costs	-	-
- inventory liquidation costs	-	-
- other	25,092.40	-
<b>Total</b>	<b>1,702,516.22</b>	<b>921,440.27</b>

### Note 31 - Financial revenues

	Year ended on 31.12.2021	Year ended on 31.12.2020
<b>Gains from interests in other entities, in including:</b>	-	-
- profits from interests in related entities	-	-
- profits from interests in other entities	-	-
<b>Interest, including:</b>	<b>2,895,201.70</b>	<b>2,624,264.86</b>
- interest from related entities	2,895,201.70	2,624,264.86
- interest from other entities, including:	-	-
- other	-	-
<b>Revenues from disposal of investments, including:</b>	-	-
- from the sale of shares	-	-
<b>Revaluation of investments, including</b>	-	<b>25,912.00</b>
- bond valuation	-	<b>25,912.00</b>
<b>Other, including:</b>	<b>441.92</b>	<b>0.49</b>
- exchange rate differences	-	-
- other financial revenues	441.92	0.49
<b>Total</b>	<b>2,895,643.62</b>	<b>2,650,177.35</b>

**Note 32 - Financial costs**

	Year ended on 31.12.2021	Year ended on 31.12.2020
<b>Interest, including:</b>	<b>6,448,110.63</b>	<b>4,660,627.71</b>
- from related entities		
- from other entities	<b>6,448,110.63</b>	<b>4,660,627.71</b>
- interest on credits and loans	1,697,081.06	850,039.63
- budget interest	3,322.93	-
- bank interest	225,776.19	-
- interest on bonds	4,521,930.45	3,810,588.08
- other interest		-
- lease interest		-
<b>Loss from disposal of investments, including:</b>	-	-
- other	-	-
<b>Revaluation of investments, including:</b>	-	-
- shares of purchased companies	-	-
- purchased own shares	-	-
- other	-	-
<b>Other, including:</b>	<b>971,579.74</b>	<b>752,946.50</b>
- exchange rate differences	-	26.88
- created provisions	-	-
- other financial costs	971,579.74	752,919.62
<b>Total</b>	<b>7,419,690.37</b>	<b>5,413,574.21</b>

**Note 33 - Information on income, expenses and results of discontinued operations**

Did not occur.

**Note 34 - Costs of construction of fixed assets under construction, fixed assets for own use**

Did not occur.

**Note 35 - Value of interest and foreign exchange differences that increased the purchase price of goods or cost of manufacturing of products**

Did not occur.

**Note 36 - Expenditures on non-financial fixed assets and on environmental protection incurred in the last year and planned for the next year**

Did not occur.





**Note 37 - Value and nature of the individual items of revenues or costs of extraordinary value or that occur incidentally.**

Did not occur.

**Note 38 - Significant assumptions used to determine the fair value of assets that are not financial instruments**

In financial year 2021, the Company had no non-financial instrument assets measured at fair value.

**Note 39 - Cash structure to the cash flow statement**

	<b>For the year 2021</b>	<b>For the year 2020</b>
Cash in the bank	103,944.65	1,071,762.20
Cash in hand	-	-
Other cash	-	-
Revolving credits (available limit)	5,000,000.00	1,400,000.00

**Note 40 - Information on the nature and business purpose of contracts entered into by the entity not included in the balance sheet**

Did not occur.

**Note 41 - Information on transactions concluded by the entity on other than market terms with related parties**

Did not occur.

**Note 42 - Information on revenues and expenses due to errors made in previous years, relating to equity in the financial year**

Did not occur.

**Note 43 - Comparability of prior year financial statements data with current year financial statements**

These financial statements include comparable data. The comparability of the data has been maintained for the period 2020-2021.

**Note 44 - Information on joint ventures that are not consolidated**

Did not occur.



**Note 45 - A list of companies in which the entity has equity interests or 20% in the total number of votes in a decision-making body of the Company**

The Company does not hold shares in other entities.

**Note 46 - Merger of commercial companies**

Did not occur.

**Note 47 - Cash accumulated in split payment account**

As of 31.12.2021, the Company has accumulated funds in the split payment account in the amount of: PLN 0.00

**Note 48 - Information on auditor's remuneration**

Information on auditing firm remuneration due (or paid) for the financial year 2021 separately for

- 1) Statutory audit - PLN 18.000
- 2) Other audit services - PLN 0
- 3) Tax consulting services - PLN 0
- 4) Other services - PLN 0

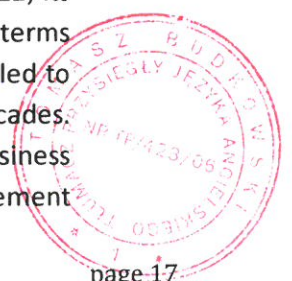
**Note 49 - Undisclosed information**

Information required by Attachment No. 1 to the Accounting Act, not disclosed in the financial statements, did not occur during the current period.

**Note 50 - Impact of the COVID-19 epidemic, the war in Ukraine and inflation on the Company's operations**

The year 2020 was marked by Sars COV 2 virus and the COVID-19 disease it causes. At the beginning of March 2020, the closure of the economy was announced, including dental and cosmetic surgeries. This has translated into a significant reduction in lending and resulted in a decline in revenues recorded in March 2020. In the following months, the situation began to return to normal, sales began to rise steadily. In 2021, the pandemic no longer had the same impact on the company's operations as in 2020. Awareness of the virus, the rate of outbreaks and the percentage of the population vaccinated has led to a significant abandonment of restrictions and strictures. This translated into a record period in terms of both value and volume of loans. Throughout 2021, the company lent more than PLN 60 million. In the first two months of 2022, the upward trend in sales continued and the company recorded very good sales results. On 24.02.2022, the war in Ukraine began. Despite concerns about this, in March 2022, loan sales were a record in the company's history, reaching nearly 7 million zlotys.

As of 2021, there is a growing inflationary trend in Poland. In the first quarter of 2022, its momentum accelerated significantly. High readings of this indicator translate in real terms into declining purchasing power of accumulated savings. The MPC's belated actions led to inevitable and drastic interest rate hikes, levels not seen in Poland for two decades. Throughout 2021, we have not observed any negative impact on the company's business operations both in terms of the growth rate of loan sales planned by the Management Board, development and launch of new products.



At the beginning of the second quarter of 2022, the macroeconomic situation as well as inflationary pressures and the related growing financial uncertainty of households resulting from the increase in the prices of fuel, energy or basic foodstuffs, on the one hand, caused the appearance of the first symptoms of a reduction in sales dynamics. The aforementioned inflationary factors translated into a decrease in creditworthiness, while macroeconomic uncertainty resulted in a reduction in demand for services and goods that do not require urgent execution and a certain portion of which is met using debt financing. Overall, after the first quarter, the company recorded a decline in sales compared to the January-March 2022 period, with the value of loans granted remaining at the projected level in the cross-section of sales plans for the whole of 2022.

**Note 51 - Information on transformation**

Effective from December 21, 2021, MEDIRATY sp. z o. o. (KRS: 0000516085) was transformed into the company LM PAY S.A. (KRS: 0000940085). For the transformation under the terms of Article 551 et seq. of the Commercial Companies Code, and thus in accordance with Article 553 § 1 and § 2 of the Commercial Companies Code, the transformed company, i.e. LM PAY S.A., is entitled to all the rights and obligations of the transformed company, i.e. MEDIRATY Ltd.

**Note 52 - Income from hidden profits**

In 2021, the Company did not recognize income from hidden profits.

**Note 53 - Value of food donated to NGOs**

In 2021, the Company did not donate food to non-governmental organizations intended for the performance of their task within the scope of Article 2(2) of the Act of July 19, 2019 on preventing food waste (Journal of Laws of 2020, item 1645).

XX

I, **Tomasz Budkowski**, sworn translator (TP/423/06), hereby certify that this is a true translation of the original document presented to me.

The register in my custody is 14/08/2023

Wrocław, 3 August 2023




\*\*\* Tłumaczenie poświadczane z języka angielskiego \*\*\*

[Certified translation from Polish; document consists of 4 pages]

**Report of the Management Board of LM PAY SPÓŁKA  
AKCYJNA  
(formerly Mediraty Limited Liability Company)**

**from its activities for the period**

**01.01.2021 - 31.12.2021.**

**1. General information**

LM PAY Spółka akcyjna (formerly Mediraty Sp. z o.o.) was established on the basis of the Notarial Deed dated 24.04.2014.

The Company was entered in the National Court Register maintained by the District Court for the capital city of Warsaw, 14th Commercial Department of the National Court Register, under KRS number 0000940085.

The Company has been assigned statistical number REGON 147327804 and NIP 522-30-17-773. The Company's registered office is located at ul. Lechicka 23a, Warsaw (02-156).

On 21.12.2021 KRS, the District Court for the Capital city of Warsaw in Warsaw, 14th Commercial Department of the National Court Register registered the transformation of Mediraty spółka z ograniczoną odpowiedzialnością (*limited liability company*) into LM PAY Spółka akcyjna (*joint-stock company*).

**2. Stockholders and share capital**

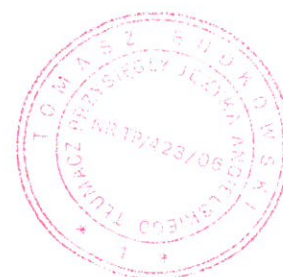
As at the balance sheet date, the Company's share capital amounts to PLN 2,220,000.00 and is divided into 404.000 shares with a nominal value of PLN 5.00.

		Number of shares	Number of votes	Nominal value of shares	Share in the share capital
MEDICAL GROUP SA	FINANCE	404000	404000	2,220,000.00	100.00 %
<b>Total</b>		<b>404000</b>	<b>404000</b>	<b>2,220,000.00</b>	<b>100.00 %</b>

**3. Company performance in the 2021 financial year**

**a) During the Financial Year, the Company declared:**

- net operating revenue in the amount of: PLN 13,084,058.14
- operating profit in the amount of: PLN 10,226,970.92
- financial revenues in the amount of: PLN 2,895,643.62
- operating costs in the amount of: PLN 3,929,765.39
- financial costs in the amount of: PLN 7,419,690.37
- net profit in the amount of: PLN 4,631,141.68







The funds were used for product development, marketing and advertising, acquiring cooperating partners and working capital.

On 24.02.2022, the war in Ukraine began. Despite concerns about this, in March 2022, loan sales were a record in the company's history, reaching nearly 7 million zlotys. As of 2021, there is a growing inflationary trend in Poland. In the first quarter of 2022, its momentum accelerated significantly. High readings of this indicator translate in real terms into declining purchasing power of accumulated savings. The MPC's belated actions led to inevitable and drastic interest rate hikes, levels not seen in Poland for two decades. Throughout 2021, we have not observed any negative impact on the company's business operations both in terms of the growth rate of loan sales planned by the Management Board, development and launch of new products. At the beginning of the second quarter of 2022, the macroeconomic situation as well as inflationary pressures and the related growing financial uncertainty of households resulting from the increase in the prices of fuel, energy or basic foodstuffs, on the one hand, caused the appearance of the first symptoms of a reduction in sales dynamics. The aforementioned inflationary factors translated into a decrease in creditworthiness, while macroeconomic uncertainty resulted in a reduction in demand for services and goods that do not require urgent execution and a certain portion of which is met using debt financing. Overall, after the first quarter, the company recorded a decline in sales compared to the January-March 2022 period, with the value of loans granted remaining at the projected level in the cross-section of sales plans for the whole of 2022.

## 5. Future situation of the Company

### *a) Indication of risk factors and description of threats to the Company's operation*

The Company's management expects sales to stabilise in 2022. Such a picture is likely to be influenced by factors such as declining real purchasing power of household incomes, rising prices of basic products and uncertainty related to price formation in the near future. These factors cause consumers to hold off on spending that is not necessary. The increase in interest rates on deposits also promotes the redirection of the money stream toward saving funds and minimizing inflationary losses, while it does not stimulate pro-consumption behaviour.

### *b) Anticipated future development of the entity*

The Company's Management Board foresees the development of the company through an increase in the scope and scale of operations aimed at improving EBITDA.

### *c) Anticipated financial situation*

The Company's Management Board plans to increase its financial result by increasing the scope and scale of its operations.

By adapting its product range to the current needs of its customers, expanding and simplifying its procedures, the Company plans to increase the value of granted loans and increase its sales revenue.

Warsaw, 30.08.2022

For the Management Board  
Jakub Czarzasty – President of the Management Board

Signature is valid

Electronically signed by Jakub Czarzasty  
Date: 2022.08.30 12:57:07 CEST

Sławomir Bielec – Member of the Management Board

**Sławomir Bielec**

Electronically signed by Sławomir Bielec  
Date: 2022.08.30 12:45:06 +02'00'

XX

Ja, **Tomasz Budkowski**, tłumacz przysięgły (TP/423/06), stwierdzam zgodność niniejszego przekładu z dokumentem sporządzonym w języku angielskim.

Numer wpisu w moim repertorium 17/08/2023

Wrocław, 3 sierpnia 2023





mgr Tomasz Budkowski  
tłumacz przysięgły języka angielskiego

**\*\*\* Tłumaczenie poświadczone z języka angielskiego \*\*\***

---

[Certified translation from Polish; document consists of 5 pages]

## INDEPENDENT AUDITOR'S REPORT

**For the Meeting of Shareholders and Supervisory Board of LM PAY  
Spółka Akcyjna (*Joint-Stock Company*)  
(formerly : Mediraty Spółka z o.o.) based in Warsaw.**

### Report on the audit of the annual financial statements

#### *Opinion*

We have audited the accompanying annual financial statements of LM PAY Spółka Akcyjna (formerly: Mediraty Spółka z ograniczoną odpowiedzialnością) with its registered office at ul. ul. Lechicka 23A ("Company"), which comprise the introduction to the financial statements, the balance sheet as of December 31, 2022, and the income statement, statement of changes in equity, cash flow statement for the financial year from January 1 to December 31, 2022, and notes and explanations to the financial statements ("*financial statements*").

In our opinion, the accompanying financial statements:

- present a true and fair view of the Company's assets and financial position as of December 31, 2021, and of its financial result and cash flows for the financial year ended on that date, in accordance with the applicable provisions of the Accounting Act of September 29, 1994 ("Accounting Act" - Journal of Laws of 2021, item 217, as amended) and adopted accounting principles (policy);
- are consistent in form and content with the Company's applicable laws and the Articles of Association,
- have been prepared on the basis of properly kept account books in accordance with the provisions of Chapter 2 of the Accounting Act.

---

#### **Kancelaria Biegłych Rewidentów GA-BO Spółka z o.o**

Ul. Halicka 10/11 lok. 208, 31-036 Kraków, Poland tel. + 48 22 594 16 40, e-mail : [biuro@kbrgabo.pl](mailto:biuro@kbrgabo.pl), [www.kbrgabo.pl](http://www.kbrgabo.pl).  
District Court for Kraków-Śródmieście in Kraków 11th Commercial Division KRS no. 0000357672. NIP: 676-242-14-18, REGON:  
121246813. Auditing Firm No. 3613.



### *Basis for the opinion*

We conducted our audit in accordance with the National Standards on Auditing in the wording of the International Standards of Auditing adopted by resolution of the National Council of Statutory Auditors No. 3430/52a/2019 on 21 March 2019 on national standards of auditing and other documents ("NSA") and in accordance with the Act on statutory auditors, auditing firms and public supervision dated May 11, 2017 ("Auditors Act" - consolidated text, Journal of Laws of 2022, item 1302). Our responsibility under these standards is further described in the section of our report entitled "Auditor's Responsibility for the Audit of Financial Statements".

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) of the International Ethics Standards Board for Accountants ("IESBA Code") adopted by a resolution of the National Council of Statutory Auditors No. 3430/52a/2019 on 21 March 2019 on principles of professional ethics for statutory auditors and other ethical requirements that apply to auditing financial statements in Poland. We have fulfilled our other ethical obligations in accordance with these requirements and the IESBA Code. During the course of the audit, the key auditor and the auditing firm remained independent of the Company in accordance with the independence requirements of the Statutory Auditors Act.

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

### *Explanation with attention - armed conflict in Ukraine*

The outbreak of armed conflict on Ukrainian territory on February 24, 2022 destabilized the political and economic environment of neighbouring countries. This event has caused significant volatility in the capital and currency markets and has a negative impact on the global economy and the economic situation in Poland and neighbouring countries.

In the opinion of the Company's Management Board, the occurring political and economic events in Ukraine and their global effects do not pose a threat of the Company's failure to continue as a going concern, also did not significantly affect the Company's liquidity and solvency. The Company's management considers this situation as a non-adjusting event in the 2021 financial statements, but as a post-balance sheet event, which is disclosed in Note 1 and Note 50 of the notes to the financial statements. At the moment, it is not possible to provide precise figures on the potential impact of the current geopolitical situation on the Company, however, in the cross-section of the Company's sales plans for the whole of 2022, the value of loans granted remains at the projected level.

Our opinion does not contain an objection to the matter.





### *Responsibility of the Management Board and Supervisory Board for the financial statements*

The Company's Management Board is responsible for the preparation, on the basis of properly maintained account books, of financial statements that give a true and fair view of the Company's assets, financial position and result in accordance with the provisions of the Accounting Act, the accounting principles (policy) adopted, the laws applicable to the Company and the Company's Articles of Association, and for such internal control as the Company's Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern, and adopting the going concern basis of accounting, except when the Management Board either intends to liquidate the Company or to discontinue operations or has no viable alternative to liquidation or discontinuance.

The Company's Management Board and Members of the Supervisory Board are responsible for ensuring that the financial statements meet the requirements of the Accounting Act. Members of the Supervisory Board are responsible for overseeing the Company's financial reporting process.

### *Auditor's responsibility for audit of financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error and to issue an audit report containing our opinion. Reasonable assurance is a high level of certainty, but it does not guarantee that an audit conducted in accordance with the National Standards on Auditing will always detect an existing material misstatement. Misstatements may arise as a result of fraud or error and are considered material if they could reasonably be expected to individually or in the aggregate affect the economic decisions of users made on the basis of these financial statements.

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

During an examination compliant with the National Standards on Auditing, we use professional judgement and maintain professional scepticism, as well:

- we identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures appropriate to those risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion. The risk of undetected material misstatement resulting from fraud is greater than that resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentation or circumvention of internal controls;



- we obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the given 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 accounting principles (policy) used and the appropriateness of the accounting estimates and related disclosures made by the Company's Management Board;
- we draw a conclusion on the appropriateness of the Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is any 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 related disclosures in the financial statements or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report; however, future events or conditions may cause the Company to cease operations as a going concern;
- we evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that ensures a fair presentation.

### **Other information, including a report on operations**

Other information consists of a report on the Company's operations for the financial year ended December 31, 2021 ("*Report on Operations*").

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

The Company's Management Board is responsible for preparing the Report on Operations in accordance with the provisions of law.

The Company's Management Board and Members of the Supervisory Board are responsible for ensuring that the Report on Operations meets the requirements of the Accounting Act.

#### *Responsibility of the Auditor*

Our audit opinion on the financial statements does not cover the Report on Operations. In connection with our audit of the financial statements, it is our responsibility to review the Report on Operations and, in doing so, to consider whether it is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears materially misstated.



If, based on the work performed, we find material misstatements in the Report on Operations, we are required to report this in our audit report. Our responsibility under the requirements of the Auditors Act is also to issue an opinion as to whether the report on operations has been prepared in accordance with the regulations and whether it is consistent with the information contained in the financial statements.

*Opinion on the report on operations*

Based on the work performed in the course of the audit, in our opinion, the Company's Report on Operations:

- was prepared in accordance with Article 49 of the Accounting Act,
- is consistent with the information contained in the financial statements.

In addition, in light of the knowledge of the Company and its environment obtained during our audit, we declare that we have found no material misstatements in the Report on Operations.

The key auditor responsible for the audit resulting in this independent auditor's report is Robert Wiśniewski.

Acting on behalf of Kancelaria Biegłych Rewidentów Ga-Bo Spółka z ograniczoną odpowiedzialnością, with its registered office in Kraków (31-036), at ul. Halicka 10/11 lok. 208, entered on the list of audit firms under number 3613, on behalf of which the key auditor audited the financial statements.

Robert Wiśniewski         Electronically signed by Robert Wiśniewski

Date: 2022.08.31

13:26:43 +02'00'

Robert Wiśniewski, registration no. 11251

Kraków, August 31, 2022

XX

Ja, Tomasz Budkowski, tłumacz przysięgły (TP/423/06), stwierdzam zgodność niniejszego przekładu z dokumentem sporządzonym w języku angielskim.

Numer wpisu w moim repertorium 16/08/2023

Wrocław, 3 sierpnia 2023

*T. Budkowski* 



\*\*\* Certified translation from Polish \*\*\*

[document consists of 8 pages]

**STATEMENT OF THE HEAD OF  
THE ENTITY**

Name and address of the auditing firm

**Kancelaria Biegłych Rewidentów GA-BO Spółka z o.o. No. 3613**

Name and surname of the key auditor conducting the audit

Robert Wiśniewski, registry No.: 11251

Date of completion of the audit, preparation of the audit report<sup>1</sup>

31/08/2022

We are making this statement in connection with prepared by

**Kancelaria Biegłych Rewidentów GA-BO Spółka z o.o. No. 3613**

(name of auditing firm)

under a contract dated

December 31, 2020

(date of audit contract)

audit of the separate financial statements

**LM PAY Spółka Akcyjna (formerly MEDIRATY Spółka z o.o.), ul. Lechicka 23A, 02-156 Warsaw**

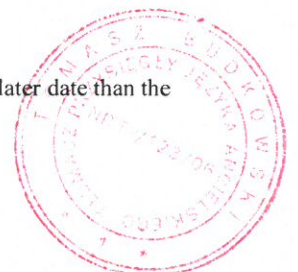
(name of the audited entity)

hereinafter referred to as the "Entity", aimed at expressing an opinion on whether the financial statements, hereinafter referred to as the "financial statements", present a true and fair view of the assets and financial position as of December 31, 2021, and of the financial result for the financial year ended on that date in accordance with the applicable provisions on the Accounting Act of September 29, 1994 (Journal of Laws of 2021, item 217), as well as the adopted accounting principles (policy), and that they have been prepared on the basis of properly kept account books, and are consistent in form and content with the legal regulations applicable to the Entity and the provisions of its Articles of Association.

We confirm that:

1. The financial statements have been prepared in a manner that ensures comparability, by applying uniform accounting principles for all periods presented, as adopted by us in our current accounting policy.
2. We are responsible for the accuracy of the account books and the preparation and fair presentation of the financial statements. This responsibility includes: designing, implementing and ensuring the operation of internal control relevant to the preparation and fair presentation of the financial

<sup>1</sup> The date of the statement should be as close as possible to the date of the audit report, it may not be a later date than the one of the audit report (compare with par. 14 [KSB 580](#) - "Written Representations").





statements that do not contain material misstatement due to fraud or error, selecting and applying appropriate accounting principles, and making accounting estimates appropriate to the circumstances.

3. All transactions and events relating to the audited period that should have been recognized have been included and reflected in the financial statements.
4. All subsequent events that occurred after the date of the financial statements that require adjustment or disclosure have been adjusted or disclosed.
5. The methods, data, and significant assumptions used to determine the estimates and related disclosures are appropriate to achieve a reasonable recognition, measurement, or disclosure in the context of the applicable provisions of the *Accounting Act*<sup>2</sup>.
6. We provided verification of the depreciation/amortisation rates adopted for fixed and intangible assets. In our opinion, the adopted and applied depreciation/amortization rates for fixed and intangible assets correspond to their economic useful life.
7. Using what we believe to be our best estimates, based on reasonable and justifiable assumptions and projections, we ensured that a review of fixed and intangible assets for use and depreciation/amortization was performed in the event of occurrences or changes in circumstances that would cause the book value of these assets to fail to recover. On this basis, we concluded that no adjustments are necessary on this account in the financial statements.
8. We have disclosed to you all the terms and conditions of sale applied by the Entity, including rights of return or price adjustment and all provisions for warranty repairs.
9. Relationships and transactions with related parties have been properly accounted for and disclosed in accordance with the provisions of the *Accounting Act*<sup>3</sup>.
10. As of the date of this letter, we are not aware of any threats to the Company's ability to continue as a going concern, undiminished in material respects, for at least the next 12 months from the balance sheet date.
11. Complete and correct write-downs of inventories to their projected selling price were made. All inventories were owned by the Entity and did not include any items taken on consignment or sold to customers.
12. We believe that all costs included in prepayments are related to revenues that will be realized in future financial periods.
13. In our opinion, there is no need to make provisions for costs that may be incurred as a result of environmental liabilities in addition to those recognized in the financial statements.

---

2 Enter as appropriate: included in the Accounting Act or International Accounting Standards/International Financial Reporting Standards.

3 Or International Accounting Standards/International Financial Reporting Standards, as applicable.



14. In our opinion, there was no need to establish provisions to cover losses arising from the fulfilment or inability to fulfil obligations under the terms and conditions of sales or purchase contracts, except as disclosed in the financial statements.
15. We have disclosed to you the nature and economic purpose of all material contracts not reflected in the balance sheet, to the extent necessary to assess their impact on the Entity's assets, financial position and financial results.
16. The costs of capitalized development work do not include any costs that should be recognized in the financial result of the period.
17. The Entity has complied with all provisions of the concluded contracts, the non-fulfilment of which could affect the financial statements.
18. To the best of our knowledge and belief, during the period covered by the financial statements, the Entity complied with all laws and regulations applicable to it and the terms and conditions of its contracts.
19. We are responsible for determining and ensuring the appropriate level of write-offs of receivables, as well as for estimating these amounts. We believe that the value of the write-offs created is adequate to cover receivables currently assessed as uncollectible.
20. Inventory of assets and liabilities was carried out to the extent, timing and frequency prescribed by the Accounting Act, and the differences found were accounted for in the account books of the audited period.
21. We have provided you with complete information on pending court cases in which the Entity is a party (both as a defendant and a plaintiff). All circumstances regarding the estimation of the risks involved were disclosed to the auditor. Using what we believe to be our best estimates, we have evaluated the aforementioned issues and recognized them in the financial statements accordingly. As of the date of signing this letter, there have been no changes in litigation or disputes that could have a material impact on the financial statements.
22. We evaluated available information on the amount of future taxable income and other potential sources of realization of deferred tax assets. The amount of deferred tax assets does not exceed the amount at which, according to our estimates, the probability of full realization of the assets is higher than the probability that they will not be fully realized.
23. We acknowledge our responsibility for the tax accounting methods adopted by the Entity, which have been applied uniformly throughout the current reporting period. The calculation of all current and deferred tax assets and equity & liabilities is based on applicable laws and regulations, and we declare that there are no material unrecorded contingent tax liabilities.
24. We have properly fulfilled our tax scheme reporting obligations<sup>4</sup> and safeguarding the entity from incurring high penalties for failing to implement them. Where it was necessary

---

<sup>4</sup> English Mandatory Disclosure Rules, "MDR".





we have set out MDR procedures defining patterns depending on the categories of entities that have been transferred to the Head of the National Revenue Administration and assigned a Tax scheme reference number.

25. We agree with the results of the work of the experts carrying out the estimation of actuarial provisions and recognize the qualifications of the expert responsible for their calculation. In our assessment, we are unbiased, as we did not give the experts any indication of values or amounts. We have not received any information that could undermine the independence of opinion and objectivity of experts.
26. We agree with the results of the impairment tests performed on financial and non-financial assets, which we believe were prepared according to the best estimates. We consider the assumptions used for these tests to be correct and the financial projections to be reliable, realistic and developed to the best of our knowledge.
27. Provisions for benefits to employees and management for bonuses payable for the year under review have been estimated on the basis of reliable assumptions, and we consider, to the best of our knowledge as of the date of signing this statement, all goals and objectives conditioning the payment of these benefits at the estimated amount to have been achieved.
28. To the best of our knowledge, as of the date of signing this statement, on the basis of the resolutions of the bodies adopted up to the date of this statement, there are no plans to carry out any actions that could significantly affect the value or classification of individual items of assets and equity & liabilities, including, in particular, no plans to liquidate the Entity or significantly reduce the scope of its operations.
29. The Entity holds the relevant property rights to its assets.
30. The Entity has complied with all terms and conditions of the contractual agreements, the non-fulfilment of which could have a material impact on the data included in the account books (or has disclosed all risks arising from the non-fulfilment of these agreements).
31. The terms and conditions of trading with related parties do not differ materially from the market conditions that independent parties establish among themselves. Any transactions conducted on terms and conditions other than at arm's length have been appropriately disclosed in the financial statements.
32. Estimates and related disclosures:
  - 1) significant judgements used in determining accounting estimates take into account all applicable information of which we were aware;
  - 2) the methods, assumptions and data used by us in determining accounting estimates were consistent and appropriate;
  - 3) where relevant to accounting estimates and disclosures, assumptions appropriately reflect our intentions and our ability to take certain actions on behalf of the Entity;



- 4) disclosures relating to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable, in the context of the applicable provisions of the *Accounting Act*<sup>5</sup>;
- 5) relevant specialized skills and knowledge were applied in determining accounting estimates;
- 6) no subsequent events require adjustment of accounting estimates and related disclosures included in the financial statements.

33. We have made available to you:

- a) all information such as records, documents, and other matters and related information that we are aware of that are relevant to the preparation of the financial statements;
- b) additional information we were asked for in connection with the audit;
- c) unrestricted contact with persons in the Entity from whom you considered it necessary to obtain evidence of the audit;
- d) results of our estimated risk that the financial statements may contain a material misstatement due to fraud;
- e) all information about fraud or suspected fraud of which we are aware and which affects the entity, and includes:
  - the Head of the Entity,
  - employees who play a significant role in the internal control system or
  - other persons, if the fraud may have a material effect on the financial statements;
- f) information on any allegations or suspicions of fraud affecting the Entity's financial statements made by employees, former employees, analysts, regulatory bodies and others;
- g) all known or suspected violations of laws and regulations, the impact of which should be considered when preparing the financial statements;
- h) data identifying related parties and all relationships and transactions with related parties that are known to us;
- i) all minutes of the meetings of the *General Meeting, the Supervisory Board and the Management Board*<sup>6</sup> for the period under review and up to the date of signing of this statement, containing a reliable record of decisions and actions taken, as well as summaries of the findings of recent meetings, the minutes of which have not yet been prepared.

---

<sup>5</sup> Enter as appropriate: included in the Accounting Act or International Accounting Standards/International Financial Reporting Standards.

<sup>6</sup> Enter the appropriate names of the bodies of the audited entity.





34. We declare that according to our knowledge:

- a) there were no irregularities for which members of the Entity's management or persons in a significant position in the internal control system were responsible;
- b) we are not aware of irregularities for which the other employees would be responsible, which would have a material effect on the information contained in the account books and financial statements. ("irregularities" shall be understood as the intentional misrepresentation or omission of values resulting from the misstatement or intentional omission of certain events or operations; the manipulation, falsification or alteration of data or documents; the omission of significant information contained in books or documents; the unfounded accounting of operations; the intentional misapplication of accounting principles; or the misappropriation of assets for material gain by management, employees or related parties);
- c) we are not aware of undisclosed notices (decisions, minutes, etc.) to the auditor from control or governmental institutions regarding inconsistencies or irregularities in the accounting principles applied, as defined by separate regulations, which would have a material effect on the financial data recorded in the account books;
- d) we are not aware of violations or the possibility of violations of applicable laws and regulations, the effects of which should be disclosed in the account books or form the basis for provisions for anticipated losses;
- e) there are no third-party claims on the Entity's assets, no pledges on the assets or pledged as collateral for obligations, contract performance, etc., except as disclosed in the financial statements;
- f) there are no undisclosed material liabilities, contingent liabilities (including oral or written guarantees, promissory notes and other), possible losses that would require a provision or other disclosure in the financial statements;
- g) there are no transactions of material significance that have been incorrectly recorded in the books or not disclosed to the auditor;
- h) we are not aware of events that occurred or were disclosed after the date of preparation of the financial statements that should have been included in these statements;
- i) there are no material contractual obligations (such as construction of facilities, purchase of real estate, long-term contracts with suppliers, etc.) other than those disclosed in the financial statements;
- j) there are no arrangements (contractual or otherwise) for determining employee benefits that are not disclosed in the financial statements;
- k) there was no need to establish provisions to cover losses arising from the fulfilment or inability to fulfil obligations under the terms and conditions of sales contracts, except as disclosed in the financial statements.

35. The following business operations, in connection with their occurrence up to the date of this statement, have been properly recorded or presented in the financial statements and account books:

- a) transactions with related parties and the resulting amounts of receivables and payables, including but not limited to sales, purchases, loans, transfers, leases, guarantees (oral and written) and financial instruments;
- b) joint ventures;



- c) share capital redemption contracts based on options, warrants, conversions or other derivatives;
  - d) arrangements with financial institutions for setoff of balances or blocking of cash on bank accounts, credit lines or other similar arrangements;
  - e) repurchase contracts for previously sold assets.
36. Other than the events described in the notes, there were no other material events after the balance sheet date to be included as adjustments or disclosures.
37. We hereby declare that, to our knowledge, as of the date of this statement, there have been no material events relating to the period covered by the financial statements that occurred between the balance sheet date and the date of our opinion that could affect the financial statements.
38. The impact of uncorrected misstatements, individually and in the aggregate, on the financial statements as a whole is not material. The list of uncorrected misstatements is attached to this Statement (if there are no uncorrected misstatements - no Attachment)
39. We have provided you with a list of all the law firms/lawyers representing the Entity in disputes and claims.
40. We confirm the availability of all decisions and minutes of meetings of the Company's bodies that took place during the reporting period and up to the date of completion of the audit, as well as the minutes of all internal and external controls that took place during the reporting period and up to the date of completion of the audit

Date of signing the statement.....

Signature of the Head of the Entity (all Management Board members)

**Sławomir Bielec**

Electronically signed by Sławomir Bielec

Date: 2022.08.31

11:31:29 +02'00'

*The controller of your personal data is our auditing firm. The data is processed in connection with a legal obligation incumbent on the controller (Article 6(1)(c) of the GDPR). Recipients of data may be entities authorized by law. The data will be kept for 5 years after the audit is completed. You have the right to request from the controller access to your data, rectification, erasure or restriction of processing, or to object to processing, as well as to data portability on the basis of and in accordance with Articles 15 - 22 of the GDPR. You have the right to lodge a complaint about the manner of processing by the controller to the President of the Personal Data Protection Office ([uodo.gov.pl](http://uodo.gov.pl)). Provision of data is an obligation under the provisions of the Accounting Act. To exercise your rights, use the contact details indicated in the header of the document.*





## Attachment No. 1

## STATEMENT OF IMMATERIAL UNCORRECTED ERRORS IN THE FINANCIAL STATEMENTS

No.	Description	Balance sheet amount (PLN)		Income statement amount (PLN)	
		Debit	Credit	Debit	Credit
1.	Posting of Adjusted Purchase Price bond valuation	Net profit	Liabilities on account of issuance of debt securities PLN 375,036	Financial costs PLN 375,036	-
2	Provision for loan repayment	Net profit	Short-term provisions PLN 225,000	Remaining operating costs PLN 225,000	
	<b>Total immaterial uncorrected errors</b>		PLN 600,036	PLN 600,036	

XX

I, **Tomasz Budkowski**, sworn translator (TP/423/06), hereby certify that this is a true translation of the original document presented to me.

The register in my custody is 15/08/2023

Wrocław, 3 August 2023

8  
T. Budkowski

