

DECLARATION BY THE HEAD OF UNIT

Name and address of the auditing firm

**GLOBAL AUDIT PARTNER Boczkowski Duś Procner Spółka
Komandytowa No 3106**

Name of key auditor performing the audit

Robert Wisniewski, Reg. No. 11251

Date of completion of the study, audit
preparation ¹

17 June 2024

We are making this declaration in connection with the

**GLOBAL AUDIT PARTNER Boczkowski Duś Procner Spółka Komandytowa
No 3106**

(name of audit firm)

under the agreement of

13 March 2023

(date of study contract)

the audit of the separate financial statements **for the period 01.01.2023r. - 31.12.2023r.**

LM PAY Spółka Akcyjna, ul. Lechicka 23A, 02-156 Warsaw

(name of audited entity)

hereinafter referred to as the "Entity", to express an opinion on whether the financial statements, hereinafter referred to as the

"the financial statements", give a true and fair view of the financial position as at 31 December 2023 and of the financial result for the year then ended in accordance with the applicable provisions relating to the Accounting Act of 29 September 1994 (Journal of Laws 2023, item 120) and the accounting principles (policies) adopted, and that they have been prepared on the basis of properly maintained accounting records, and are in compliance in form and content with the applicable laws and the provisions of the Company's Articles of Association

We confirm that:

1. The financial statements have been prepared in a manner that ensures comparability, by applying uniform accounting policies for all periods presented, as adopted by us in our current accounting policy.
2. We are responsible for the accuracy of the accounts 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 accounts

¹ The date of the statement should be as close as possible to the date of the audit report, not later than it (cf. para. 14 [KSB 580](#) - "Written statements").

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

3. All transactions and events relating to the period under review that should have been recognised have been included and reflected in the financial statements.
4. All subsequent events occurring 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* ².
6. We ensured that the depreciation rates adopted for tangible and intangible assets were reviewed. In our opinion, the adopted and applied depreciation rates for tangible and intangible assets correspond to their economic useful lives.
7. Using what we consider to be our best estimates, based on reasonable and justifiable assumptions and projections, we have ensured that a review of tangible and intangible assets for use and amortisation has been carried out in the event of events or changes in circumstances that would cause the book value of these assets not to recover. On this basis, we have concluded that no adjustments are required to the financial statements for this reason.
8. We have disclosed to you all the Unit's terms and conditions of sale, 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* ³.
10. As at 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 prepaid expenses are related to revenue that will be realised in future accounting periods.
13. In our opinion, there is no need to make provisions, other than those recognised in the financial statements, for costs that may be incurred as a result of environmental liabilities.

² Insert as appropriate: contained in the Accounting Act or International Accounting Standards/International Financial Reporting Standards.

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

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 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 financial position, assets and profit or loss.
16. The costs of capitalised development work do not include any costs that should be recognised in profit or loss for the period.
17. The entity has complied with all provisions of the contracts entered into, 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 has complied with all laws and regulations applicable to it and with the terms of its contracts.
19. We are responsible for determining and ensuring the appropriate level of allowances for receivables, as well as for estimating these amounts. We believe that the value of the allowances created is adequate to cover receivables currently assessed as uncollectible.
20. The stocktaking of assets and liabilities was carried out to the extent, at the times and with the frequency stipulated by the Accounting Act, and the differences identified were accounted for in the accounts of the period under review.
21. We have provided you with complete information on pending litigation to which the Entity is a party (both as a defendant and as a defendant). All circumstances regarding the estimation of the risks involved have been disclosed to the auditor. Using what we believe to be our best estimates, we have made an assessment of the aforementioned matters and recognised them in the financial statements accordingly. As at 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 have assessed the information available on the amount of future taxable income and other potential sources of realisation of deferred tax assets. The amount of deferred tax assets does not exceed the amount at which we estimate that it is more likely than not that the assets will be fully realised.
23. We acknowledge our responsibility for the tax accounting methods adopted by the Entity, which have been applied consistently throughout the current reporting period. The calculation of all current and deferred tax assets and liabilities is based on applicable laws and regulations and we declare that there are no material unrecorded contingent tax liabilities.
24. We have properly complied with our obligations to report tax ⁴ and to protect the entity from incurring high penalties for non-implementation. Where necessary

⁴ Mandatory Disclosure Rules, "MDR". Mandatory Disclosure Rules, "MDR".

we have set out MDR procedures setting out the patterns to be followed depending on the category of entities that have been referred to the Head of the National Tax Administration and assigned an NSP reference number.

25. We agree with the results of the work of the experts carrying out the estimation of the actuarial provisions and recognise the qualifications of the expert responsible for their calculation. In our assessment, we are impartial, as we did not give the experts any guidance on values or amounts. We have not received any information that would call into question the independence of the experts' opinions and objectivity.
26. We agree with the results of the impairment tests carried out on financial and non-financial assets, which we consider to have been made on a best estimate basis. We consider the assumptions used for these tests to be correct and the financial projections to be fair, realistic and developed to the best of our knowledge.
27. The provisions for benefits to employees and management for bonuses payable for the year under review have been estimated on the basis of plausible assumptions and we consider, to the best of our knowledge at the date of signing this statement, that all objectives and targets conditioning the payment of these benefits at the estimated amounts have been met.
28. To the best of our knowledge, as at the date of signing of this statement, on the basis of the resolutions of the bodies adopted up to the date of this statement, no actions are planned that could significantly affect the value or classification of individual items of assets and liabilities, including, in particular, the liquidation of the Entity or a significant reduction in the scope of its activities.
29. The entity holds the relevant property rights to the assets it owns.
30. The entity has complied with all the terms and conditions of the contractual agreements, the non-fulfilment of which could have a material impact on the data included in the accounts (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 terms and conditions that are agreed between independent parties. Any transactions carried out on terms other than at arm's length have been appropriately disclosed in the financial statements.
32. Estimates and related disclosures:
 - 1) the significant judgements used in the determination of accounting estimates take into account all applicable information of which we were aware;
 - 2) the methods, assumptions and data used in determining our 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*⁵ ;
- 5) relevant specialist skills and knowledge were applied in the determination of accounting estimates;
- 6) no subsequent events require an adjustment to the 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 to provide in connection with the survey;
- c) unrestricted contact with persons from the Unit from whom you considered it necessary to obtain evidence of the study;
- d) the results of our estimate of the 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 individual, and includes:
 - the head of the Unit,
 - employees who play a significant role in the internal control system or
 - other persons if the fraud could 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, regulators and others;
- g) all known or suspected breaches of laws and regulations, the impact of which should be considered in the preparation of the financial statements;
- h) data identifying related parties and all relationships and transactions with related parties of which we are aware;
- i) all minutes of meetings of the *General Meeting, the Supervisory Board and the Management* ^{Board}⁶ for the period covered by the audit and up to the date of signing of this declaration, containing a reliable record of decisions and actions taken and summaries of the findings of recent meetings for which minutes have not yet been prepared.

⁵ Insert as appropriate: contained in the Accounting Act or International Accounting Standards/International Financial Reporting Standards.

⁶ Enter the relevant names of the bodies of the audited entity.

34. We declare that, to our knowledge:

- a) there were no irregularities for which members of the Entity's management or persons with a significant position in the internal control system were responsible;
- b) we are not aware of any irregularity for which other employees are responsible that would have a material effect on the information contained in the accounts and financial statements. (By 'irregularities' is meant the deliberate misrepresentation or omission of values resulting from the misstatement or deliberate 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 unjustified booking of operations; the deliberate misapplication of accounting policies; or the misappropriation of assets for material gain by management, employees or related parties);
- c) we are not aware of any undisclosed notifications (decisions, minutes, etc.) to the auditor from control or governmental institutions concerning 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 accounting books;
- d) we are not aware of breaches or possible breaches of applicable laws and regulations, the effects of which should be disclosed in the accounts or give rise to provisions for anticipated losses;
- e) there are no third-party claims on the assets of the Entity, no pledging of assets or pledging of assets to secure obligations, performance of contracts, etc., except as disclosed in the financial statements;
- f) there are no undisclosed material liabilities, contingent liabilities (including oral or written guarantees, promissory warranties and others), losses, if any, that would require a provision or other disclosure in the financial statements;
- g) there are no material transactions that have been incorrectly recorded in the accounts or not disclosed to the auditor;
- h) we are not aware of events that occurred or were disclosed after the date of the financial statements that should have been included in the financial statements;
- i) there are no significant 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 of sales contracts, except as disclosed in the financial statements.

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

- a) transactions with related parties and the resulting amounts of receivables and payables, including, inter alia, sales, purchases, loans, transfers, leases, guarantees (oral and written) and financial instruments;
- b) joint ventures;

- c) share capital redemption agreements based on options, warrants, conversions or other derivatives;
 - d) arrangements with financial institutions for netting or blocking cash balances on bank accounts, lines of credit or other similar arrangements;
 - e) repurchase agreements of previously sold assets.
36. Apart from the events described in the notes, there have been no other significant events after the balance sheet date that need to be taken into account by way of adjustment or disclosure.
37. We declare that, to the best of our knowledge, as at the date of preparation of this statement, there have been no significant events relating to the period covered by the financial statements that have occurred between the balance sheet date and the date of our opinion that could affect the financial statements.
38. The effect of uncorrected misstatements, individually and in the aggregate, on the financial statements as a whole is not material. A list of uncorrected misstatements is attached to this Statement (if there are no uncorrected misstatements - no Appendix)
39. We have provided you with a list of all law firms/lawyers representing the Unit in disputes and claims.
40. We confirm that all resolutions and minutes of the meetings of the Company's bodies that took place during the reporting period and up to the date of completion of the audit are available, as well as the minutes of all internal and external audits that took place during the reporting period and up to the date of completion of the audit,

Date of signature of statement **17 June 2024**. Signature of the Head of the Unit (all Board members)

The controller of your personal data is our audit firm. The data are processed in connection with a legal obligation incumbent on the controller (Art. 6(1)(c) RODO). Recipients of the data may be entities authorised to do so by law. The data will be stored for 5 years after the end of the study. 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 RODO. You have the right to lodge a complaint against the controller's processing to the President of the Office for Personal Data Protection (uodo.gov.pl). The provision of data is an obligation under the provisions of the Accounting Act. In order to exercise your rights, please use the contact details indicated in the header of the document.

Annex 1

SUMMARY OF IMMATERIAL UNCORRECTED ERRORS IN THE FINANCIAL STATEMENTS

L p.	Description	Balance sheet amount (PLN)		IAS amount (PLN)	
		Wn	Ma	Wn	Ma
1.	Posting of SCN dt valuation of borrowings	Net profit	Loans payable PLN 95 314.00	Financial costs PLN 95 314.00	-
2	Loan repayment provision	Net profit	Short-term provisions PLN 225 000	Operating expenses PLN 225 000	
3	Posting of SCN dt valuation of medical loans granted				
Total non material uncorrected errors			320 314 PLN	320 314 PLN	