

## INDEPENDENT AUDITOR'S AUDIT REPORT

For the Shareholders' Meeting and Supervisory Board of LM PAY Spółka Akcyjna

### Report on the audit of the annual accounts

#### *Opinion*

We have audited the accompanying annual financial statements of LM PAY Spółka Akcyjna with its registered office in Warsaw (02-156) Lechicka23A Street (the "Company"), which comprise the introduction to the financial statements, the balance sheet as at 31 December 2023 and the income statement, the statement of changes in equity, the cash flow statement for the financial year from 1 January 2023 to 31 December 2023 and the notes to the financial statements (the "*financial statements*").

In our opinion, the accompanying financial statements:

- gives a true and fair view of the Company's assets and financial position as at 31 December 2023 and of its financial performance and cash flows for the financial year ended on that date, in accordance with the applicable provisions of the Accounting Act of 29 September 1994 ("the Accounting Act" - Journal of Laws 2023, item 120, as amended) and the accounting principles (policies) adopted;
- complies in form and content with the applicable laws and the Company's articles of association  
Companies;
- has been prepared on the basis of properly kept a c c o u n t s , in accordance with the provisions of Chapter 2 of the Accounting Act.



### *Basis for opinion*

We conducted our audit in accordance with the National Auditing Standards in the wording of the International Auditing Standards adopted by the resolution of the National Council of Statutory Auditors on national auditing standards and other documents, as amended, and the Resolution of the Board of the Polish Audit Oversight Agency on National Quality Control Standards and National Auditing Standard 220 (Amended) ("NSB"), and in accordance with the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision ("Act on Statutory Auditors" - i.e. Journal of Laws 2023, item 1015, as amended). Our responsibility under these standards is described in the section of our report Auditor's *responsibility for the audit of the financial statements*.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards of Independence) of the International Ethical Standards Board for Accountants (the "IESBA Code") adopted by the relevant resolution of the National Council of Statutory Auditors on principles of professional ethics for statutory auditors, as amended, and other ethical requirements that apply to the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the course of the audit, the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements of the Act on Statutory Auditors.

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

### *Key issues of the study.*

Key audit matters are those matters that, in our professional judgement, were most significant during the audit of the financial statements for the current reporting period. They include the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud. We have addressed these matters in the context of our audit of the financial statements as a whole and in forming our opinion and have summarised our response to these risks and, where we considered it appropriate, provided key observations relating to these risks. We do not express a separate opinion on these matters.

<b>The key issue of research</b>	<b>How our study addressed this issue</b>
<i>Correctness of sales revenue recognition</i>	<i>Approach to testing</i>
<p>Net sales and equalised income for the period from 1 January 2023 to 31 December 2023 amounted to PLN 17,518.5k, an increase of 16.4% on the previous period.</p> <p>We considered sales revenue recognition risk to be key because of the impact of the amounts on the financial statements and because sales revenue is an important indicator for evaluating the Company's operations.</p> <p>The Company has presented disclosures on sales revenue in note 28 to the financial statements.</p>	<p>As part of our audit procedures, we documented our understanding of the process of recognising revenue and we identified the Company's key internal controls over this process.</p> <p>Our testing procedures included, inter alia others:</p> <ul style="list-style-type: none"> <li>- A review of the accounting rules for the recognition of sales revenue;</li> <li>- discussions with key people in the Company;</li> <li>- Reconciliation of a selected sample of sales invoices recognised during the financial year to source documents;</li> <li>- to verify the correct allocation of sales revenue over time;</li> <li>- evaluation of the completeness and correctness of the disclosures in financial statements with regard to the recognition of sales revenue.</li> </ul>
<i>Risk of loss of funding sources</i>	<i>Approach to testing</i>
<p>Borrowing liabilities totalled PLN 71,953.0 thousand as at 31 December 2023, representing approximately 59% of the balance sheet total.</p> <p>The company finances its operations mainly with debt capital in the form of loans and therefore the analysis of this area was also a key issue, significant in the process of our study.</p> <p>The Company has presented disclosures on loans and borrowings payable in note 26 to the financial statements.</p>	<p>As part of our audit procedures, we obtained an understanding of the Company's operations and intentions with regard to its debt financing plans.</p> <p>Our testing procedures included, inter alia others:</p> <ul style="list-style-type: none"> <li>- discussions with key people in the Company;</li> <li>- verification of loan agreements;</li> <li>- verification of contracts with banks;</li> <li>- An assessment of the completeness and correctness of the disclosures in the financial statements regarding the recognition of loan commitments.</li> </ul>
<i>Valuation of a loan to a related company</i>	<i>Approach to testing</i>
<p>The loan granted to the associated company as at 31 December 2023 totalled PLN 57,200.4 thousand, which is approximately 47% of assets.</p>	<p>As part of our audit procedures, we obtained an understanding of the Company's operations and intentions regarding the loan repayment plan.</p>

<p>The company made a loan of a significant amount to a related company and therefore the analysis of this area was also significant in the process of our investigation.</p> <p>The Company has presented disclosures on the loan in notes 23,24 and 27 to the financial statements.</p>	<p>Our testing procedures included, inter alia others:</p> <ul style="list-style-type: none"> <li>- discussions with key people in the Company;</li> <li>- verification of the loan agreement;</li> <li>- verifying the existence of the loan asset by verifying balances and obtaining external correspondence confirmation;</li> <li>- to verify the financial statements of the associated company;</li> <li>- assessing the completeness and correctness of the disclosures in the financial statements regarding the recognition of the loan.</li> </ul>
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*Responsibility of the Management Board and Supervisory Board for the financial statements*

The Company's management is responsible for the preparation, on the basis of properly maintained accounting records, of financial statements that give a true and fair view of the Company's financial position and results in accordance with the provisions of the Accounting Act, the accounting principles (policies) adopted and the laws and statutes applicable to the Company, and for such internal control as management 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and adopting the going concern basis of accounting, except where the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to liquidate or cease operations.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance but does not guarantee that an audit performed in accordance with the NSB will always detect an existing material misstatement. Distortions may arise from fraud or error and are considered material if they could reasonably be expected to affect, either individually or in the aggregate, the economic decisions of users taken on the basis of those financial statements.

In accordance with §5 of International Auditing Standard 320, the concept of materiality is applied by the auditor both in planning and performing the audit and in assessing the impact of the misstatements identified during the audit and uncorrected misstatements, if any, on the financial statements and in forming the auditor's opinion. Accordingly, all opinions and statements contained in the audit report are expressed having regard to the qualitative and value level of materiality determined in accordance with auditing standards and the auditor's professional judgement.

The scope of the audit does not include assurance as to the future viability of the Company or the efficiency or effectiveness of the management of its affairs now or in the future.

When investigating in line with the KSB, 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 not detecting a material misstatement resulting from fraud is greater than that resulting from error because fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumvention of internal control;
- we obtain an understanding of the internal control used for the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Company's management;
- we conclude on the appropriateness of the Company's management's use of the going concern basis of accounting and, on the basis of the audit evidence obtained, whether there is a material uncertainty related to the

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 to operate as a going concern;

- we assess the overall presentation, structure, content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieves a fair presentation.

We report to the Supervisory Board on, among other things, the planned scope and timing of the audit and the significant findings of the audit, including any significant internal control weaknesses that we identify during the audit.

We make a statement to the Board that we have complied with the relevant ethical requirements for independence and that we will inform them of all relationships and other matters that could reasonably be considered to pose a threat to our independence and, where applicable, report on the safeguards in place.

Of the matters reported to the Supervisory Board, we have identified those matters that were most significant during the audit of the financial statements for the current reporting period and therefore considered them to be key audit matters.

We describe these matters in our auditor's report unless laws or regulations prohibit public disclosure or where, in exceptional circumstances, we determine that the matter should not be presented in our report because the negative consequences could reasonably be expected to outweigh the benefits of such information to the public interest.

### **Other information, including activity report**

The other information consists of a report on the Company's activities for the financial year ended 31 December 2023 (*the "Directors' Report"*)

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

The Company's Board of Directors is responsible for preparing the Directors' Report in accordance with the legal provisions.

The Management Board of the Company and the Members of the Supervisory Board are required to ensure that the Directors' Report meets the requirements of the Accounting Act.

#### *Auditor's responsibility*

Our audit opinion on the financial statements does not cover the Other Information. In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, to consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears materially misstated. If, on the basis of the work performed, we conclude that the Other Information is materially misstated, we are required to disclose this in our audit report. Our responsibility under the requirements of the Auditors Act is also to express an opinion as to whether the management report has been prepared in accordance with the regulations and whether it is consistent with the information contained in the financial statements.

#### *Opinion on the activity report*

Based on the work done during the study, in our opinion, the Report of the Company activities:

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

Furthermore, in light of the knowledge of the Company and its environment obtained during our audit, we declare that we have not identified any material misstatements in the Directors' Report.

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

Acting on behalf of GLOBAL AUDIT PARTNER Boczkowski Duś Prochner Spółka Komandytowa, with its registered office in Warsaw (00-681), at ul. Hoża 55/9, entered on the list of audit firms under number 3106, on behalf of which the key statutory auditor audited the financial statements.

**Robert  
Wisniewski**

Electronically signed by  
Robert Wisniewski  
Date: 2024.06.17  
17:15:58 +02'00'

Robert Wisniewski, registration number 11251

Warsaw, 17 June 2024