



*Report of the independent auditor on the audit of
the annual financial statements of **LM PAY Joint**
Stock Company
for the fiscal year ended
December 31, 2024*

AK Aneta Dudziak
45/205 Sikorskiego St.
40-282 Katowice

Report of the independent auditor on the audit

For the General Meeting and Supervisory Board of LM PAY Joint Stock Company

Report on the audit of the annual financial statements

Opinion

We have audited the annual financial statements of **LM PAY Joint Stock Company** (KRS 0000940085) (the "Company"), which comprise the introduction to the financial statements, the balance sheet as of **December 31, 2024**, and the income statement, statement of changes in equity, cash flow statement for the fiscal year from January 1 to December 31, 2024, and notes to the financial statements (the "financial statements").

In our opinion, the accompanying financial statements:

- presents a true and fair view of the Company's assets and financial position as of December 31, 2024, as well as its financial result and cash flows for the fiscal year ended on that date in accordance with the applicable provisions of the Accounting Act of September 29, 1994 ("Accounting Act" - i.e. Journal of Laws of 2023, item 120, as amended) and the adopted accounting principles (policy);
- is consistent in form and content with the legal regulations and the Company's Articles of Association applicable to the Company;
- was prepared on the basis of properly maintained accounting books in accordance with the provisions of Chapter 2 of the Accounting Act.

Basis for the opinion

We conducted our audit in accordance with the National Auditing Standards in the wording of the International Auditing Standards adopted by Resolution of the National Board of Statutory Auditors No. 3430/52a/2019 dated March 21, 2019 on national auditing standards and other documents, as amended. and Resolution of the Board of the Polish Audit Supervision Agency No. 38/I/2022 dated November 15, 2022 on National Quality Control Standards and National Audit Standard 220 (Amended) ("NSB"), and in accordance with the Act of May 11, 2017 on Certified Public Accountants, Audit Firms and Public Supervision ("Act on Certified Public Accountants" - i.e. Dz. U. of 2024, item 1035, as amended). Our responsibility under these standards is further described in the section of our report *Auditor's Responsibility for the Audit of Financial Statements*.

We are independent of the Company in accordance with the ethical principles set forth in the "Handbook of the International Code of Ethics for Professional Accountants (including International Standards of Independence)" adopted by Resolution No. 207/7a/2023 of the National Council of Certified Public Accountants dated December 17, 2023 on the establishment of principles of professional ethics for certified public accountants, as amended, (the "Code of Ethics"), and other ethical requirements that apply to auditing in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. During the course of the audit, the key auditor and the audit firm remained independent of the Company in accordance with the independence requirements of the Auditors Act.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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 we have summarized our response to these risks and, where we considered it appropriate, provided key observations related to these risks. We do not express a separate opinion on these matters.

Key issue of the study	How our study addressed the issue
<p>Correctness of revenue recognition from sales</p> <p>Net sales and equalized revenues in the period from January 1, 2024 to December 31, 2024 amounted to PLN 22,753 thousand, up 30% from the previous period.</p> <p>Recognition of revenues related to alleged fraud risk. Sales revenues are an important indicator for evaluating the Company's operations therefore the correctness of their recognition in the relevant reporting period was considered a key audit matter.</p> <p>Disclosures regarding sales revenue were presented by the Company in Note 29 to the financial statements.</p>	<p>Our audit procedures included, in particular:</p> <ul style="list-style-type: none"> - understanding and evaluating the internal control environment regarding revenue recognition, with particular focusing on the design and implementation of internal controls over the recognition of revenue in the correct reporting period, - reviewing accounting policies for sales revenue recognition - analyzing trends in recognized revenue and obtaining explanations for unusual transactions and adjustments made after the balance sheet date - retail testing for a selected sample of transactions during the year and at the turn of the fiscal year, - discussions with key persons in the Company - assessment of the correctness and completeness of disclosures in the financial statements regarding sales revenues.
<p>Correct recognition and valuation of loans for other entities</p> <p>Loans granted to other entities as of December 31, 2024 amount to PLN 26,164 thousand, which is 18% of the balance sheet total</p> <p>The Company's line of business is to provide various types of loans related to the financing of commercial medical, cosmetic, veterinary procedures</p>	<p>Our audit procedures included, in particular:</p> <ul style="list-style-type: none"> - Understanding and evaluating the internal control environment for the loan process of their recognition and management during the reporting period,

and cash loans. The main product line focuses on two products - MediPay and Medirata.

Therefore, the analysis of this area was also significant in the financial statement audit process.

Disclosures regarding loans granted were presented by the Company in Notes 23, 24 and 28 to the financial statements.

- A review of the accounting policy for the recognition of loans granted and the policy for the recognition of impairment losses on loans
- retail testing for a selected sample of transactions during the year
- retail tests for a selected sample of items on the balance as of December 31, 2024.
- asset impairment and loss analysis of the portfolio of granted loans
- discussions with key individuals at the Company
- Evaluation of the correctness and completeness of the disclosures in the Financial statements for loans granted

Correct recognition and valuation of the loan to the other entity

The loan granted to a related party as of December 31, 2024 amounts to PLN 62,265 thousand, which accounts for 44% of the balance sheet total.

Due to the Company's granting of a loan of significant value to a related party, this area was subject to detailed analysis as part of the audit of the financial statements.

Disclosures regarding the loan were presented by the Company in Notes 23, 24 and 28 to the financial statements.

Our audit procedures included, in particular:

- understanding and evaluating the internal control environment for the process of loan recognition and management during the reporting period,
- reviewing the accounting policy for the recognition of granted loans and the policy for the establishment of loan allowances
- verifying the existence of the loan asset by verifying balances and obtaining external correspondent confirmation;
- analysis of annexes to the loan agreement concluded during the fiscal year
- analysis of the possible risk of asset impairment, together with an analysis of the repayment plan presented by the Board of Directors of the related entity
- discussions with key persons in the Company
- reviewing the financial statements of the related company;
- assessment of the correctness and completeness of disclosures in financial statements with respect to loans granted

Liabilities on account of loans and borrowings

Borrowing liabilities totaled PLN 81,877.6 thousand as of December 31, 2024, which is approximately 58% of the balance sheet total.

Our audit procedures included, in particular:

Financing of the Company's operations is mainly carried out with the use of external capital in the form of loans, and therefore this area was considered crucial for the audit of the financial statements.

- reviewing the accounting policies for the recognition of loans and advances

- verification of the completeness and valuation of liabilities by verifying balances and obtaining external correspondence confirmation for a selected sample of lenders

- analysis of loan agreements and annexes to agreements entered into during the fiscal year

Disclosures regarding loans and advances received are presented by the Company in Notes 26 and 27 to the financial statements.

- verification on a selected sample of movements during the fiscal year on loans and credits to bank statements

- verification of loan agreements with banks

- discussions with key persons in the Company

- analysis of covenants included in loan agreements

- Assessing the accuracy and completeness of disclosures in the financial statements regarding loans and credits received

Other

The Company's financial statements for the year ended December 31, 2023 were audited by an auditor acting on behalf of another auditing firm, which expressed an unqualified opinion on the statements on June 17, 2024.

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 accounting records, of financial statements that give a true and fair view of the Company's assets, financial position and results of operations in accordance with the provisions of the Accounting Act, the accounting principles (policies) adopted and the laws and the Articles of Association applicable to the Company, and for such internal control as the 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 Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no viable alternative to liquidation or ceasing operations.

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 auditing the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 individually or in the aggregate affect the economic decisions of users made on the basis of those 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 of its affairs now or in the future.

In conducting an audit in accordance with the NSB, we use professional judgment and maintain professional skepticism, 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, intentional omissions, misrepresentation or circumvention of internal control;
- we obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Company's management;
- we draw a conclusion on the appropriateness of the Company's management's application of the going concern basis of accounting and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to 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 provides 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 Supervisory Board that we have complied with the applicable 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, inform them of the safeguards in place.

Of the matters reported to the Supervisory Board, we determined 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 when, 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 the activity report

Other Information consists of the Company's Management Report for the fiscal year ended December 31, 2024. (the "Business Report").

Responsibility of the Management Board and Supervisory Board

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

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

Responsibility of the auditor

Our audit opinion on the separate financial statements does not include Other Information. In connection with our audit of the separate financial statements, our responsibility is to review the Other Information and, in doing so, to consider whether the Other Information is materially inconsistent with the separate financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If, based on the work performed, we find material misstatements in the Other Information, 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 Management Report, to the extent not relevant to sustainability reporting, has been prepared in accordance with the regulations and whether it is consistent with the information contained in the separate financial statements.

Opinion on the Statement of Activities


Based on the work performed during the audit, in our opinion, the Report on the Company's operations:

- was 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 certify that we have not identified any material misstatements in the MD&A.

The key auditor responsible for the audit resulting in this independent auditor's report is **Aneta Dudziak**.

Acting on behalf of **AK Aneta Dudziak**, headquartered in Katowice, Poland, registered in the list of audit firms under number 4308, on whose behalf the key auditor audited the financial statements.

 Document signed by
Aneta Dudziak Date:
2025.06.26
13:38:23 CEST

Signed with qualified electronic signature.

Aneta Dudziak

No. in the register 13606

Katowice, June 26, 2025.