



Independent Statutory Auditor's Report on the Audit  
of Annual Financial Statements of  
**Balladyna Sp. z o.o.**  
for the financial year ended  
31 December 2021

Mazars Audyt Sp. z o.o.  
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# INDEPENDENT STATUTORY AUDITOR'S REPORT ON THE AUDIT OF ANNUAL FINANCIAL STATEMENTS

*Translation of the document originally issued in Polish*

*To the General Meeting of Shareholders of Balladyna Sp. z o.o. [a limited liability company]*

## Report on the Audit of Annual Financial Statements

### Opinion

We have audited the annual financial statements of Balladyna Sp. z o.o. ("the Company") which comprise the introduction to the financial statements, the balance sheet as at 31 December 2021, the profit and loss account for the financial year from 1 January to 31 December 2021 and additional notes and explanations ("the financial statements").

In our opinion, the accompanying financial statements:

- give a true and fair view of the Company's property and financial position as at 31 December 2021, and of its financial performance for the financial year then ended in accordance with the applicable provisions of the Accounting Act dated 29 September 1994 ("the Accounting Act" - Journal of Laws of 2021, item 217 as amended) and the adopted accounting principles (policy);
- comply with the applicable legislation and with the provisions of the Company's Articles of Association as to the form and content;
- have been prepared based on the accounting books kept properly, in accordance with Chapter 2 of the Accounting Act.

## **Basis for Opinion**

We conducted our audit in accordance with National Standards on Auditing as per International Standards on Auditing adopted by resolution no. 3430/52a/2019 of the National Council of Statutory Auditors of 21 March 2019 regarding national standards on auditing and other documents, as amended (National Standards on Auditing “NSA”), as well as according to the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017 (“the Act on Statutory Auditors” - Journal of Laws of 2020, item 1415 as amended). Our responsibility under those standards has been further described in “Statutory Auditor’s Responsibility for the Audit of the Financial Statements” section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (“the IESBA Code”), adopted by resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics for statutory auditors, as amended, and other ethical requirements which are applicable 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 audit the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements specified in the Act on Statutory Auditors.

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

## **Responsibilities of the Management Board for the Financial Statements**

The Company's Management Board is responsible for preparing, based on the accounting books properly kept, the financial statements that give a true and fair view of the Company's property and financial position and its financial performance in accordance with applicable provisions of the Accounting Act and adopted accounting principles (policy), as well as with the relevant legislation and with the provisions of the Company's Articles of Association. The Company's Management Board is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the financial statements, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, as well as for disclosing, if applicable, matters related to going concern and for adopting the going concern assumption as an accounting basis, unless Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management Board is obliged to ensure that the financial statements meet the requirements set out in the Accounting Act.

## **Statutory Auditor's Responsibilities 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the National Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The scope of audit does not include assurance as to the future profitability of the Company and effectiveness or efficiency of running the Company's affairs by the Management Board at present or in the future.

According to principles of the National Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit, as well as:

- we identify and assess risks of material misstatement of financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and we obtain audit evidence which is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control in the Company;
- we evaluate the appropriateness of the accounting principles (policy) used and the reasonableness of the accounting estimates and related disclosures made by the Management Board of the Company;
- we conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, as to whether a material uncertainty exists 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 the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Other Information, including the Management report**

Other information includes the Management report for the financial year ended 31 December 2021 (“the Management Report”).

### *Responsibility of the Management Board*

The responsibility for the preparation of the Management Report in accordance with the applicable regulations lies with the Company’s Management Board.

The Management Board of the Company is obliged to ensure that the Management Report meets the requirements set out in the Accounting Act

### *Statutory Auditor’s Responsibility*

Our opinion on the audit of the financial statements does not cover the Management Report. Our responsibility regarding the audit of financial statements is to get acquainted with the Management Report and to consider whether it is not significantly incoherent with the financial statements or with our knowledge obtained during the audit or if the Management Report seems to be significantly misstated in other manner. If, based on work performed, we consider that there are material misstatements in the Management Report, we are obliged to inform about it in our audit report. In accordance with the Act on Statutory Auditors, our responsibility is also to give an opinion whether the management report has been prepared in accordance with applicable regulations and whether it complies with information contained in the annual financial statements.

## **Opinion on the Management Report**

Based on the work performed during the audit, in our opinion, the Management Report:

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

Moreover, according to our knowledge of the Company and its environment obtained during the audit, we declare that we have not identified any material misstatement in the Management Report.

The key statutory auditor responsible for the audit that was the base of this independent statutory auditor's report is Krzysztof Stański.

Acting on behalf of Mazars Audyt Sp. z o.o. with its registered office in Warsaw, ul. Piękna 18, entered on the list of audit firms under no. 186, on behalf of which the key statutory auditor audited the financial statements.

**Krzysztof Stański**

*Signed on the Polish original*

Key Statutory Auditor

No 12017

**mazars**

Warsaw, 16<sup>th</sup> May 2022