

# **Auditor's report**

passion

teamwork

quality

clarity



# Independent Auditor's audit report

on the annual financial statements of

Polski Fundusz Rozwoju S.A.

with the registered office in Warsaw

for the financial year from 1 January 2022 to 31 December 2022



*This document is a free translation of the independent auditors' report issued in Polish in electronic format. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation to enhance understanding. The binding Polish original should be referred to in matters of interpretation.*

# Independent Auditor's audit report on the annual financial statements

## to the General Meeting of Polski Fundusz Rozwoju S.A.

### Report on the audit of the financial statements

#### Opinion on financial statements

We have audited the accompanying annual financial statements of Polski Fundusz Rozwoju S.A. with its registered office in Warsaw, Krucza 50, hereinafter referred to as the „Company”, for the financial year from 1 January 2022 to 31 December 2022, consisting of the introduction to the financial statements, the balance sheet as at 31 December 2022, the profit and loss account, the statement of changes in equity and the cash flow statement for the financial year ending on that day, as well as additional information and explanations.

The financial statements have been prepared in an electronic format as a file titled „PFR\_JSF2022”, signed with electronic signatures of the Management Board of the Company on 26 May 2023.

The annual financial statements have been prepared in accordance with the principles of accounting and financial reporting specified in the Act dated 29 September 1994 on accounting, applicable to audits of financial statements prepared for the periods ending 31 December 2022, hereinafter referred to as the „Accounting Act”.

In our opinion, the accompanying annual financial statements of Polski Fundusz Rozwoju S.A.:

- give true and fair view of the financial position of the Company as of 31 December 2022, its financial performance and cash flows for the year then ended in accordance with the Accounting Act and applied accounting policies,
- comply, in all material respects, as to the form and content with the Accounting Act and the provisions of the Company's articles of association that apply to the financial statements,
- have been prepared, in all material respects, based on the properly kept accounting records in accordance with the Chapter 2 of the Accounting Act.

#### Basis for Opinion

We conducted the audit of the financial statements in accordance with the National Auditing Standards, in the wording of the International Auditing Standards, adopted by the National Council of Statutory Auditors, hereinafter referred to as the „National Auditing Standards”, the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight, referred to as hereinafter referred to as the „Act on Statutory Auditors”, applicable to audits of financial statements prepared for the periods ending 31 December 2022.

Our responsibilities under those standards are further described in the *Auditor's Responsibilities 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 Federation of Accountants, hereinafter referred to as “IESBA Code” as adopted in Poland by the National Board of Certified Auditors and the Act on statutory auditors. We have also fulfilled our other ethical responsibilities required by the Act on statutory auditors and IESBA Code.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. They are determined from:

- a) the areas for which we have assessed the risk of material misstatement as high,
- b) significant risks of material misstatement,
- c) significant auditor judgments relating to areas in the financial statements that involved significant management judgment,
- d) significant events or transactions that had significant effect on the audit.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Key audit matter: Assets and liabilities related to the government's Financial Shield programs**

Key audit matter's description	How the matter was addressed in the audit
<p>Pursuant to the Act of July 2019 on the system of development institutions, the Company performs tasks entrusted by state administration bodies. In 2022, these tasks included primarily servicing the governmental programs of the Financial Shield of Polski Fundusz Rozwoju for Large Companies, the governmental program of the Financial Shield of Polski Fundusz Rozwoju for Small and Medium Enterprises and the government support program for Polskie Linie Lotnicze LOT S.A. (hereinafter referred to as „Financial Shields”, „Financial Shield”).</p> <p>The Company, supporting the above programs, in accordance with the agreement on the conditions and procedure for the transfer of funds for the implementation of government programs concluded between Polski Fundusz Rozwoju S.A. and the State Treasury, undertakes actions for the account of the State Treasury and at its sole cost and risk. These activities include, among others: obtaining external financing through the issue of bonds and distribution of aid instruments in accordance with the terms of the above programs.</p> <p>In the financial statements as at 31 December 2022, the Company shows the assets of the Financial Shields in the amount of 74.608.552 PLN thousand and liabilities of the Financial Shields in the total amount of 74.608.552 PLN thousand.</p> <p>Inclusion in the financial statements of transactions resulting from the use of the Financial Shield programs required the use of judgment by the Management Board of the Company when determining the accounting principles (policy).</p> <p>Due to the value of the Financial Shield assets and liabilities, we considered this a key audit matter for us.</p> <p>Incorrect recognition and valuation of assets and liabilities of such material importance to the financial statements could cause them to be materially misstated.</p> <p>The introduction to the financial statements describes the principles of valuation of assets and liabilities related to the governmental Financial Shield programs, and note 1 of the additional information „Government Financial Shield programs” presents detailed information on the structure and value of these assets and liabilities.</p>	<p>During the audit, we performed procedures aimed at obtaining sufficient and appropriate audit evidence on the recognition, balance sheet valuation and presentation in the financial statements of assets and liabilities related to the government's Financial Shield programs.</p> <p>Below we present the performed procedures, which in our opinion were crucial for achieving the audit objectives:</p> <ul style="list-style-type: none"> <li>• conversations with the Company's key personnel in order to understand the most important conditions of individual Financial Shield programs and the Company's tasks in the field of their service,</li> <li>• analysis of legal regulations, agreements on the conditions and procedure for transferring funds for the implementation of government programs, conditions for the issue of bonds and program documents and regulations regarding the government programs of the Financial Shields,</li> <li>• obtaining an understanding of internal controls in the process of their service,</li> <li>• conducting a control test in the process of issuing redemption decisions regarding the PFR Financial Shield 2.0 for Micro, Small and Medium Enterprises,</li> <li>• analysis of the accounting policy regarding the valuation and presentation of assets and liabilities of the Financial Shield programs,</li> <li>• assessment of the valuation and presentation of assets and liabilities of the government's Financial Shield programs in the financial statements,</li> <li>• conducting credibility procedures regarding the existence, completeness, recognition and valuation of the assets and liabilities of the Financial Shields,</li> <li>• assessing the completeness and adequacy of disclosures in the financial statements related to the assets and liabilities of the government's Financial Shield programs.</li> </ul>

**Other information included in the annual report**

Other information is financial and non-financial information included in the annual report, other than the financial statement and audit report. Other information includes, among others, the report on the Company's activities for the year ended 31 December 2022, as well as the following elements of the annual report: selected financial data (in EUR); statements of the Management Board. The Company's Management Board and

members of the Supervisory Board are responsible for preparing other information.

Our opinion on the financial statements does not cover this other information and, unless expressly indicated in the „Report on other legal and regulatory requirements” section, we do not express any form of assurance about this other information. In addition, the scope of our work and the nature of our assurance are only as described.



In connection with our audit of the financial statements, our responsibility, in accordance with National Auditing Standards, is to read the other information during the audit, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be significantly misstated

If, based on the work we have performed on other information that we have obtained prior to the date of this audit report, we conclude that there is a material misstatement of that other information, we are required to include such information in the audit report. We have nothing to report in this regard.

By the date of our audit report, we have received a report on the Company's activities, and the annual report will be available after that date. In the event that we find a material misstatement in the annual report, we are obliged to inform the Supervisory Board of the Company.

#### Responsibilities of the Management Board and the Supervisory Board for the Financial Statements

The Management Board is responsible for the preparation of the annual financial statements that give true and fair view in accordance with the Accounting Act, their compliance with applicable laws and regulations and the Company's articles of association, as well as keeping the accounting records in accordance with the Accounting Act.

The Management Board is also responsible 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 Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

Under the Accounting Act the Management Board and members of the Supervisory Board are required to ensure that the financial statements are prepared in accordance with this act.

#### 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 National Auditing Standards 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. As part of an audit in accordance with National Auditing Standards:

- we exercise professional judgment and maintain professional skepticism throughout the audit and identify

and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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,

- 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 Company's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management,
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, 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,
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our audit does not involve any assurance on the future viability of the Company nor the efficiency nor effectiveness with which the Management Board of the Company has conducted and will conduct the affairs of the Company.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Under the Act on statutory auditors we are also required to express an opinion on whether financial statements comply, as to the form and content, with applicable laws as well as the Company's articles of associations and have been prepared based on the properly kept accounting records. We report on these matters based on the work undertaken in the course of the audit.





## Report on Other Legal and Regulatory Requirements

### Report on the Company's activities

The report on the Company's activities was prepared together with the consolidated report on the activities of the Capital Group of Polski Fundusz Rozwoju S.A. as one document in the form of an electronic file named „PFR\_SZ2022-sig”, signed with electronic signatures of the Management Board of the Company on 26 May 2023.

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

The Management Board of the Company is responsible for the preparation of the report on the Company's activities in accordance with the provisions of law. The Management Board of the Company and members of the Supervisory Board are responsible for ensuring that the report on the Company's activities is compliant with the requirements of the Accounting Act.

### Auditor's Responsibilities

Pursuant to the requirements of the Act on Statutory Auditors, we are obliged to formulate an opinion whether the report on the activities takes into account the provisions of the Accounting Act and whether it is consistent with the information contained in the annual financial statements.

Furthermore, we are also required to state, whether, in the light of the knowledge and understanding of the Company and its environment obtained during the course of the audit, we have not identified material misstatements in the report on the Company's activities, and report on these misstatements if noted.

We have read the report on the Company's activities. We considered whether it discloses the information required by these laws and whether the information is consistent with the audited financial statements. Reading the report on activities we also considered whether, in the light of the knowledge and understanding of the Company and its environment obtained during the course of the audit, it does not include material misstatements.

### Opinion on the report on the Company's activities

In our opinion, based on the work undertaken in the course of the audit, the accompanying report on the Company's activities of Polski Fundusz Rozwoju S.A. for the financial year ended on 31 December 2022:

- discloses the information required by the Article 49 of the Accounting Act,
- the information in this report is consistent with information in the audited annual financial statements.

In the light of the knowledge and understanding of the Company and its environment obtained during the course of the audit we have not identified material misstatements in the report on the activities.

### Other matters

The financial statements have been prepared in electronic form, in accordance with the logical framework and format published in the Public Information Bulletin on the website of the office supporting the minister competent for public finance. In order to read the data and information included in these financial statements correctly and fully, it is necessary to use an appropriate IT tool that reads such data and information based on relevant schemas and definitions specified in the Bulletin.

*Digitally signed on the Polish original*

Przemysław Koblak  
Statutory Auditor No. 13416

Key Statutory Auditor  
on behalf of PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.  
the audit firm number 477

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Warsaw, 26 May 2023

