



TRANSLATORS' EXPLANATORY NOTE

The English content of this report is a free translation of the registered auditor's report of the below-mentioned Polish Company. In Poland statutory accounts as well as the auditor's report should be prepared and presented in Polish and in accordance with Polish legislation and the accounting principles and practices generally adopted in Poland.

The accompanying translation has not been reclassified or adjusted in any way to conform to the accounting principles generally accepted in countries other than Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancies in interpreting the terminology, the Polish language version is binding.

Independent Registered Auditor's Report

To the General Shareholders' Meeting and the Supervisory Board of Ronson Development SE

Report on the audit of standalone financial statements

Our opinion

In our opinion, the accompanying annual standalone financial statements:

- give a true and fair view of the standalone financial position of Ronson Development SE (the "Company") as at 31 December 2023 and the Company's standalone financial performance and the standalone cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Company and the Company's Articles of Association;
- have been prepared on the basis of properly maintained books of account in accordance with the provisions of Chapter 2 of the Accounting Law of 29 September 1994 (the "Accounting Act").

What we have audited

We have audited the annual standalone financial statements of the Company which comprise:

- the Standalone Statement of Financial Position as at 31 December 2023;

and the following prepared for the financial year from 1 January to 31 December 2023:

- the Standalone Statement of Comprehensive Income;
- the Standalone Statement of Changes in Equity;
- the Standalone Statement of Cash Flows, and
- the Notes to the Standalone Financial Statements comprising a description of the material accounting policy information and other explanatory information to the standalone financial statements.

Basis for opinion

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing as adopted by the resolution of the National Council of Statutory Auditors and the resolution of the Council of the Polish Audit Supervision Agency ("NSA") and pursuant to the Law of 11 May 2017 on Registered Auditors, Registered Audit Companies and Public Oversight (the "Law on Registered Auditors").

Our responsibilities under NSA are further described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report.

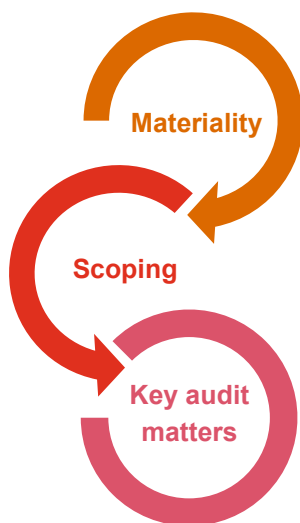
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by resolution of the National Council of Statutory Auditors and other ethical requirements that are relevant to our audit of the standalone 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 registered auditor and the registered audit firm remained independent of the Company in accordance with the independence requirements set out in the Law on Registered Auditors.

Our audit approach

Overview



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- The overall materiality threshold adopted for the purposes of our audit was set at PLN 5.5 million, which represents 0.7% of the Company's assets.
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- We have audited the annual standalone financial statement of the Company for the period ended 31 December 2023.
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- Measurement of investments in subsidiaries and impairment of granted loans to subsidiaries
-

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the standalone financial statements. In particular, we considered where the Company's Management Board made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the standalone financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the standalone financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the standalone financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the standalone financial statements as a whole.

Overall Company materiality	PLN 5.5 million
How we determined it	0.7% of the total assets of the Company
Rationale for the materiality benchmark applied	We have adopted the Company's total assets as the basis for determining materiality because the value of total assets in our opinion is an indicator commonly used by the users of financial statements to evaluate the operations of a holding company, which does not conduct direct business activities. We adopted the materiality threshold at 0.7% because based on our professional judgement it is within the acceptable quantitative materiality thresholds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. They include the most significant identified risks of material misstatements, including the identified risks of material misstatement resulting from fraud. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Measurement of investments in subsidiaries and impairment of loans granted to subsidiaries	Our audit procedures comprised in particular:

As at 31 December 2023, investments in subsidiaries in the standalone financial statements of Ronson Development SE. amounted to PLN 519,7 million (PLN 445.2 million as at 31 December 2022), whereas loans granted to subsidiaries amounted to PLN 240.3 million as at 31 December 2023 (PLN 276.6 million as at 31 December 2022), which represented 96% of total assets and total liabilities and equity as at that date (98% of total assets/equity and liabilities as at 31 December 2022).

The Company measures its investment in subsidiaries in accordance with IAS 27 "Separate Financial Statements" according to the equity method consisting in initial recognition at cost, and then adjusting for changes in the Company's share in the net assets of the subsidiaries, which occurred after the acquisition date. In the event of indication of impairment of the above-mentioned investment, the Company performs an impairment test in accordance with the guidelines of IAS 36 "Impairment of Assets". As at 31 December 2023 and prior year balance sheet date, the Company did not recognize any impairment allowance of investment in subsidiaries.

Loans granted to subsidiaries are measured at amortised cost, taking into account the expected credit losses in accordance with IFRS 9 "Financial Instruments". In respect of loans granted to subsidiaries, the Management assessed the impairment using expected credit loss methodology, which as of 31 December 2023 amounted to PLN 10.1 million (as at 31 December 2022: PLN 10.1 million). Estimates of impairment, including determining the correct recoverable value and the impairment allowance in respect of the loans granted to subsidiaries, requires significant estimates to be made by the Management Board. Expected future cash flows generated by subsidiaries, forecasted market conditions and discount rate are key assumptions that have significant impact on determining the recoverable value of investment in subsidiaries and decision about recognition of additional impairment or its reversal. To estimate the impairment allowance on the loans granted to

- a) identifying significant changes in the structure and discussing them with the representatives of the Company;
- b) assessing compliance of the adopted accounting policies in respect of investments in subsidiaries with the appropriate financial reporting standards;
- c) understanding and evaluation of the process of valuation of investment in subsidiaries according to the equity method, including the procedures for identifying indications of impairment and the method of determining and verifying the calculation of an impairment;
- d) critical assessment of indicators of potential impairment for significant balances of investments in subsidiaries, and in the event of indicator occurred, we analysed the impairment tests performed by the Management Board. In particular, as part of this work, we have done:
 - checking the mathematical correctness and methodological consistency of the adopted valuation model;
 - use of the results of our audit procedures performed for the purposes of the consolidation. As part of this work, we verified the valuation of assets owned by subsidiaries and the correctness of identification of the indicators for impairment of the net investment value as at 31 December 2023;
 - reconciliation of input data such as net result and net assets value to the financial data of subsidiaries within the scope of our audit procedures;
- e) understanding and evaluating the process of calculating impairment losses on loans granted to subsidiaries in accordance with the expected credit loss model;
- f) to determine the correctness of impairment allowances for loans granted to subsidiaries, we critically assessed the classification to the level of credit risk, made an independent calculation of allowances based on the parameters used by the Management Board and compared to determine whether there were any significant discrepancies;
- g) assessment of the completeness and correctness of disclosures on shares in subsidiaries and loans granted.

subsidiaries, the Company uses the probability of default based on individual analyses of the borrowers.

Using different measurement techniques and different assumptions to determine the recoverable value may result in materially different estimates of impairment allowances on the loans granted and of the value of investments in subsidiaries.

Taking into consideration the inherent risk of uncertainty related to significant judgments and estimates made by the Management Board, and the materiality of receivables and interest for the standalone financial statements, we have acknowledged that this is a key audit matter.

Accounting policies and disclosures relating to shares in subsidiaries, as well as receivables in respect of loans granted to subsidiaries have been described in Notes to standalone financial statements point 3(c) and in Notes 9 and 10.

Responsibility of the Management and Supervisory Board for the standalone financial statements

The Management Board of the Company is responsible for the preparation, based on the properly maintained books of account of the annual standalone financial statements that give a true and fair view of the Company's standalone financial position and results of operations, in accordance with International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the applicable laws and the Company's Articles of Association, and for such internal control as the Management Board determines is necessary to enable the preparation of standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Company's 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 the 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 and members of the Supervisory Board are obliged to ensure that the standalone financial statements comply with the requirements specified in the Accounting Act. Members of the Supervisory Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 NSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these standalone financial statements.

The scope of the audit does not include an assurance on the Company's future profitability nor the efficiency and effectiveness of the Company's Management Board conducting its affairs, now or in future.

As part of an audit in accordance with NSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 the Company's Management Board.
- Conclude on the appropriateness of the Company's Management Board'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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board 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.

From the matters communicated to the Supervisory Board, we determine those matters that were of most significance in the audit of the standalone 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.

Other information, including the report on the operations

Other information

Other information comprises a combined Report on the Parent Company's and the Group's operations for the financial year ended 31 December 2023 ("the combined Report on the operations").

Other information does not include the standalone financial statements and our auditor's report thereon.

Responsibility of the Management and Supervisory Board

The Management Board of the Company is responsible for the preparation of the combined Report on the operations in accordance with the law.

The Company's Management Board and the members of the Supervisory Board are obliged to ensure that the combined Report on the operations complies with the requirements of the Accounting Law.

Registered auditor's responsibility

Our opinion on the standalone financial statements does not cover the combined Report on the operations.

In connection with our audit of the standalone financial statements, our responsibility under NSA is to read the combined Report on the operations and, in doing so, consider whether the combined Report on the operations is materially inconsistent with the information in the standalone and consolidated financial statements, our knowledge obtained in our audit, or otherwise appears to be materially misstated. If, based on the work performed, we identified a material misstatement in the combined Report on the operations, we are obliged to inform about it in our audit report. In accordance with the requirements of the Law on the Registered Auditors, we are also obliged to issue an opinion on whether the combined Report on the operations has been prepared in accordance with the law and is consistent with information included in annual standalone financial statements and consolidated financial statements.

Statement on the Other information

We declare, based on the knowledge of the Company and the Group and its environment obtained during our audit, that we have not identified any material misstatements in the combined Report on the operations which we obtained before the date of this audit report.

Opinion on the combined Report on the operations

Based on the work we carried out during our audit, in our opinion, the combined Report on the operations:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act;
- is consistent with the information in the consolidated and standalone financial statements of the Parent Company.

The Key Registered Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of Registered Audit Companies with the number 144., is Piotr Wyszogrodzki.

Piotr Wyszogrodzki
Key Registered Auditor
No. 90091
Warsaw, 12 March 2024