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Independent Auditor's Report

**To the Supervisory Board
of Powszechny Zakład Ubezpieczeń Spółka Akcyjna**

Report on the Audit of the Solvency and Financial Condition Report

Opinion

We have audited the accompanying Solvency and Financial Condition Report of Powszechny Zakład Ubezpieczeń Spółka Akcyjna ("the "Entity") prepared as at 31 December 2023 and for the year then ended (the "Solvency and Financial Condition Report").

The Management Board of the Entity prepared the Solvency and Financial Condition Report based on:

- the Act on Insurance and Reinsurance Activities dated 11 September 2015 (the "Act on insurance and reinsurance activities"), and
- title I of the Delegated Regulation of the European Commission (EU) 2015/35 dated 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (the "Regulation")

(hereafter "the Basis of preparation").

The Solvency and Financial Condition Report was prepared to fulfil the requirements of Art. 284 of the Act on insurance and reinsurance activities.

In our opinion, the accompanying Solvency and Financial Condition Report of the Entity as at 31 December 2023 and for the year then ended was prepared, in all material respects, in accordance with the Basis of preparation.

Basis for Opinion

We conducted our audit in accordance with:

- International Standards on Auditing as adopted by the National Council of Statutory Auditors as National Standards on Auditing (the “NSA”), and
- Decree of Minister of Development and Finance dated 4 December 2017 on audit of solvency and financial condition report of insurer and reinsurer by audit firm (“Decree on audit of the Solvency and Financial Condition Report”).

Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Solvency and Financial Condition Report 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 and Ethics

We are independent of the Entity in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) as adopted by the resolution of the National Council of Statutory Auditors, together with the ethical requirements that are relevant to our audit and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of Matter – Basis of preparation

We draw attention to the basis of preparation disclosed in the Summary of the Solvency and Financial Condition Report.

The Solvency and Financial Condition Report was prepared to fulfil the requirements of art. 284 of the Act on insurance and reinsurance activities and may not be suitable for other purposes. Our opinion is not modified in respect of this matter.

Responsibility of the Management Board of the Entity and Those Charged with Governance for the Solvency and Financial Condition Report

The Management Board of the Entity is responsible for the preparation of the Solvency and Financial Condition Report in accordance with the Basis of preparation and for such internal control as the Management Board of the Entity determines is necessary to enable the preparation of the Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Solvency and Financial Condition Report, the Management Board of the Entity is responsible for assessing the Entity’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 of the Entity either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Solvency and Financial Condition Report

Our objectives are to obtain reasonable assurance about whether the Solvency and Financial Condition Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 NSAs 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 the Solvency and Financial Condition Report.

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

- identify and assess the risks of material misstatement of the Solvency and Financial Condition Report, 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Entity;
- conclude on the appropriateness of the Management Board of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Solvency and Financial Condition Report 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We communicate with those charged with governance of the Entity 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.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

General Information about the Entity

Powszechny Zakład Ubezpieczeń Spółka Akcyjna with its registered office in Warsaw, conducts its business in all groups of property and personal insurance listed in the Attachment to the Act on insurance and reinsurance activities for section II. The Entity was registered on 30 April 2001 in District Court for Capital City Warsaw under number KRS 0000009831, currently XIII Commercial Department of the National Court Register. The initial capital as at 31 December 2023 amounted to PLN 86,352,300.

Statement on Obtaining Required Information, Data, Explanations and Representations

During our audit of the Solvency and Financial Condition Report we obtained required information, data, explanations and representations from the Entity.

Other Statements Required by the Decree on Audit of the Solvency and Financial Condition Report

Insurance undertakings are obligated to comply with solvency requirements adopted by Act on insurance and reinsurance activities and title I of the Regulation. The Management Board of the Entity

is responsible for compliance with the above regulations, in particular for valuation of assets for solvency purposes, technical provisions for solvency purposes and liabilities other than technical provisions for solvency purposes, calculation of solvency capital requirement and minimum capital requirement, as well as assessment of the quality and valuation of own funds in accordance with applicable regulations.

Our responsibility was to audit the Solvency and Financial Condition Report, as a whole. In accordance with Decree on audit of the Solvency and Financial Condition Report the scope of our audit included, in particular, audit procedures with respect to the valuation and presentation of assets for solvency purposes, technical provisions for solvency purposes and liabilities other than technical provisions for solvency purposes, calculation of solvency capital requirement and minimum capital requirement, as well as the Management Board's assessment of the quality and valuation of own funds, including their coverage of solvency and minimum capital requirements, disclosure of explanations concerning significant differences in the basis and methods used for the valuation of assets for solvency purposes, technical provisions for solvency purposes and liabilities other than technical provisions for solvency purposes, in comparison to basis and methods used for valuation of assets, technical provisions for accounting purposes and other liabilities in the Entity's annual financial statements in accordance with the Act on insurance and reinsurance activities and the Regulation. However, the purpose of our audit was not to provide a separate opinion on these matters.

In accordance with the Regulation, based on our audit, we inform that the Management Board of the Entity as at 31 December 2023, in all material respects:

- determined the value of assets for solvency purposes in accordance with art. 223, paragraph 1 of the Act on insurance and reinsurance activities and section II in title I of the Regulation;
- determined the value of liabilities other than technical provisions for solvency purposes in accordance with art. 223, paragraph 2 and 3 of the Act on insurance and reinsurance activities and section II in title I of the Regulation;
- determined the value of technical provisions for solvency purposes in accordance with art. 224-235 of the Act on insurance and reinsurance activities and section III in title I of the Regulation;
- calculated the solvency capital requirement in accordance with art. 251 of the Act on insurance and reinsurance activities and section V and X in title I of the Regulation;
- calculated the minimum capital requirement in accordance with art. 271-275 of the Act on insurance and reinsurance activities and section VII and X in title I of the Regulation;
- assessed the quality of own funds and determined the amount of eligible own funds to meet the solvency capital requirement and eligible own funds to meet the minimum capital requirement in accordance with art. 238 and art. 240-248 of the Act on insurance and reinsurance activities and section IV in title I of the Regulation;
- presented complete explanations concerning significant differences in the basis and methods used for the valuation of assets for solvency purposes, technical provisions for solvency purposes and liabilities other than technical provisions for solvency purposes, in comparison to basis and methods used for valuation of assets, technical provisions for accounting purposes and other liabilities in the Entity's annual financial statements as at 31 December 2023 and for the year then ended.



Furthermore, we inform that the Entity as at 31 December 2023, in all material aspects:

- owned eligible own funds not lower than solvency capital requirements,
- owned eligible basic own funds not lower than minimum capital requirement.

On behalf of audit firm

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Registration No. 3546

Signed on the Polish original

Justyna Zań

Statutory Auditor

Registration No. 12750

Proxy

Warsaw, 4 April 2024