



#### TRANSLATORS' EXPLANATORY NOTE

The English content of this report is a free translation of the statutory 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 language 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 Statutory Auditor's Report

To the General Shareholders' Meeting and the Supervisory Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

### Report on the audit of financial statements

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#### Our opinion

In our opinion the accompanying annual financial statements:

- give a true and fair view of the financial position of Powszechny Zakład Ubezpieczeń S.A (the "Company") as at 31 December 2024 and the Company's financial performance and the cash flows for the year then ended in accordance with the applicable provisions of the Accounting Act of 29 September 1994 (the "Accounting Act") 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 accounts in accordance with the provisions of Chapter 2 of the Accounting Act.

Our opinion is consistent with our additional report to the Audit Committee of the Company issued on the date of this report.

#### What we have audited

We have audited the annual separate financial statements of Powszechny Zakład Ubezpieczeń S.A. which comprise:

- the balance sheet items as at 31 December 2024;
- and the following prepared for the financial year then ended:
- the technical account for non - life insurance
  - the general profit or loss account;
  - the statement of changes in equity;
  - the cash flow statement, and
  - the additional information comprising the introduction to the financial statements and additional notes and explanations

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#### Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing as adopted by the resolutions of the National Board of Statutory Auditors and the resolution of the Council of the Polish Agency for Audit Oversight ("NSA") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the "Act on Statutory Auditors") and the Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public interest entities (the "EU Regulation"). Our responsibilities under NSA are further described in the Auditor's responsibilities for the audit of the separate financial statements section.

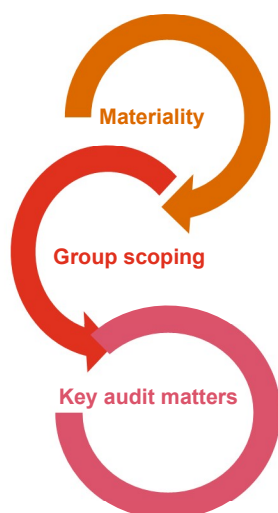
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Company in accordance with “the Handbook of the International code of ethics for professional accountants (including International independence standards) (Code of ethics) as adopted by resolution of the National Board of Statutory and other ethical requirements that are relevant to our audit of the financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics. During the audit, the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

## Our audit approach

### Overview



- The overall materiality threshold adopted for our audit was set at PLN 200.000 thousand, which represents approximately 5% of the profit before tax.
- All material items included in the financial statements were subject to our audit procedures.
- Uncertainty related to the valuation of the provision for incurred but not reported losses

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the 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.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the 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 financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the 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 financial statements as a whole.

<b>Overall materiality</b>	PLN 200.000 thousand
<b>How we determined it</b>	approximately 5% of the profit before tax
<b>Rationale for the materiality benchmark applied</b>	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds

We agreed with the Audit Committee of the Company that we would report to them misstatements of the financial statements identified during our audit above PLN 10.000 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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 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
<p><b>Uncertainty related to valuation of the provision for incurred but not reported claims</b></p> <p>The assessment of the amount of the provision for claims incurred but not reported (IBNR) is a complex issue that requires professional judgment. The IBNR provision is estimated based on the methodology adopted by the Company and assumptions regarding the development of insurance events. The assumptions and methodology require regular assessment and adjustment to changing patterns of claims development. There is a risk that the IBNR provision is calculated incorrectly, incompletely or based on erroneous assumptions.</p> <p>The value of the Provision for unpaid claims and benefits included in the financial statements as at 31 December 2024, of which the IBNR provision is a part, amounted to PLN 20,130,593 thousand.</p> <p>Considering the significance of the Provision for incurred but not reported claims in the financial statements, as well as due to the inherent risk of uncertainty related to significant estimates made by the</p>	<p>We reviewed the Company's accounting policy for the creation of the IBNR provision. We assessed this policy and its compliance with the Decree of the Minister of Finance dated 12 April 2016 on specific accounting principles for insurance and reinsurance undertakings.</p> <p>We analysed and assessed the main actuarial assumptions and methods used by the Company to value the IBNR provision. For insurance products selected for the sample in terms of size or risk of error, we performed an independent calculation of the best estimate of IBNR. For the entire Reserve for unpaid claims and benefits, we analysed the total level of accounting reserves, taking into account the level of prudence.</p> <p>In order to assess the quality of the methodologies and process of estimating the IBNR provision and the correctness of the adopted actuarial assumptions, we have assessed the development of provisions for unpaid claims and benefits created as at 31 December 2023, based on the run-off analysis prepared by the Company.</p>



Management Board, we considered this to be a key audit matter.

The principles for creating the IBNR provision are presented in point 12.8.3. Introduction to the financial statements, while the split of provision for outstanding claims and benefits into accounting classes is presented in note 9.2.1. of the notes to the financial statements.

We verified key reports containing data used by the Company to calculate the IBNR provision.

We engaged our actuarial experts to perform the above procedures.

We also assessed the accuracy and completeness of the disclosures in the financial statements.

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## Responsibility of the Management and Supervisory Board of the Company for the financial statements

The Management Board of the Company is responsible for the preparation, based on the properly maintained books of accounts of the annual financial statements that give a true and fair view of the Company's financial position and results of operations, in accordance the provisions of the Accounting Act, the adopted accounting policies, the applicable laws and the Company's Articles of Association, and for such internal control as the Company's 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 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 Company's 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 financial statements comply with the requirements specified in the Accounting Act. Members of the Supervisory Board are responsible for overseeing the financial reporting process.

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## Auditor's responsibility 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 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 financial statements.

The scope of the audit does not include an assurance on the Company's future profitability nor the efficiency and effectiveness of conducting its affairs by the Company's Management Board, 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 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 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 the Audit Committee of the Company 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 also provide the Audit Committee of the Company 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.

From the matters communicated to the Audit Committee of the Company, 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.

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## Other information

### Other information

Other information comprises:

- a Report on the Company's operations for the financial year ended 31 December 2024 ("the Report on the operations") and the corporate governance statement which is a separate part of the Report on the operations,
- other documents comprising the Annual Report for the financial year ended 31 December 2024 ("the Annual Report"),

(together "Other Information").

Other information does not include the financial statements of the Company and the consolidated financial statements of the Powszechny Zakład Ubezpieczeń Capital Group and our auditor's report thereon.

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

The Management Board of the Company is responsible for the preparation of the Other Information in accordance with the law.

The Company's Management Board and the members of the Supervisory Board are obliged to ensure that the Report on the operations including its separate part comply with the requirements of the Accounting Act.

### **Statutory auditor's responsibility**

Our opinion on the financial statements does not cover the Other Information.

In connection with our audit of the financial statements, our responsibility under NSA is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the information in the 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 Other Information, we are obliged to inform about it in our audit report.

In accordance with the requirements of the Act on the Statutory Auditors, we are also obliged to issue an opinion on whether the Report on the operations, to the extent not related to sustainability reporting, has been prepared in accordance with the law, is consistent with information included in annual financial statements and to issue a statement as to whether, in the light of the knowledge about the Company and its environment obtained during the audit, any material misstatements have been identified in the Report on the operations to the extent not related to sustainability reporting, and an indication of what any such material misstatement is.

Moreover, we are obliged to issue an opinion on whether the Company provided the required information in its corporate governance statement .

### **Statement on the Other information**

We declare, based on the knowledge of the Company and its environment obtained during our audit, that we have not identified any material misstatements in the Report on the operations, to the extent not related to sustainability reporting and in the remaining Other information.

The Report on the operations, to the extent related to sustainability reporting, for the financial year ended 31 December 2024 was the subject of our separate limited assurance engagement, from which on 26 march 2025 we issued a report, containing an unmodified opinion.

As a result of our procedures under the NSA regarding identification of material misstatements in the Report on the operations, to the extent related to sustainability reporting, we have no matters to report in this respect.

### **Opinion on the Report on the operations to the extent not related to sustainability reporting**

Based on the work we carried out during our audit, in our opinion, the Report on the operations, to the extent not related to sustainability reporting:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and paragraph 70 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent information required by the laws of a non-Member State (the "Regulation on Current Information") and Article 54 section 2 of the Regulation of the Minister of Finance of 12 April 2016 on specific accounting principles for insurance and reinsurance undertakings;
- is consistent with the information in the financial statements.

### **Opinion on the corporate governance statement**

In our opinion, in its corporate governance statement, the Company included information set out in [para. 70.6 (5) of the Regulation on current information. In addition, in our opinion, information specified in paragraph 70.6 (5)(c)–(f), (h) and (i) of the said Regulation included in the corporate governance statement are consistent with the applicable provisions of the law and with information included in the financial statements.



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## Report on other legal and regulatory requirements

### Information on compliance with prudential regulations

The Management Board of the Company is responsible for compliance with applicable prudential regulations specified in separate regulations and for creating technical and insurance reserves in an amount that ensures full fulfillment of current and future obligations resulting from concluded insurance or reinsurance agreements.

Technical reserves created as at 31 December 2024 have been disclosed in Note 9 of the financial statements.

We are obliged to give information in our report on the audit of the financial statements as to whether the Company has complied with the applicable prudential regulations set out in separate legislation, and in particular, whether the Company created technical reserves for accounting purposes in an amount enabling it to fully meet its current and future liabilities under insurance or reinsurance agreements concluded, in accordance with separate legislation. For the purposes of this information, separate legislation is understood to be the Act of 11 September 2015 on insurance and reinsurance activities ("the Act on insurance activities").

It is not the purpose of an audit of the financial statements to present an opinion on compliance with the applicable prudential regulations specified in the separate legislation specified above, and in particular, on the correct determination of technical reserves, and therefore, we do not express such an opinion.

Based on the work performed by us, we inform you that we have not identified:

- any cases of non-compliance by the Company with the applicable prudential regulations set out in the separate legislation referred to above, in the period from 1 January to 31 December 2024;
- any irregularities in the determination by the Company of technical reserves for accounting purposed in an amount enabling it to fully meet its current and future liabilities under insurance or reinsurance agreements concluded, as at 31 December 2024, in accordance with the separate legislation referred to above,

which would have a material impact on the separate financial statements.

### Statement on the provision of non-audit services

To the best of our knowledge and belief, we declare that the non-audit services prohibited under Article 5(1) of the EU regulation and Article 136 of the Act on Statutory Auditors were not provided and the non-audit services that we provided to the Company and its controlled entities within the European Union are in accordance with the applicable laws and regulations in Poland.

The non-audit services which we have provided to the Company and its controlled entities within the European Union during the period from the beginning of the audited period to the date of issuing this report are disclosed in the Report on the Company's operations note 7.6.4.

### Appointment

We have been appointed to audit the annual financial statements of the Company by the Resolution URN/143/2022 of the Supervisory Board of 24 August 2022. Financial statements of the Company were audited by us for the first time.



The Key Statutory Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of audit firms with the number 144., is Tomasz Orłowski.

Original report is signed in Polish language

Tomasz Orłowski

Key Statutory Auditor

No. in the registry: 12045

Warsaw, 26 March 2025 r.