

**HELIO
SPÓŁKA AKCYJNA**

This translation was drawn up in accordance with the documents, which had been prepared in Polish.

The contents of these documents are decisive in case of dispute.

KATOWICE, OCTOBER 2022



**THE INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS' MEETING AND THE SUPERVISORY BOARD OF
HELIO SPÓŁKA AKCYJNA**

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of HELIO Spółka Akcyjna based in Wyględy, („the company”), which comprise the introduction to the financial statements, the balance sheet as at 30 June 2022 and the income statement, statement of changes in equity and statement of cash flows for the financial year from 1 July 2021 to 30 June 2022 and the additional information and explanations (“the financial statements”).

In our opinion, the accompanying financial statements:

- give a true and fair view of the economic and financial position of the company as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with applicable regulations of the Accounting Act of 29 September 1994 (“the Accounting Act” - Journal of Laws of 2021, item 217 with later amendments) and the accepted accounting principles (policies),
- are consistent in form and content with the applicable laws and the company’s statute,
- have been prepared based on properly kept accounting records in accordance with the regulations of Chapter 2 of the Accounting Act.

This opinion is consistent with the additional report to the audit committee that we issued on 26 October 2022.

Basis for Opinion

We conducted our audit in accordance with Polish Standards on Auditing in the wording of International Standards on Auditing adopted by resolution of the National Chamber of Statutory Auditors No. 3430/52a/2019 of 21 March 2019 on national audit standards and other documents with later amendments (“PSAs”) and in accordance of the act of 11 May 2017 on Statutory Auditors, Audit Firms and public oversight (“Act on statutory auditors” - Journal of Laws of 2022, item 1302) and Regulation of the European Parliament and of the Council (EU) No 537/2014 of 16 April 2014 on detailed requirements regarding statutory audits of financial statements of public-interest entities („regulations UE” – Journals of Laws UE L 158 with later amendments). 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 International Code of Accountants' Ethics (including International standards of independence) of the International Ethics Standards Board for Accountants ("Code of IESBA"), adopted by resolutions of the National Chamber of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 of the principles of professional ethics of statutory auditors with later amendments and with other ethical requirements that are relevant to the audit of the financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of IESBA. Throughout the audit, both the key statutory auditor and the audit firm remained independent of the company in accordance with independence requirements set out in the Act on Statutory Auditors and Regulations UE.

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 matters that in our professional judgment were key audit during the financial statements for the current reporting period. They include the most significant types of the risk of material misstatement, including the risk of material misstatement caused by fraud. We have addressed these matters in the context of our audit of the financial statements as a whole and in forming our opinion and we have summarized our response to these risks and in those cases where deemed it appropriate, we have provided the most important insights related to these risks. We do not express a separate opinion in these matters.

Key audit matters	Addressing this matter during the audit
<p>In the audited financial year, there was a significant concentration of sales to one recipient.</p> <p>There is a qualitative risk for the statement that information about the concentration of sales and its scale will not be disclosed in the financial statements.</p>	<p>We discussed the issue of concentration of sales and disclosures in the financial statements with the company, we verified the information on the concentration of sales disclosed in the financial statements, we agreed the presented data to the accounting records and we considered whether the disclosed disclosure allows us to state that the financial statements present a true and fair view.</p> <p>Disclosures regarding the concentration of sales are included in the explanatory notes 19a and 20a of the income statement.</p>
<p>Risk of unrecognized impairment of inventories.</p> <p>Inventories are a significant item of assets.</p> <p>Due to their nature, there is a risk of impairment that will not be properly recognized in the financial statements.</p>	<p>We discussed with the Management Board of the company circumstances that could potentially indicate the occurrence of impairment, we got acquainted with and assessed the accounting policy in terms of making revaluation write-offs and estimates, we analyzed the obtained price of goods for sale on a selected sample, we analyzed the expiry date of goods on a selected sample, we discussed with the Management Board plans for the use of significant assets exposed to impairment.</p>



Responsibilities of the Company's Management and Those Charged with Governance for the Financial Statements

The company's management is responsible for the preparation, based on properly kept accounting records, of these financial statements which give a true and fair view of the economic and financial position of the company and of its financial performance in accordance with the Accounting Act, accepted accounting principles (policies) as well as applicable laws and the company's articles of association and for such internal control as the company's 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 company's management is responsible for assessment of the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the company's management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The company's management and the members of the company's supervisory board shall ensure that the financial statements meet the requirements set forth in the Accounting Act. The members of the company's supervisory board are responsible for overseeing the company's financial reporting process.

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 PSAs 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 concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified during the audit misstatements and of uncorrected misstatements, if any, on the financial statements and in forming the auditor's opinion. In connection with the above all the conclusions and findings included in the auditor's report are given applying qualitative and quantitative level of materiality determined in accordance with auditing standards and auditor's professional judgement.

The scope of an audit does not include an assurance about the future profitability of the company or the effectiveness or efficiency of the company's management in managing the company's affairs present or in the future.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional scepticism, and 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 principles (policies) used and the reasonableness of accounting estimates and related disclosures made by the company's management;
- conclude on the appropriateness of the company's 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 the company's 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.

We make a statement to the supervisory board that we have complied with the relevant ethical requirements regarding independence and that we will inform them of all relations and other matters that could reasonably be considered a threat to our independence, and, where applicable, inform about the safeguards applied.

Among the matters referred to the supervisory board, we identified those matters that were most significant during the audit of the financial statements for the current reporting period, and therefore we considered them to be key audit matters. We describe these matters in our auditor's report, unless laws or regulations prohibit public disclosure or when, in exceptional circumstances, we determine that the matter should not be reported in our report because it would reasonably be expected that the negative consequences would outweigh the benefits of such information for the public interest.

Other Information, including the Management Report

Other information includes a management report on the company's activities in the financial year ended 30 June 2022 ("the management report") with a statement on the application of corporate governance, which is a separate part of this report and the annual report for the financial year ended 30 June 2022 ("annual report") (together "other information").

Responsibilities of the Management and Those Charged with Governance

The company's management is responsible for the preparation of the management report in accordance with the applicable laws.

The company's management and members of the company's supervisory board are obliged to ensure that the management report meets the requirements of the Accounting Act.

Auditor's Responsibilities

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to familiarize ourselves with the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact in our auditor's report. Additionally, under the Act on Statutory Auditors we are obliged to express an opinion on whether the management report has been prepared in accordance with the applicable laws and whether it is consistent with the information contained in the financial statements. In addition, we are required to provide an opinion as to whether the company has included the required information in its corporate governance statement.

We have obtained management report before the date of this audit report, and the annual report will be available after that date. If we find a material misstatement in an annual report, we are required to inform the supervisory board of the company about it.

Opinion on Management Report

Based on our work performed during the audit, we are of the opinion that the management report:

- has been prepared in accordance with article 49 of the Accounting Act and described in paragraph 70 Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state ("resolution of current information" - Journal of Laws of 2018, item 757).
- is consistent with the information contained in the financial statements.

Furthermore, in the light of the knowledge and understanding of the company and its environment obtained in the course of our audit, we declare that we have not identified any material misstatements of the management report.

Opinion on the statement on the application of corporate governance

In our opinion, in the statement about the application of corporate governance, the company has specified information in paragraph 70, paragraph 6 point 5 resolution of current information. Moreover, in our opinion information indicated in paragraph 70, paragraph 6 point 5 lit. c-f, and h-i of Regulation on current information included in the statement about the application of corporate governance are in accordance with the law and information contained in the annual financial statements.

Report on Other Legal and Regulatory Requirements

The statement on services provided that are not financial statements audit

To the best of our knowledge and belief, we declare that that the non-audit services we have provided to the company and its subsidiaries are in accordance with the laws and regulations in force in Poland and we have not provided non-audit services that are prohibited by art. 5 paragraph 1 of Regulation EU and by art. 136 of the Act on Statutory Auditors. The non-audit services that we provided to the company during the period under audited are listed in section 10 of the Statement of Corporate Governance of Helio S.A. for the financial year 2021/2022, which forms a separate part of the Report on the activities of the company.

Selecting an auditing company

We have been selected to audit the company's financial statements with the resolution of the supervisory board of 11 November 2017 and again by a resolution of the supervisory board of 25 October 2019. We have audited the company's financial statements continuously from the financial year ended 30 June 2018; that is for the consecutive five years.

The key statutory auditor on the audit resulting in this independent auditor's report is Wojciech Berek entered in the auditor's register under number 11540, acting on behalf of Kancelaria Porad Finansowo-Księgowych dr Piotr Rojek Spółka z ograniczoną odpowiedzialnością based in Katowice entered on the list of audit firms under number 1695.

Katowice, 26 October 2022