



Report of the independent
auditor on the audit of the
annual financial
statements

Poznań, on 27 March 2024

Caspar Asset Management S.A.

for the financial year ended 31 December 2023

Report of the independent auditor on the audit of the annual financial statements

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**For the General Meeting and the Supervisory
Board of
Caspar Asset Management S.A.**

Opinion

We have audited the annual separate financial statements of **Caspar Asset Management S.A.** ("Company", "Entity") with its registered office in Poznań, ul. Półwiejska 32, KRS 0000335440, for the financial year ended 31 December 2023, which comprise:

- a. statement of financial position as at 31 December 2023, which shows on the assets and liabilities side a total of PLN 26 **211 thousand**,
- b. statement of profit or loss and other comprehensive income for the financial year from 1 January 2023 to 31 December 2023, which shows a net profit in the amount of PLN 4 **203 thousand** and total income in the amount of PLN 4 **538 thousand**,
- c. statement of changes in equity for the financial year from 1 January 2023 to 31 December 2023, which shows a decrease in equity of PLN 985 **thousand**,
- d. cash flow statement for the financial year from 1 January 2023 to 31 December 2023, which shows a negative cash flow of PLN 838 **thousand**,
- e. notes to the financial statements ("financial statements").

In our opinion, the financial statements:

- a. present a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as endorsed by the European Union and the accounting policies adopted,

- b. comply in form and content with the applicable laws and the Company's Articles of Association,
- c. have been prepared on the basis of properly maintained accounting books in accordance with the provisions of Chapter 2 of the Accounting Act ("Accounting Act" - consolidated text Polish Journal of Laws of 2023, item 120 as amended).

This opinion is consistent with the supplementary report to the Audit Committee that we issued as of the date of this audit report.

Basis for the opinion

We conducted our audit in accordance with:

- a. National Auditing Standards in the wording of the International Auditing Standards adopted by resolutions of the National Council of Statutory Auditors and the Board of the Polish Audit Supervision Agency ("NAS"),
- b. the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision ("Act on Statutory Auditors" - consolidated text Polish Journal of Laws of 2023, item 1015, as amended),
- c. Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, repealing Commission Decision 2005/909/EC ("EU Regulation" OJ EU L 158 of 27.05.2014, p. 77 as amended).

Our responsibilities under these standards are further described in the section of our report *Statutory auditor's responsibility for the audit of the financial statements*.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) of the International Ethical Standards Board for Accountants (the "IESBA Code") adopted by Resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics for statutory auditors and other ethical requirements that apply to the audit of financial statements in Poland. We have fulfilled our other ethical obligations in accordance with these requirements and the IESBA Code. During the audit, the key auditor and the audit firm remained independent of the Company in accordance with the independence requirements of the Act on Statutory Auditors and the EU Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to form the basis of our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were most significant during the audit of the financial statements for the reporting period. These cover the most significant areas of risk of material misstatement to which the Company is exposed, in our judgement, including the assessed risks of material misstatement due to fraud. We considered the key matters of the audit to be presented in our report as described below.

We have addressed these matters in the context of our audit of the financial statements as a whole and in formulating our opinion. In addition, we have summarised our response to these risks and, where we considered it appropriate, provided key insights related to these risks. We do not express a separate opinion on these matters.

KEY ISSUE OF THE AUDIT - RECOGNITION OF REVENUE FROM CORE ACTIVITIES

Revenue from core operations for the financial year ended 31 December 2023 amounted to PLN 19,843 thousand.

The accounting policy for the method of recognition of sales revenue is described in the financial statements in subsection (c) of the “Basis of preparation of the annual financial statements” section of the notes to the financial statements. Disclosures relating to sales revenue are provided by the Company in Note 1 of the notes to the financial statements.

This issue was pivotal to our audit, as sales revenue is an important area of the financial statements. In addition, we considered the correctness of revenue recognition to be a key issue due to the fact that this item is by its nature subject to misstatement due to error or fraud.

HOW OUR AUDIT ADDRESSED THIS ISSUE

As part of the audit, we documented our understanding of:

- internal control operating in the area of core business revenue,
- the Company's overall process for identifying, recognising, measuring and presenting individual sources of revenue, including the significant judgements and estimates associated with them.

In particular, our procedures included:

- a review of the internal regulations adopted by the Company on revenue recognition,
- an analysis of the compliance of these regulations with the applicable legislation,
- analytical procedures, consisting, in particular, in the analysis of trends in recognised revenues from the fixed management fee,
- independent recalculation of the total recognised revenue from the management of fund portfolios under the management of the subsidiary Caspar Towarzystwo Funduszy Inwestycyjnych S.A.,
- reconciliation of the revenue recognised in the accounts for the management of portfolios of individuals with data from the Company's operating system,
- agreeing on the rates and the calculation of management fees to the relevant source documents,

- detailed revenue tests on a selected sample of source documents, including reconciliation with agreements concluded and confirmation of payment received,
- independent confirmations of balances with the Company's counterparties selected in the sample,
- confirmation of revenue from subsidiaries with the data shown in the accounts of these entities,
- verification of the completeness of revenue recognition in the period under review, in particular by analysing transactions concluded at the turn of the year,
- assessment of the adequacy of disclosures in the financial statements regarding sales revenue.

As a result of the audit procedures, we have not identified any significant issues that would require modification of the audit opinion.

KEY AUDIT MATTER - VALUATION OF INVESTMENTS IN SUBORDINATED ENTITIES

The investments in subsidiaries disclosed in the Company's assets at the balance sheet date amounted to PLN 5 801 thousand. These included in particular shares in subsidiaries F-Trust S.A. and Caspar Towarzystwo Funduszy Inwestycyjnych S.A.

The Management Board of the Company analysed the value of these shares and, with regard to the shares in F-Trust S.A., decided that an impairment test was required. An independent body was commissioned to carry out the impairment test. As a result of the analyses performed, no indication of a possible impairment of this investment was identified.

Disclosures related to interests in subordinated entities are provided by the Company in notes 8 and 9 of the notes to the financial statements. The significant assumptions for the impairment test performed are disclosed by the Entity in note 8 of the notes to the financial statements.

This issue was of key importance to our audit as it related to a significant asset in terms of value. In addition, this area was the subject of our particular scrutiny as it involved significant judgement by the Management Board. The assumptions made for the impairment test of the shares held were made both at the subsidiary level and on a macroeconomic scale, representing a complex issue whose results were sensitive to the assumptions made.

HOW OUR AUDIT ADDRESSED THIS ISSUE

As part of the audit, we documented our understanding of:

- internal controls operating in the area of investments in subordinated entities,
- the overall process of valuing investments in subordinated entities, including the significant judgements and estimates involved.

We analysed the financial data of all subordinated entities in which the Company had exposure as at 31 December 2023 and performed procedures to assess the identification of impairment indicators for these assets.

With regard to the understanding of significant judgements and estimates in respect of subordinated entities, we have in particular documented our understanding of the impairment testing process.

Our procedures included a critical assessment of the validity of the Company's impairment model and its assumptions, with particular attention paid to:

- comparing the key assumptions in the model with market expectations, including a comparison of the future assets, liabilities, revenues, costs and expected margin to be achieved, which determined the assumptions made about the subsidiary's ability to generate future free cash flow,
- checking the mathematical correctness of the model based on discounted future cash flows,
- assessing the reasonableness of the subsidiary's financial forecasts adopted by the Management Board, inter alia by analysing the estimates and assumptions made, comparing current performance to previous forecasts and historical data,
- assessing the reasonableness of the macroeconomic assumptions used for the test,
- assessing the independence, competence, skills and objectivity of the experts who performed and documented the impairment test,
- assessing the impact of events after the balance sheet date on the outcome of the impairment test,
- assessing the correctness and completeness of the disclosures for the impairment test performed.

As a result of the audit procedures, we have not identified any significant issues that would require modification of the audit opinion.

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

The Management Board of the Company is responsible for the preparation, on the basis of properly maintained accounting records, of financial statements that give a true and fair view of the Company's financial position and performance in accordance with International Financial Reporting Standards as endorsed by the European Union, with the accounting principles (policies) adopted and with 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 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, where applicable, matters related to going concern and adopting the going concern basis of accounting, except where the Management Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to liquidate or cease operations.

The Management Board of the Company and the members of the Supervisory Board are obliged to ensure that the financial statements meet the requirements of the Accounting Act.

Members of the Supervisory Board are responsible for overseeing the Company's financial reporting process.

Statutory 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 audit report that includes our opinion. Reasonable assurance is a high level of certainty, but does not guarantee that an audit conducted in accordance with the NAS will always detect an existing material misstatement. Misstatements may arise from fraud or error and are considered material if they could reasonably be expected to affect, either individually or in the aggregate, the economic decisions of users taken on the basis of those financial statements.

The concept of materiality is applied by the auditor both in planning and performing the audit and in assessing the impact of the misstatements identified in the audit and uncorrected misstatements, if any, on the financial statements and in forming the auditor's opinion. Accordingly, all opinions and statements contained in the audit report are expressed having regard to the qualitative and value level of materiality determined in accordance with auditing standards and the auditor's professional judgement.

The scope of the audit does not include assurance as to the future profitability of the Company or the efficiency or effectiveness of the management of its affairs now or in the future.

We use professional judgement and maintain professional scepticism when investigating in line with the NAS and:

- a. we identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures appropriate to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failure to detect a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentation or circumvention of internal controls;
- b. we obtain an understanding of the internal control relevant to the audit for the purpose of designing 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;
- c. we assess the reasonableness of the accounting policies used and the correctness of the accounting estimates and related disclosures made by the Management Board;
- d. we conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and verify, based on the audit evidence obtained, whether there is a material uncertainty 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 the audit report to related disclosures in the financial statements or modify our opinion if such disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our audit report, however, future events or conditions may cause the Company to cease to operate as a going concern;

- e. we assess the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieves a fair presentation.

We provide the Supervisory Board with information on, among other things, the planned scope and timing of the audit and the significant findings of the audit, including any significant internal control weaknesses that we identify during the audit.

We make a statement to the Supervisory Board that we have complied with the relevant ethical requirements for independence and that we will inform them of all relationships and other matters that could reasonably be considered to pose a threat to our independence and, where applicable, inform them of the safeguards in place.

Of the matters reported to the Supervisory Board, we have identified those matters that were most significant during the audit of the financial statements for the current reporting period and therefore considered them to be key audit matters. We describe these matters in our auditor's report unless a law or regulation prohibits public disclosure or if, in exceptional circumstances, we determine that the matter should not be presented in our report because the negative consequences could reasonably be expected to outweigh the benefits of such information to the public interest.

Other information, including report on operations

Other information consists of the management report of the Company's operations for the financial year ending 31 December 2023 (the "management report") together with the corporate governance statement, which is a separate part of this management report, and the annual report for the financial year ending 31 December 2023 (excluding the annual financial statements and our auditor's report) (collectively "other information").

Responsibility of the Management Board and Supervisory Board for the preparation of other information

The Management Board of the Company is responsible for the preparation of other information in accordance with the Accounting Act and other applicable laws.

In addition, the Management Board and the members of the Supervisory Board of the Company are obliged to ensure that the management report, together with its separated part, meets the requirements of the Accounting Act and other applicable laws.

Responsibility of the statutory auditor

Our opinion on the annual financial statements does not cover other information. In connection with the audit of the annual financial statements, it is our responsibility to read other information and, in doing so, to consider whether it is materially inconsistent with the annual financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If, on the basis of the work performed, we find material misstatements of other information, we are required to report this in our audit report. As required under the Statutory Auditors Act, our responsibility is also to express an opinion as to whether the management report has been prepared in accordance with the regulations and whether it is consistent with the information contained in the financial statements. In addition, we are required to report whether the Company has included the required information in its corporate governance statement.

We obtained the Company's management report before the date of this audit report and the annual report will be available after that date. In the event that we identify a material misstatement in the annual report, we are obliged to inform the Supervisory Board of the Company.

Opinion on the management report

Based on the work we have done, in our opinion, the Company's management report:

- a. has been prepared in accordance with Art. 49 of the Accounting Act, § 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 ("Regulation on current information" -Polish Journal of Laws of 2018, item 757 as amended), as well as in accordance with other applicable laws,
- b. is consistent with the information contained in the financial statements.

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

Opinion on the corporate governance statement

In our opinion, the Company has included the information specified in § 70(6)(5) of the regulation on current information in its corporate governance statement.

Furthermore, in our opinion, the information indicated in § 70(6)(5)(c-f, h and i) of this regulation contained in the corporate governance statement is consistent with the applicable regulations and the information contained in the financial statements.

Report on other legal and regulatory requirements

Information on compliance with prudential regulations

The Management Board of the Company is responsible for ensuring that the Entity complies with prudential regulations, including the correct determination of capital ratios.

It is our responsibility to inform you in the audit report whether the Entity has complied with the applicable prudential regulations set out in separate regulations, in particular whether the Company has correctly determined the capital ratios presented in note 26 of the notes to the financial statements. For the purposes of this communication, separate legislation means in particular Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014.

The purpose of our audit of the financial statements was not to express an opinion on the Entity's compliance with applicable prudential regulations and the correctness of its determination of capital ratios, and we therefore express no opinion on these matters.

Based on our audit procedures, we report that, in our opinion, the Company:

- a. complied with the applicable prudential regulations set out in separate regulations during the period from 1 January 2023 to 31 December 2023,
- b. as at 31 December 2023, determined capital ratios that would have a material impact on the financial statements in a manner consistent with separate regulations.

Statement on non-audit services provided

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Company and its subsidiaries comply with the laws and regulations applicable in Poland and that we have not provided non-audit services that are prohibited under Art. 5(1) of the EU Regulation and Art. 136 of the Act on Statutory Auditors.

The non-audit services that we provided to the Company and its subsidiaries during the period under review are listed in the management report and note 27.5 of the notes to the financial statements.

Selection of the audit firm

We were appointed to audit the Company's financial statements by a resolution of the Supervisory Board of the Company dated 31 May 2023. We are auditing the Company's financial statements for the first time.

The key auditor responsible for the audit resulting in this independent statutory auditor's report is Marta Baranowska.

Marta Baranowska

number in the register of statutory auditors 13197

acting on behalf of 4AUDYT sp. z o.o. with its registered office in Poznań, at 7/1 Skryta Street, entered on the list of audit firms under number 3363.

Poznań, on 27 March 2024