

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE
ANNUAL FINANCIAL STATEMENTS**

for the period

from January 1, 2022

to December 31, 2022

for

the Citizens Network Watchdog Poland Association

**ulica Ursynowska 22 lok. 2
02-605 Warsaw**

June 12, 2023

Independent auditor's report on the audit

For the General Assembly of Members, the Audit Committee and the Board of the Civil Network Watchdog Poland Association

Report on the audit of the annual financial statements

Opinion

We have audited the annual financial statements of the Citizens Network Watchdog Poland Association (the "Association"), which comprise the introduction to the financial statements, the balance sheet as of December 31, 2022, and the income statement for the fiscal year from January 1 to December 31, 2022, and the notes to the financial statements (the "financial statements").

In our opinion, the attached financial statements:

- present a reliable and clear picture of the Company's property and financial situation as at 31 December 2022 and its financial result for the financial year ended on that date in accordance with the applicable provisions of the Accounting Act of 29 September 1994 ("the Accounting Act") - i.e. Dz. U. of 2023, item 120, as amended) and the adopted accounting principles (policies);
- are consistent in their form and content with the applicable laws and regulations binding the Association as well as provisions of the Association's Articles of Association;
- have been prepared on the basis of properly maintained accounting books in accordance with the provisions of Chapter 2 of the Accounting Act.

Basis for the opinion

We conducted our audit in accordance with the National Auditing Standards in the wording of the International Auditing Standards adopted by Resolution of the National Council of Statutory Auditors No. 3430/52a/2019 dated March 21, 2019 on National Auditing Standards and other documents, as amended, ("NAS") and in accordance with the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Supervision ("Act on Statutory Auditors" i.e. Dz. U. of 2022, item 593, as amended) Our responsibility, in accordance with these standards, is further described in the section of our report entitled "Statutory Auditor's Responsibility for Auditing the Financial Statements".

We are independent of the Association 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 dated March 25, 2019 on



the principles of professional ethics of auditors and with other ethical requirements that apply to the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During our audit, the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements specified in the Act on Statutory Auditors.

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

Another issue

The Association's financial statements for the year ended December 31, 2021 were not audited, as the Association was not required to do so.

Responsibility of the Management Board and the Audit Committee for the financial statements

The Association's Management Board is responsible for drawing up, on the basis of properly maintained accounting records, financial statements that give a true and fair view of the financial position and results of operations of the Association in accordance with the provisions of the Accounting Act, the accounting principles (policy) adopted and the legal provisions and the statute applicable to the Association, and for such internal control as the Management Board considers 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 Association's Management Board is responsible for evaluating the Association's ability to continue as a going concern, disclosing, where applicable, matters relating to the going concern and adopting the going concern principle as the basis for accounting, except where the Management Board either intends to liquidate the Association or to discontinue operations or has no viable alternative to liquidation or discontinuation of operations.

The Association's Management Board and members of the Audit Committee are responsible for ensuring that the financial statements meet the requirements of the Accounting Act. Members of the Audit Committee are responsible for overseeing the Association's financial reporting process.

Statutory auditor's responsibility for the audit of financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole contain a material misstatement due to fraud or error and to issue an audit report that includes our opinion. Rational confidence is a high level of confidence, but does not guarantee that an audit carried out in accordance with the NAS will always detect any existing material misstatement.



Misstatements can arise from fraud or error and are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The scope of the audit does not include assurances as to the future profitability of the Association or the effectiveness or efficiency of the management of its affairs by the Association's Management Board at present or in the future.

When carrying out our audit according to the National Auditing Standards, we apply professional judgement and maintain professional scepticism, as well as:

- we identify and assess the risks of material misstatement of financial statements that could arise from fraud or error, we design and perform audit procedures that are appropriate to those risks, and we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of a failure to detect a material misstatement resulting from fraud is greater than that resulting from error, since fraud may involve collusion, counterfeiting, intentional omissions, misrepresentation or circumvention of internal control;
- we obtain an understanding of the internal control relevant to the audit to design audit procedures that are appropriate in specific circumstances but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control;
- we assess the appropriateness of the applied accounting principles (policy) and the reasonableness of accounting estimates as well as related disclosures made by the Association's Management Board;
- we draw a conclusion as to whether the Association's Management Board should apply the going concern principle as the basis for accounting and, based on the evidence obtained, whether a material uncertainty exists that relates to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we come to the conclusion that there is a material uncertainty, 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, we 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 Association to cease to continue as a going concern;
- we assess the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present underlying transactions and events in a manner that gives a true and fair view.

We provide the Audit Committee with information about, among other things, the planned scope and time of the audit and significant findings of the audit, including any significant weaknesses of internal control, as identified during our audit.



Katarzyna Sztanga is the key statutory auditor responsible for the audit, the result of which is this independent statutory auditor's report.

Acting on behalf of SW Audyt Sztanga, Wieczorek Spółka Jawna with its registered seat in Warsaw at Al. Stanów Zjednoczonych 51 lok. 111, registered in the list of auditing firms under number 4210, on behalf of which the key auditor audited the financial statements.

Electronically signed by

Katarzyna Sztanga

Date: 2023.06.12 15:35:01 +02'00'

Katarzyna Sztanga, registration number 10205
Warsaw, June 12, 2023