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Report of the Supervisory Board of TOYA S.A. for the financial year ended on 31 December 2023



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I. Introduction

Acting pursuant to Article 382 § 3 item 3 of the Act of 15 September 2000 Code of Commercial Companies and Partnerships ("CCC") and provisions of the Code of Best Practice for WSE Listed Companies adopted by Resolution no. 13/1834/2021 dated 29 March 2021 by the Board of the Warsaw Stock Exchange ("DPSN21"), the Supervisory Board of TOYA S.A. (TOYA or the "Company") hereby submits to the Annual General Meeting of TOYA S.A. the Report of the Supervisory Board for 2023

II. Information on the composition of the Supervisory Board and its committees

1. Composition of the Supervisory Board

The Supervisory Board consists of five to seven members appointed for a joint term of office. The number of members of the Supervisory Board for a given term of office is determined by the General Meeting. The term of office of the Supervisory Board is three years. The mandates of the members of the Supervisory Board shall expire at the latest on the date of the General Meeting approving the financial statements for the last full financial year in office.

As at 31.12.2023, the Issuer's Supervisory Board was composed of the following persons:

- Piotr Mondalski – Chairman of the Supervisory Board,
- Jan Szmidski – Vice-Chairman of the Supervisory Board,
- Dariusz Górka – Member of the Supervisory Board,
- Grzegorz Maciąg – Member of the Supervisory Board,
- Wojciech Papierak – Independent Member of the Supervisory Board,
- Michał Kobus – Independent Member of the Supervisory Board,
- Beata Szmidski – Member of the Supervisory Board.

The Supervisory Board is comprised of individuals with a diverse range of education and experience, thus ensuring that the Company's activities are overseen in a multi-faceted manner.

2. Indication of which members of the Board meet the independence criteria set out in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision, as well as which of them do not have actual and significant links with a shareholder holding at least 5% of the total number of votes in the company

Piotr Mondalski, Dariusz Górka and Grzegorz Maciąg served as Independent Members of the Supervisory Board until February 2023. As of February 2023, due to serving as a Supervisory Board Member for more than 12 years, Piotr Mondalski, Dariusz Górka and Grzegorz Maciąg lost their status as Independent Supervisory Board Members.



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Michał Kobus and Wojciech Papierak meet the criteria to be fulfilled by independent members of the Supervisory Board.

The assessment of the fulfilment of the independence criteria by the members of the Supervisory Board was based on written declarations submitted by the members of the Supervisory Board. The Supervisory Board is not aware of any relationships or circumstances that may affect the fulfilment of the independence criteria by members of the Supervisory Board other than those indicated in the declarations submitted. The independent members of the Supervisory Board do not have any real and significant relations with a shareholder holding at least 5% of the total number of votes in TOYA.

As declared by the members of the Supervisory Board of the Company, they do not run any competitive operations against the Company, nor do they participate in a competitive company as partners in a civil partnership, a partnership or as members of a body of a competitive capital company or of a body of any competitive legal entity, nor are they entered in the Register of Insolvent Debtors kept pursuant to the provisions of the Act of 20 August 1997 on the National Court Register.

3. Information on the composition of the Supervisory Board in the context of its diversity

TOYA has not adopted a diversity policy for the Supervisory Board. The principle of diversity among its organs is close to TOYA and adds value to the organisation. The Company shall ensure that the bodies are composed of persons with the widest possible range of competence and qualifications. The members of the Supervisory Board are elected by the General Meeting, while the Management Board is appointed by the Supervisory Board. Notwithstanding the absence of a diversity policy, the Company strongly believes that the General Meeting and the Supervisory Board, in selecting the Supervisory Board and the Management Board respectively, are guided primarily by the interests and needs of the Company in ensuring a diverse talent pool necessary to meet the challenges faced by TOYA.

The above can be proven by the current composition of the Supervisory Board and the Management Board, which provides diversity both in terms of education, expertise, age.

III. Summary of Supervisory Board activities

No changes were made to the composition of the Supervisory Board in 2023. Members of the Supervisory Board devote the necessary amount of time to their duties. In 2023, no Member of the Supervisory Board was delegated to personally perform supervisory activities.



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The Supervisory Board conducts its activities on the basis of the provisions of applicable law, in particular the provisions of the Code of Commercial Companies and Partnerships, in accordance with the provisions of the Company's Articles of Association and the Regulations of the Supervisory Board of the Company, as well as on the basis of the principles of corporate governance set out in DPSN21 and the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision insofar as it concerns the Supervisory Board.

The Supervisory Board exercised constant supervision over the Company's activities and carried out its tasks on an ongoing basis. The members of the Supervisory Board were in regular contact with the Company's Management Board.

In 2023, the Supervisory Board held five meetings and adopted 31 resolutions.

The Supervisory Board exercised oversight of the Company's activities primarily at its meetings, taking the required decisions in the form of resolutions.

In its work in 2023, the Supervisory Board focused on analysing, in cooperation with the Management Board, the Company's current operations and development strategy and evaluating the Company's performance. At the Supervisory Board meetings, Members of the Management Board were present to provide detailed information and explanations on matters covered by the agenda of the Supervisory Board meeting, in particular on matters relating to the Company's product sales strategy, the distribution system, including the status of sales projects in individual distribution channels and the implementation of IT projects. The agenda of the meetings also included an update on the impact of the war in Ukraine on the Company's operations and on the sustainability of the Company.

The Supervisory Board approved the Company's budget for 2024. The Supervisory Board also analysed the operations of the TOYA Group, paying particular attention to Yato Tools (Shanghai) Co. Ltd. and Yato Tools (Jiaxing) Co. Ltd. due to the prospects of the Chinese market in which these companies operate.

The activities of the Supervisory Board were assisted by the Audit Committee.

IV. Audit Committee

For the period 1 to 2 January 2023, the composition of the Audit Committee was as follows:

- Dariusz Górka – Chairman of the Audit Committee,
- Grzegorz Maciąg,
- Jan Szmidt,
- Piotr Mondalski.

As indicated in the Company's current report no. 1/2023, on 2 January 2023. The Supervisory Board made the following changes to the composition of the Audit Committee:



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1. The Supervisory Board dismissed from the Audit Committee of TOYA S.A.:
 - a. Piotr Mondalski,
 - b. Jan Szmidt,
 - c. Grzegorz Maciąg.

2. The Supervisory Board appointed TOYA as a member of the Audit Committee:
 - a. Wojciech Papierak,
 - b. Michał Kobus.

At the same time, the Supervisory Board entrusted the Chairman of the Committee with the function of
Audit Committee Wojciech Papierak.

Following the aforementioned changes, the Audit Committee of TOYA S.A. consists of the following members:

1. Wojciech Papierak – Chairman of the Audit Committee,
2. Michał Kobus – Member of the Audit Committee,
3. Dariusz Górka – Member of the Audit Committee

Dariusz Górka served as an Independent Member of the Audit Committee until February 2023. As of February 2023, due to having served as a Member of the Supervisory Board for more than 12 years, Dariusz Górka lost his status as an Independent Member of the Audit Committee.

The composition of the audit committee at 31 December 2023 was as follows:

1. Wojciech Papierak – Chairman of the Audit Committee, Independent Member of the Audit Committee,
2. Michał Kobus – Independent Member of the Audit Committee,
3. Dariusz Górka.

The Audit Committee member with knowledge and skills in accounting or auditing and in the industry in which TOYA S.A. specialises is Mr Dariusz Górka. Dariusz Górka is a graduate of, among others, the Stern School of Business (New York, USA), where he completed an MBA with a specialisation in finance, during which he acquired knowledge and skills in the aforementioned area. He remains a member of the Institute of Management Accounting (IMA) in Newark (New York, USA).

A permissible non-audit service was provided to TOYA in the 2023 financial year by the audit firm auditing its financial statements, consisting of an assessment of the remuneration report of the Management Board and Supervisory Board for the period from 1 January 2022 to 31 December 2022 with regard to the inclusion of the information required by the relevant regulations, culminating in the issuance of an assessment report. The Audit Committee assessed the independence of the audit firm and approved the provision of the above service.



The primary tasks of the Audit Committee are to advise and support the Supervisory Board in the performance of its audit and oversight responsibilities with regard to financial reporting in its broadest sense, and in particular:

- 1) monitoring:
 - a) of the financial reporting process,
 - b) of the effectiveness of internal control and risk management systems and internal audit, including on financial reporting,
 - c) of the performance of financial reviews, in particular a review performed by an audit firm, taking into account any and all conclusions and findings of the Audit Supervisory Commission resulting from an audit carried out in the audit firm;
- 2) reviewing and monitoring the independence of an expert auditor and audit firm, in particular when the audit firm renders other services for the Company, than reviewing itself,
- 3) informing the Supervisory Board about results of the audit, and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as of the role played by the Audit Committee during the audit,
- 4) assessing the independence of the certified auditor and granting the consent for provision by it of permitted services in the Company, other than auditing,
- 5) developing the policy for selecting the audit firm to perform the audit,
- 6) developing a policy related to the provision of permitted services other than auditing by the audit firm, entities related to the audit firm and by a member of the audit firm corporate network,
- 7) defining the procedure for the Company's selection of the audit firm,
- 8) presenting to the Supervisory Board the recommendation referred to in Article 16(2) of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2016 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (i.e. OJ EU L. of 2014, no. 158, p. 77), in accordance with the policies referred to in paragraphs 5 and 6 above,
- 9) Submitting recommendations aimed at ensuring reliability of the financial reporting process in the Company,
- 10) other tasks arising from generally applicable laws, in particular the Act of 11 May 2017 on statutory auditors, audit firms and public supervision.

The selection of the audit firm to audit the Company's 2023 financial statements did not involve an extension of the audit contract, and the recommendation of the Audit Committee of TOYA S.A. to appoint an audit firm to audit the financial statements of TOYA S.A. and the TOYA Group in 2023, 2024 and 2025 met the applicable conditions and was made following a selection procedure organised by the Company that met the applicable criteria, consisting in:



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- 1) that the Company invites any audit firms to submit tenders for the provision of the audit service, subject to compliance with Article 17(3) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2016 on specific requirements for the statutory audit of public-interest entities, repealing Commission Decision 2005/909/EC;
- 2) organisation of a selection procedure that did not in any way exclude from participation in the selection procedure firms that received less than 15% of their total audit fees from public-interest entities in the relevant Member State of the European Union in the previous calendar year, included in the list of audit firms referred to in Article 91 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision;
- 3) preparation by the Company of tender documentation for the invited audit firms that enabled them to learn about the Company's activities, identified the financial statements to be audited and included transparent and non-discriminatory selection criteria that are used by the Company to evaluate the bids submitted by the audit firms;
- 4) freedom of the Company to determine the selection procedure and the possibility to negotiate directly with interested bidders during the procedure;
- 5) the Company's evaluation of the bids submitted by the audit firms in accordance with the selection criteria set out in the tender documentation;
- 6) the preparation by the Company of a report containing the conclusions of the selection procedure, which was approved by a resolution of the Audit Committee;
- 7) consideration by the Company and the Audit Committee of any findings or conclusions contained in the annual report referred to in Article 90(5) of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision;
- 8) demonstration by the Company – at the request of the Financial Supervision Authority – that the selection procedure was carried out in accordance with the requirements referred to in Article 130(2) and (3) of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision.

In 2023, the Audit Committee held two meetings.

Members of the Audit Committee and worked with representatives of the auditor, i.e. the company named: Grant Thornton Polska Prosta spółka akcyjna, headquartered in Poznań, discussing with them important issues related to the reports for the 2023 financial year.

V. Results of evaluation of the Management Board report on operations of TOYA S.A. and TOYA Capital Group, standalone financial statements of TOYA S.A. for the previous financial year, consolidated financial statements of TOYA Capital Group for the previous financial year, and the result of evaluation of the Management Board's proposal for profit distribution

The Supervisory Board of the Company, on the basis of Article 382 § 3 of the Code of Commercial Companies and Partnerships, on the basis of Supervisory Board Resolution no. 6/RN/2024 of 28 March 2024, adopted an assessment on:



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- the Management Board Report on operations of TOYA S.A. for 2023,
- TOYA Group Management Board Report for 2023,
- Standalone financial statements of TOYA S.A. for the financial year ended 31 December 2023,
- TOYA Group Consolidated Financial Statements for the financial year ended 31 December 2023.

The above-mentioned documents were positively assessed by the Supervisory Board, in particular with regard to their conformity with the ledgers, documents and facts.

The Supervisory Board's assessment was prepared on the basis of the Supervisory Board's own analyses, after reviewing the report of the independent auditor (Grant Thornton Polska Prosta Spółka Akcyjna) on the audit of these documents, as well as on the basis of information obtained by the Supervisory Board within the framework of its powers, including in particular internal control and audit and access to documents and financial records, and information provided to the Supervisory Board by the Audit Committee as part of the Audit Committee's performance of its tasks provided for in the applicable regulations.

As part of the assessment referred to above, the Supervisory Board concluded as follows:

1. Evaluation of the Management Board Report on operations of TOYA S.A. for 2023

The Management Board Report on operations of TOYA S.A. for 2023 was prepared in accordance with Article 49 of the Accounting Act of 29 September 1994 and § 70 of the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state and positively assessed the above Report as compliant with the ledgers, documents and facts.

2. Evaluation of the Management Board Report of TOYA Group for 2023

The Report of the Management Board on operations of the TOYA Group for 2023 was prepared in accordance with Articles 49 and 55 of the Accounting Act of 29 September 1994 and § 71 of the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, and positively assessed the above Report as compliant with the ledgers, documents and facts.



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3. Evaluation of the standalone financial statements of TOYA S.A. for the financial year ended 31 December 2023

The Standalone Financial Statements of TOYA S.A. for the financial year ended 31 December 2023 have been issued in accordance with the International Financial Reporting Standards, provide a true and fair view of the economic and financial position of TOYA S.A. and positively assessed the above Statements as complying with the ledgers, documents and facts.

4. Evaluation of TOYA Group Consolidated Financial Statements for the financial year ended 31 December 2023.

The Consolidated Financial Statements of the TOYA Group for the financial year ended 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards, provide a true and fair view of the economic and financial position of the TOYA Group and positively assessed the above Statements as complying with the ledgers, documents and facts.

5. The outcome of the evaluation of the Management Board's proposal for profit distribution

The Supervisory Board, acting pursuant to art. 382 § 3 item 2 of the Act of 15 September 2000 Code of Commercial Companies and Partnerships, evaluated the proposal of the Management Board of the company under the business name: TOYA S.A. regarding the distribution of profit shown in the non-consolidated financial statements of TOYA S.A. for the financial year ended 31 December 2023.

As part of this evaluation, the Supervisory Board has positively assessed the Management Board's proposal for the distribution of profit in the amount of PLN 52,895,000 (in words: fifty-two million, eight hundred and ninety-five thousand PLN) as follows:

- allocate the entirety of net profit for the financial year 2023 of PLN 52,894,722.54 (in words: fifty-two million eight hundred and ninety-four thousand seven hundred and twenty-two zloty, 54/100) to supplementary capital.

Accordingly, the Supervisory Board recommended to the Annual General Meeting that TOYA S.A.'s profit be distributed in the manner set out in the Management Board's proposal.

VI. An assessment of the Company's position, including an assessment of the Company on a consolidated basis, taking into account the adequacy and effectiveness of the Company's systems for internal control, risk management, ensuring compliance with standards or applicable practices and internal audit.



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In supervising the Company's and the Group's activities, the Supervisory Board assessed the Company's financial performance and the work of the Management Board, in particular by analysing and evaluating the Company's revenues, costs incurred, operating result, gross and net result, management of inventories, financial resources, balances of receivables and payables, financial liquidity and sales margins achieved.

Based on that, the Supervisory Board finds the Company's situation to be stable with no threats to the further development of the Company and the Group.

The Supervisory Board, in cooperation with the Company's auditor, analysed the internal control and risk management system in place at the Company in the following areas:

- a. the organisation of management processes and the division of competences related to decision-making and recording,
- b. IT systems,
- c. financial reporting systems.

Based on the work carried out, the Supervisory Board assessed the Company's internal control and risk management systems, concluding that they allow potential risks to be monitored and the necessary measures to be taken effectively to prevent, protect or limit the effects of such risks.

In connection with the content of Resolution no. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange S.A. of 29 March 2021 concerning the adoption of the document "Good Practices of Companies Listed on the WSE 2021", the content of the Company's information on the status of the Company's application of the principles contained in the Collection of Good Practices of Companies Listed on the WSE 2021 of 2 August 2021 and the Company's statement made in that document regarding the application of principle 2.11, the Supervisory Board assessed the situation of the Company on a consolidated basis, taking into account the system of internal control, risk management, compliance and the internal audit function, financial reporting and operations, the Company's application of the principles of corporate governance and the manner of fulfilling the information obligations regarding their application set out in the Stock Exchange Rules and the regulations on current and periodic information provided by issuers of securities, together with information on the actions taken by the Supervisory Board to make such assessment.

1. Internal control system

The company has an internal control system. Due to the organisational structure adopted, the internal control system is based on the management of various departments in the organisational structure with the Management Board playing the leading role. The internal control system covers the key categories of operational effectiveness and efficiency, reliability of financial statements and compliance with laws and other regulations.



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The Company, thanks to the structure created by the Management Board, is effectively carrying out the tasks in the aforementioned categories. The Supervisory Board continuously monitors the internal controls and procedures in place to identify and minimise the risks associated with the Company's operational activities, while the Supervisory Board positively assesses the assumptions adopted by the Management Board in this regard.

2. Risk management

The Company's risk management system is based on an established organisational structure made up of specialised organisational units tasked with identifying potential risks, assessing their impact on individual decision-making processes, monitoring and reporting directly to the Company's Management Board. With the implementation of the aforementioned solution in the Company, the Company and the Management Board have effective instruments to minimise the potential risks associated with the Company's operations. At the same time, the Supervisory Board takes a positive view of the solutions adopted in this regard.

3. Compliance system

In 2020, a specialised Legal and Compliance Department was set up within the Company's organisational structure, which is responsible for the comprehensive control and supervision of the Company's business and organisational units with regard to their compliance with legal obligations, good market practices, accepted standards of business ethics and internal regulations.

The Legal and Compliance Department reports directly to the Management Board. The adoption of such an arrangement has given the Management Board access to special knowledge regarding the compliance of the Company's activities in all areas and aspects of these activities with applicable laws, internal regulations of DPSN21.

4. Internal audit

The Company does not have a separate department responsible for internal audit. As at the date of this report, the Supervisory Board sees no need to separate the aforementioned unit in the organisational structure of the Company.



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The Supervisory Board and in particular the Audit Committee continuously monitor the need for appropriate internal audit structures.

5. Assessment of financial reporting and operations

In the opinion of the Supervisory Board, through the application and monitoring of the internal control, risk management and compliance systems described above, which, in the opinion of the Supervisory Board, are adequate to the nature and scale of the Company's operations, the Company effectively achieves its objectives such as efficiency, operational efficiency, reliability of financial statements and compliance with laws and other regulations.

The Company has systems of internal control over its accounting and financial reporting that provide a true and fair view of its financial and asset position. The Company has documentation describing the accounting principles adopted, specifying the methods of valuing assets and liabilities and determining the financial result, as well as the method of keeping the ledgers of account and the system of protecting data and their collections. The accounting policies adopted are applied on a consistent basis ensuring comparability of the financial statements using the going concern and prudent valuation principles.

The Company's financial statements are audited by authorised bodies selected by resolution of the Supervisory Board. The reports are published in accordance with the applicable legislation.

VII. Evaluation of the implementation by the Management Board of its obligations to inform the Supervisory Board of the current situation of the Company and evaluation of the manner in which the Management Board issue or submits to the Supervisory Board the information, documents, reports or explanations requested under the procedure set out in Article 382 § 4 of the Code of Commercial Companies and Partnerships.

The Supervisory Board is of the opinion that the information provided to it by the Management Board of the Company as referred to in Article 380¹ § 1 of the Code of Commercial Companies and Partnerships are provided in a proper, timely manner, in accordance with the Board's expectations and in a comprehensive manner. The Supervisory Board is kept informed of the resolutions of the Management Board.

The Supervisory Board received information from the Management Board, as referred to in Article 380¹ of the Code of Commercial Companies and Partnerships, inter alia, on the current situation, including the economic and financial situation of the Company and the Group, significant circumstances in the management of the Company's affairs, in particular in the operational, investment and personnel areas, progress in the implementation of the set



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directions for the development of the Company's activities. The Supervisory Board was informed, with due notice, of transactions and other events or circumstances that materially affect or may affect the company's assets, including its profitability or liquidity.

Taking the above circumstances into account, the Supervisory Board is of the opinion that the Management Board has correctly fulfilled the obligations referred to in Article 380¹ of the Code of Commercial Companies and Partnerships. In view of the comprehensive scope of the information and reports provided by the Management Board, the Supervisory Board did not need to exercise its authority to request additional information, documents, reports or explanations pursuant to Article 382 § 4 of the Code of Commercial Companies and Partnerships.

As reported in current report no. 11/2023, on 7 September 2023, the Company received a decision of the District Court for Wrocław – Fabryczna in Wrocław, 6th Commercial Division of the National Court Register dated 7 September 2023 on registration of amendments to the Articles of Association adopted by way of resolution no. 21 of the Annual General Meeting of TOYA S.A. dated 29 June 2023, about the adoption of which TOYA informed in its current report no. 9/2023 dated 29 June 2023. The amendments consist in adding, after § 17 of the Articles of Association, § 17a with the following wording:

“The Management Board’s information obligations set out in Article 380¹ § 1 and § 2 of the Code of Commercial Companies and Partnerships shall be limited in such a manner that the Management Board shall be obliged to provide the information indicated in the aforementioned provisions only at the express request of the Supervisory Board.”

VIII. Information on the total remuneration payable by the Company for all examinations commissioned by the Supervisory Board during the financial year in accordance with Article 382¹ of the Code of Commercial Companies and Partnerships.

The Supervisory Board did not exercise its authority in 2023 to examine, at the Company's expense, a specific matter relating to the Company's business or its assets, or to prepare certain analyses or opinions by a selected adviser (adviser to the Supervisory Board) pursuant to Article 382¹ of the Code of Commercial Companies and Partnerships.

IX. The assessment of the company’s application of the rules of corporate governance and the manner of fulfilling information obligations concerning their application, specified in the Stock Exchange Rules and regulations concerning current and periodic information provided by issuers of securities, together with information on actions taken by the Supervisory Board to make this assessment

In the opinion of the Supervisory Board, the Company applies the principles of corporate governance, taking into account the nature and specificity of its business, as well as fulfils the



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disclosure obligations regarding their application set out in the Stock Exchange Rules and the regulations on current and periodic information provided by issuers of securities. The above issues were discussed by the Supervisory Board, where the Company reported in detail which principles are applied and justified which corporate governance principles the Company currently does not apply.

Pursuant to § 29(3) of the Stock Exchange Rules, with regard to rules that are not applied by the issuer, the information contains a detailed explanation of the circumstances and reasons for not applying the rule in question. The company provided information on the status of the company's application of the principles contained in the Code of Best Practice for WSE Listed Companies 2021.

The Management Board's report on operations of TOYA Group in 2023 includes, in accordance with Article 70(6)(5) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state, a statement on the application of corporate governance as a separate part of the report.

In the opinion of the Supervisory Board, the Company has duly complied with the information obligations imposed by the law and other regulations applicable to it with regard to the reporting of current and periodic information.

In the opinion of the Supervisory Board, the information made available by the Company complies with the relevant requirements and fairly presents the state of application of the corporate governance principles.

X. Summary

Following the Supervisory Board's detailed analysis of the Company's situation in 2023, the Supervisory Board positively assesses the Company's activities and financial and business situation as well as the work of the Management Board, which implemented the adopted budget assumptions and made efforts to acquire new contractors and sales markets. The Supervisory Board does not see any circumstances that would jeopardise the Company's going concern.

The internal mechanisms in place at the Company, the Company's attention to compliance, internal control and sound risk management allow us to assume that the Company is adapting to the modern market not only with regard to the presentation of new commodity offerings, but also with regard to corporate governance and compliance. Such actions aim to strengthen the Company's position as the owner of strong brands with a global reach.