



(TRANSLATION ONLY)

Current report No: 1/2024

Prepared on: 2023-01-04

Issuer's abbreviated name: TORPOL S.A.

Subject: Conclusion of an agreement to terminate the contract with the auditing firm and selection of a new Auditor company

Legal Grounds:

Article 56(1)(2) of the Public Offering Act - current and periodic information

Contents of the Report:

The Management Board of TORPOL S.A. [Company, Issuer] announces that on 4 January 2024 the following agreement was concluded between the Company and Ernst & Young Audyt Polska Sp. z o.o. Sp. k. [EY]. This agreement envisaged the termination of cooperation between the parties on the performance of auditing activities in the part concerning the audit of the financial statements of the Issuer [separate and consolidated] for the year 2023 and the performance of an attestation service providing reasonable assurance in order to express an opinion on whether the consolidated financial statements for the year 2023 have been labelled in accordance with the requirements of the unified electronic reporting format [ESEF].

The agreement with EY was entered into for a specified period of time on 15 July 2021 and became effective on 30 July 2021, and its subject matter was: [1] auditing the financial statements and consolidated financial statements of the Company for the years 2021, 2022, 2023, [2] reviewing the interim financial statements and interim consolidated financial statements of the Company for the 6-month periods ending 30 June 2021, 30 June 2022 and 30 June 2023, respectively, [3] performing an attestation service providing reasonable assurance to express an opinion as to whether the aforementioned annual reports have been labelled in accordance with the technical standards for ESEF specifications, and [4] reviewing the Company's consolidation package for the financial year ended 31 December 2022.

The reason for the termination of the agreement is the premise set out in Article 66(7)(1) of the Accounting Act [the Act] in conjunction with Article 66(7)(3) of the Act, i.e. the occurrence of events that make it impossible to fulfil the requirements set out in the law on the conduct of the audit, the rules of professional ethics, independence or national professional standards, and transformations, changes in ownership, organizational changes that justify a change of audit firm or the failure to conduct the audit, respectively.

At the same time, there were no differences of opinion regarding the interpretation and application of the law [including accounting rules or standards] or the provisions of the Articles of Association relating to the subject matter and scope of the audit, review or other services provided by EY during the term of the agreement between the directors and the auditor who performed the audit, review or other



services relating to the financial statements of the Issuer and did not constitute grounds for termination of the agreement.

The decision to terminate the contract resulted from the mutual agreement of the parties and was made on the basis of the identification of the grounds under the Act indicated above.

In the course of the cooperation with EY to date, there have been no instances in which the audit reports and the reports on the review of the Issuer's financial statements have expressed opinions or conclusions with reservations, negative opinions or conclusions, or refusals to express opinions or conclusions.

Attached to this current report, the Issuer attaches a letter from the audit firm, addressed to the Commission, explaining the reasons for the termination of the contract [*only Polish language version*].

The change of the audit firm was initiated and approved by the Audit Committee and the Company's Supervisory Board, which at the same time, after reviewing the Audit Committee's recommendation, selected the audit firm Grant Thornton Polska Prosta Spółka Akcyjna with its registered office in Poznań, entered on the list of entities authorised to audit financial statements maintained by the Polish Audit Supervision Agency under registration number 4055 [hereinafter: Grant Thornton], as the Audit Committee's preferred choice and entrusted it with the performance of the following financial audit activities:

- an audit of the non-consolidated and consolidated financial statements of TORPOL S.A. for the financial years 2023, 2024 and 2025,
- a review of the interim financial statements for the periods of the first half of 2024 and the first half of 2025, respectively,
- attestation services of the Supervisory Board's reports on the remuneration of the members of the Company's Management Board and Supervisory Board for the years 2023, 2024 and 2025, respectively.