

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF THE COMPANY PHOTONIKE CAPITAL SA FOR THE YEAR ENDED 31 DECEMBER 2022

In the context of the statutory audit of the annual accounts of the company PHOTONIKE CAPITAL SA (the "Company"), we hereby present our statutory auditor's report. It includes our report on the audit of the annual accounts as well as our report on the other legal and regulatory requirements. These reports form an integrated whole and are indivisible.

We have been appointed as statutory auditor by the shareholders meeting held on July 15, 2022. Our statutory auditor's mandate expires on the date of the shareholders meeting approving the annual accounts as per 31 December 2024. The current year on which we report, is our fourth year as statutory auditor of the company.

Report on the audit of the annual accounts

Qualified Opinion

We have audited the annual accounts of the Company, which comprise the balance sheet as at 31 December 2022, the profit and loss account for the year then ended and the notes to the annual accounts, characterized by a balance sheet total of EUR 85.006.825 (units) and a profit and loss account showing a loss for the year of EUR 387.069 (units).

In our opinion, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' paragraph, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2022, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA's) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the annual accounts' section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

"Financial Fixed Assets" include a direct investment, amounting to EUR 789.991,81, in the affiliated company Sandretto SPA, Italy, which also owes EUR 1.607.910,00 to the Company, recorded as "Other Amounts Receivable". In addition, "Other Amounts Receivable" include EUR 3.374.103,84 on another affiliated company FFVentiglia Investment & Finance Ltd, Malta, of which the collectability depends on the financial position of Sandretto SPA. This Italy based entity has been put into liquidation and by lack of recent financial information, we cannot assess the valuation of all direct and indirectly assets related to Sandretto SPA held by the Company.

Except for the above-mentioned matters, we have obtained from the board of directors and company officials the explanations and information necessary for performing our audit.

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



Other matter – subsequent event July 2023

By notary deed, the extra-ordinary shareholders meeting held on July 27, 2023, the share capital (including share premiums (EUR 57.802.676,66) in the presentation of the annual accounts) has been increased from EUR 69.088.500,00 to EUR 77.270.069,23 (including share premiums (EUR 3.746.450,32) in the presentation of the annual accounts) through the contribution in kind of convertible bonds ad EUR 8.181.569,23, included in “Finance Debt – Long term - Other” (EUR 18.181.569,23).

Responsibilities of the board of directors for the annual accounts

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory 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 ISAs 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 annual accounts.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, and we have fulfilled our other ethical responsibilities in accordance with these requirements. A statutory audit does not provide any assurance to the future viability of the Company, nor as to the efficiency or effectiveness with which the board of directors has taken or will conduct the business of the Company.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' 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 statutory auditor's report to the related disclosures in the annual accounts 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 statutory 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 annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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 identified during our audit.

Report on the other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the management report, for the documents to be deposited in accordance with the legal and regulatory requirements, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Code on Companies and Associations and the Company's Articles of Association.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (Revised in 2018) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report and certain documents to be deposited in accordance with the legal and regulatory requirements, and compliance with certain provisions of the Code on Companies and Associations and the Company's Articles of Association, as well as to report on these elements.

Aspects related to the management report

In our opinion, after having performed specific procedures in relation to the management report, and except for the effect of the matters described in the section 'Basis for Qualified Opinion', the management report is consistent with the annual accounts for the same financial year, and it is prepared in accordance with articles 3:5 and 3:6 of the Code on Companies and Associations. As to the financial information contained in the report, we do not take responsibility for amounts presented on IFRS accounting basis.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, and except for the effect of the matters described in the section 'Basis for Qualified Opinion', there are no



material misstatements we have to report to you. We do not express any form of assurance whatsoever on the management report.

Statement related to independence

Our audit firm did not provide services which are incompatible with the statutory audit of annual accounts, and we remained independent of the Company during the terms of our mandate.

Other statements

- Without prejudice to certain formal aspects of minor importance, and except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal and statutory provisions.
- Our section 'Basis for Qualified Opinion' describes the circumstances involving cases of non-compliance with the financial reporting framework applicable in Belgium. Furthermore we do not have to report any other transaction concluded or decision taken in violation with the Company's articles of association or the Companies and Associations Code, except that the legal reporting dates for submission of the documents to statutory auditor and the shareholders have not been adhered to, neither for the convocation of the annual shareholders meeting.

Zandhoven, December 6, 2023

VYVEY & C°, BEDRIJFSREVISOREN BV
Statutory auditor
Represented by

Vincent Koopman
Registered auditor