

**CAPITAL GROUP UNIMOT S.A.
ZAWADZKIE, UL. ŚWIERKLAŃSKA 2A**

**CONSOLIDATED
FINANCIAL STATEMENT
FOR FINANCIAL YEAR 2017**

**TOGETHER WITH
THE REPORT OF THE AUDIT
BY AN INDEPENDENT STATUTORY AUDITOR**

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REPORT OF THE AUDIT BY AN INDEPENDENT STATUTORY AUDITOR

For Shareholders and the Supervisory Board of UNIMOT S.A.

Report of the audit of the annual consolidated financial statement

We have audited the enclosed consolidated financial statement of the Capital Group UNIMOT S.A. (hereinafter referred to as “the Capital Group”), whose dominant company is UNIMOT S.A. (hereinafter referred to as “the Dominant Company”), which is composed of: consolidated statement of financial standing as for 31st December 2017, consolidated statement of total revenues, consolidated statement of changes in the equity capital, consolidated statement of cash flow for the financial year from 1st January 2017 until 31st December 2017, and additional information including information on the adopted accountancy policy and other explanatory information (“*consolidated financial statement*”).

Responsibility of the Manager of the Dominant Company and individuals responsible for consolidated financial statement

The Management Board of the Dominant Company is responsible for drawing up consolidated financial statement and for its reliable presentation in compliance with the International Standards of Accountancy, the International Standards of Financial Reporting, and the related interpretations announced in the form of resolutions of the European Commission, as well as in compliance with other provisions of law and the Statute of the Dominant Company. The Management Board of the Dominant Company is also responsible for internal control, which is considered required to draw up consolidated financial statement free from any material misstatement, whether due to fraud or error.

Pursuant to regulations of the Accountancy Act, the Management Board of the Dominant company and members of its Supervisory Board are obliged to ensure that the consolidated financial statement meets requirements provided by the Accountancy Act of 29th September 1994 (the Official Journal of Laws of the Republic of Poland of 2018k, item 395), hereinafter referred to as “the Accountancy Act”).

Liability of the statutory auditor

Our task was to express an opinion if the consolidated financial statement presents reliable and clear image of property and financial situation and financial result of the Capital Group pursuant to the applicable International Standards of Accountancy, International Standards of Financial Reporting, and the related interpretations announced in the form of regulations of the European Commission and the adopted accountancy principles (policy).

The audit of the financial statement was carried out pursuant to the following provisions:

- 1) Act of 11th May 2017 on statutory auditors, audit companies, and public supervision (the Official Journal of Laws of the Republic of Poland of 2017, item 1089) (“*Statutory Auditors Act*”)

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District Court for the capital city Warsaw, 12th Commercial Register of the National Court Register with number KRS 0000446833, NIP [Tax Id. No.]: 527-020-07-86, REGON [Business Statistical No.]: 010076870

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- 2) the National Standards of Financial Supervision in the wording of the International Standards of Audit adopted under the Act no. 2783/52/2015 of the National Chamber of Statutory Auditors of 10th February 2015, as amended.
- 3) regulation of the European Parliament and of the Council (EU) no. 537/2014 of 16th April 2014, on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (O.J. EU L 158 of 27th May 2014, page 77, and O.J. EU L 170 of 11th June 2016, page 66) ("*Regulation 537/2014*").

The aforementioned regulations require observing ethical principles, as well as planning and carrying out the audit in such a manner as to obtain sufficient assurance that the consolidated financial statement does not include material misstatement.

The purpose of the audit is to obtain sufficient assurance that the consolidated financial statement, as whole, does not include misstatements caused by fraud or error, as well as to issue the report of a statutory auditor which covers our opinion. Sufficient assurance is a high level of assurance, but it does not guarantee that the audit carried out in compliance with the aforesaid standards always detects material misstatements. Misstatements may occur in result of fraud or error and are considered material if it can be rationally expected that they may individually or jointly influence economic decisions of users taken based on the consolidated financial report. The risk of failure to detect material misstatement caused in result of fraud is higher than the risk of failure to detect material misstatement caused in result of error as it may be connected with colluding, forgery, willing omission, misleading, or omitting internal control, and with any field of law or regulation, not only the one directly influencing the consolidated financial statement.

The audit included carrying our procedures aimed at obtaining evidence of auditing the amounts and entries in the consolidated financial statement. The selection of audit procedures depends on the judgement of the statutory auditor, including the assessment of risk of material misstatement in the consolidated financial statement caused by fraud or error. When assessing such risk, the statutory auditor considers the effectiveness of internal control as regards drawing up and reliable presentation of the consolidated financial statement by the dominant company to design proper data in the circumstances of the audit procedures, however not to express an opinion on the effectiveness of internal control. The audit also covers the assessment of the accuracy of the adopted accountancy principles (policy), rationality of estimated values of the dominant company, as well as general presentation of the consolidated financial statement.

The scope of audit does not cover the assurance concerning future profitability of the Capital Group, or the effectiveness of carrying out business of the entity by the Management Board of Dominant Company at present or in the future.

We believe that the evidence from the audit that we obtained is sufficient and proper basis to express our opinion. The opinion is compliant with the additional report for the Audit Committee issued as for the date of this report.

Independence

During the audit, the key statutory auditor and the audit company were independent from the entities that are members of the capital Group pursuant to the provisions of the Statutory Auditors Act, Regulation 537/2014, and the principles of professional ethics adopted by resolutions of the National Chamber of Statutory Auditors.

According to our best knowledge and belief, we hereby state that we did not provide any services to the entities that are members of the Capital Group other than the audit, which are prohibited under provisions of art. 136 of the Statutory Auditors Act and art. 5(1) of the Resolution 537/2014.

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Choice of the audit company

We have been commissioned with audit of the consolidated financial statement of the Capital Group under resolution np. 06/06 of the Supervisory Board of Unimot S.A. of 20th June 2017. The consolidated financial statement of the Capital Group was audited from the beginning of the financial year which ended on 31st December 2017, which is out first year of audit.

Most important types of risk

When carrying out the audit, we identified the below described most important types of risks of material misstatement, including these caused by fraud, and we developed appropriate audit methods considering such types of risks. In cases that we considered appropriate for the understanding of the identified risk, and in cases of audit procedures executed by the statutory auditor, we also included most important remarks related to the said risks.

Description of material misstatement risk type	Procedures of statutory auditor in response to identified risk
<i>The analysis of loss in value of assets of the Company</i>	
Part 3.4 of the consolidated financial statement for 2017 covers the presentation of the Management Board of the Dominant Company of procedures connected with the carried out analysis of premises and tests regarding loss in the value of the Company's assets.	Our audit procedures covered in particular: <ul style="list-style-type: none">– understanding and assessment of internal control within the area of identification procedures and verification of premises connected with the loss in the value of assets of the Group, as well as the assessment of the correctness of the applied method of testing in compliance with proper financial reporting standards– review of the mathematical correctness and methodological coherence of evaluation models developed by the Management Board of the Dominant Company– analysis of key assumptions adopted by the Management Board of the Dominant Company regarding future cash flow in the context of current and expected market conditions.
The Management Board of the Dominant Company, pursuant to the International Standards of Financial Reporting, carries out the assessment of premises regarding loss in the value at the end of each financial year. In the case of identification of premises regarding loss in the value, the Management Board of the Dominant Company carries out tests regarding loss in the value of assets, which are connected with making judgements, amongst others regarding the adopted method of calculation, as well as the necessity to adopt many various assumptions.	
As presented in the aforesaid part of the consolidated financial statement, in result of the carried out analysis of premises and tests, the Management Board of the Dominant Company did not decide to consider write-downs of assets.	
The matter of carrying out the analysis of premises and tests for loss in the value was the subject of our procedures due to the complexity of processes and high level of judgement required when determining the value of current assets.	
<i>Recognition of revenues from sale in a correct reporting period</i>	
Part 3.4 of the consolidated financial statement for 2017 covers presentation by the Management Board of the Dominant Company of the accountancy policy adopted for revealing	Our audit procedures covered in particular: <ul style="list-style-type: none">– understanding and assessment of the environment of internal control within

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Description of essential deformation risk type	Procedures of statutory auditor in response to identified risk
<p>revenues from sale in the Capital Group. The conditions which determine the moment of revealing revenues in financial data of the Group were indicated.</p> <p>The Companies in the Group make sale of goods based on various conditions of deliveries defined as Incoterms and the related various moment of risk and benefits transfer to the contractor.</p> <p>As part of procedures of closing the reporting period, the Management Board of the Dominant Company carries out the procedures of reviewing the open sales.</p> <p>The matter of correct revealing of revenues from sale in a given period was the subject of our analysis considering the importance of items on consolidated financial statement of the Company and the exposure to risk of willing deformation</p>	<p>the area of system adopted to reflect transactions conditions (Incoterms) in the process of revealing revenues and identification of moment of proper revealing of risk and benefits transfer</p> <p>– assessment of the correctness, on the example of selected transaction attempts from the turn of the year, revealing sales in proper reporting period in compliance with risk and benefits transfer resulting from the conditions of delivery</p>

Opinion

According to us, the enclosed annual consolidated financial statement:

- presents a reliable and clear picture of property and financial situation of the Capital Group as for 31st December 2017, as well as its financial result for financial year from 1st January 2017 until 31st December 2017, pursuant to the applicable International Standards of Accountancy, the International Standards of Financial Reporting, and the related interpretations announced in the form of resolutions of the European Commission, and the adopted accountancy principles (policy)
- is compliant in its form and wording with provisions of law applicable to the Capital Group, including the resolution of the Minister of Finance of 19th February 2009 on current and periodic information presented by the issuer of securities, as well as conditions of considering equal information required by provisions of the country which is not a member country (the Official Journal of Laws of the Republic of Poland *[Dz.U.]* od 2014, item 133, as amended), and the provisions of the Statute of the Dominant Company

Other matters

The consolidated financial statement for previous financial year ended on 31st December 2016 was the object of audit by another authorized entity, which on 28th April 2017 issued its opinion that consisted no reservations.

Report on other requirements of law and regulations

Opinion on the report of business activity

Our opinion on the consolidated financial statement does not cover report on the business activity of the Capital Group.

The Management Board of the Dominant Company is responsible for drawing up the report of the activity of the Capital Group pursuant to the provisions of the Accountancy Act. Moreover, the Management Board of the Dominant Company and the members of the Supervisory Board of the Dominant Company are obliged to ensure that the report of business activity of the Capital Group meets requirements of the Accountancy Act.

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Our obligation pursuant to the requirements of the Statutory Auditors Act was to issue an opinion if the report of business activity of the Capital Group was drawn up in compliance with provisions of law and that it is compliant with information covered in the enclosed consolidated financial report. Our task was to also make a statement if, according to our knowledge on the Capital Group and its surrounding, which we obtained during the audit of the consolidated financial statement, we found any material misstatement in the report of business activity of the Capital Group, as well as to indicate the nature of the said material misstatement.

According to us, the report of business activity of the Capital Group was drawn up in compliance with the applicable provisions of law and is compliant with information covered by the enclosed consolidated financial statement. Moreover, we state that according to the knowledge on the Capital Group and its surrounding, which we obtained during the audit of the consolidated financial statement, we found no material misstatement in the report of business activity of the Capital Group.

Opinion on the statement on the application of corporate governance

The Management Board of the Dominant Company and the member of the Supervisory Board are responsible for drawing up the statement on the application of corporate governance in compliance with provisions of law.

In reference to the carried out audit of the consolidated financial statement, our obligation, pursuant to requirements of the Statutory Auditors Act was to issue an opinion if the issuer obliged to make statement on the application of corporate governance, which is a separate part of report of business activity of the Capital Group, covered in such statement information required by provisions of law, as well as, in reference to specific information indicated in the said provisions or rules, a statement defining if the said information is compliant with the applicable provisions of law and information covered by the annual consolidated financial statement.

According to us, in the statement on the application of corporate governance, the Dominant Company included information defined in article 91(5)(4)(a, b, g, j, and l) of the Resolution of the Minister of Finance of 19th February 2009 on current and periodic information presented by the issuer of securities, as well as conditions of considering equal information required by provisions of the country which is not a member country (the Official Journal of Laws of the Republic of Poland [*Dz.U.*] od 2014, item 133, as amended) ("*Regulation*"). Information defined in article 91(5)(4)(c-f, h and i) and the said Regulation, covered by the statement on the application of corporate governance is compliant with the applicable provisions and information covered in annual consolidated financial statement.

Individual carrying out the audit on behalf of Deloitte Audyt Spółka z ograniczoną odpowiedzialnością sp. k. (until 18th March 2018 existing under the business name Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.) – the entity entered into the register of audit company kept by the National Chamber of Statutory Auditors with the registration number 73:

[illegible signature]

Adrian Karaś

Key Statutory Auditor

licence no.: 12194