

## INDEPENDENT AUDITOR'S REPORT

**To Shareholders and the Supervisory Board of Unimot S.A.**

### **Report on the Audit of the Annual Consolidated Financial Statements**

#### **Opinion**

We have audited the annual consolidated financial statements of the group (the "Group") with **Unimot S.A.** as the parent (the "Parent"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the economic and financial position of the Group as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards, as endorsed by the European Union, and the adopted accounting policies;
- comply, as regards their form and content, with the applicable laws and the articles of association of the Parent.

Our opinion is consistent with the Additional Report to the Audit Committee, which we issued on March 25, 2020.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") in a version adopted by the National Council of Statutory Auditors as the Polish Standards on Auditing ("PSAs") and in compliance with the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 (the "Act on Statutory Auditors", Journal of Laws of 2019, item 1421, as amended) as well as Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("EU Regulation", Official Journal of the European Union L158). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants ("IFAC Code"), adopted by resolution of the National Council of Statutory Auditors, together with the ethical requirements that are relevant to the audit of the financial statements in Poland, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IFAC Code. Throughout the audit, both the key statutory auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU

Regulation.

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

## Emphasis of Matter

We draw attention to Note 4.33 in the financial statements describing management's evaluation of the actual or potential impact of the effects of the COVID-19 coronavirus on the entity. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They encompass the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We summarized our response to those risks and, where appropriate, we presented the key findings related to those risks. We do not provide a separate opinion on these matters.

Key audit matter	How we addressed the matter
<p style="text-align: center;"><i>Impairment analysis of the Company's assets</i></p> <p>In part 3.3 of the financial statements for 2019, the Company presented disclosures regarding procedures related to the analysis of indications and impairment tests of the Company's assets. The Company's Management Board, in accordance with IFRS, carries out an assessment of indications of impairment at the end of each financial year. When identifying some indications, the Management Board conducts tests for impairment of asset that are related to making judgments, including adopted calculation methodology and the need of adoption many different assumptions. Analysis of the indications and impairment testing was the subject of our procedures due to the complexity of the processes and high level of judgment necessary in determining present value of assets.</p>	<p>Our audit procedures included in particular:</p> <ul style="list-style-type: none"> <li>- understanding and evaluation of internal control within the area of identification and verification of indications procedures related to the impairment of assets and assessment of correctness of the method which was applied to perform a test according to appropriate financial reporting standards,</li> <li>- mathematical verification of correctness and methodological consistency of the valuation models prepared by the Board,</li> <li>- analysis of the key assumptions adopted by the Management Board regarding future cash flows in the context of current and expected market conditions.</li> </ul>
<p style="text-align: center;"><i>Recognition of sales revenues in the correct reporting period</i></p> <p>In part 3.3 of the financial statements for 2019 the company presented a description of the accounting policy used for revenue recognition. Conditions defining the moment of revenue recognition have been indicated in the Company's books. The company sells goods based on various delivery</p>	<p>Our audit procedures included in particular:</p> <ul style="list-style-type: none"> <li>- understanding and evaluation of internal control environment within the area of the system used to reflect the terms of the transaction</li> </ul>

<p>terms defined as Incoterms and the moments of risk and benefits transfer to the customer is different. As part of the period closing process, the company carries out the procedure of open sales verification. Recognition of revenues in the correct period was the subject of our analysis due to the significance of this item in the financial statements and the susceptibility of intentional distortion risk.</p>	<p>(Incoterms) in the revenue recognition process and identification of the proper risk and benefits transfer moment, - assessment of correctness, on selected sample of transactions from the breakthrough of the year, revenue recognition relating to the reporting period in accordance with the risk and benefits transfer to the customer based on delivery terms.</p>
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## **Responsibilities of the Management Board and the Supervisory Board of the Parent for the Consolidated Financial Statements**

The Parent's Management Board is responsible for the preparation of consolidated financial statements which give a true and fair view of the economic and financial position of the Group and of its financial performance in accordance with the applicable International Financial Reporting Standards, as endorsed by the European Union, the adopted accounting policies as well as the applicable laws and articles of association of the Parent, and for such internal control as the Parent's Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent's Management Board is responsible for assessing the Group'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 Parent's Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management Board and members of the Supervisory Board of the Parent are obliged to ensure that the consolidated financial statements meet the requirements of the Accounting Act of 29 September 1994 (the "Accounting Act", Journal of Laws of 2019, item 351, as amended). Members of the Parent's Supervisory Board are responsible for overseeing the financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 PSAs 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 consolidated financial statements.

The scope of an audit does not include an assurance about the future profitability of the Group or the effectiveness or efficiency of the Parent's Management Board in managing the Group's affairs at present or in the future.

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

- identify and assess the risks of material misstatement of the consolidated financial statements,



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 Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Management Board;
- conclude on the appropriateness of the Parent's Management Board's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent's Supervisory Board 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 identify during our audit.

We also provide the Parent's Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and that we will communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent's Supervisory Board, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Information, Including the Report on the Activities**

Other information includes a report on the Group's activities in the financial year ended December 31, 2019 (the "Report on the Activities"), together with a statement of compliance with corporate governance principles, which constitute separate parts of the Report.

## *Responsibilities of the Management Board and the Supervisory Board*

The Parent's Management Board is responsible for the preparation of the Report on the Activities in accordance with the applicable laws.

The Management Board and members of the Supervisory Board of the Parent are obliged to ensure that the Report on the Activities, along with the separate parts, meet the requirements of the Accounting Act.

## *Auditor's Responsibilities*

Our opinion on the consolidated financial statements does not cover the Report on the Activities. In connection with our audit of the consolidated financial statements, our responsibility is to read the Report on the Activities and, in doing so, consider whether the Report on the Activities is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Report on the Activities, we are required to report that fact in our auditor's report. Additionally, under the Act on Statutory Auditors we are obliged to express an opinion on whether the Report on the Activities has been prepared in accordance with the applicable laws and whether it is consistent with the information contained in the consolidated financial statements. Furthermore, we are obliged to express an opinion on whether the Group has included the necessary information in the statement of compliance with corporate governance principles.

We received the Report on the Activities prior to the date of this auditor's report.

## **Opinion on the Report on the Activities**

Based on our work performed during the audit, we are of the opinion that the Report on the Activities:

- has been prepared in accordance with Article 49 of the Accounting Act par. 71 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (the "Current Information Regulation", Journal of Laws of 2018, item 757);
- is consistent with the information contained in the consolidated financial statements.

Furthermore, in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified any material misstatements of the Report on the Activities.

## **Opinion on the Statement of Compliance with Corporate Governance Principles**

In our opinion, the statement of compliance with corporate governance principles contains the information referred to in par. 70.6.5 of the Current Information Regulation. We are also of the opinion that the information referred to in par. 70.6.5(c)-(f), (h) and (i) of the Regulation, as contained in the statement of compliance with corporate governance principles, is in accordance with the applicable laws and consistent with the information included in the consolidated financial statements.

## **Report on Other Legal and Regulatory Requirements**

### **Statement Concerning Provision of Non-Audit Services**

To the best of our knowledge and belief, we represent that non-audit services which we have provided to the Parent and to its subsidiaries are not prohibited under Article 5.1 of the EU Regulation



and Article 136 of the Act on Statutory Auditors. The non-audit services which we provided to the Parent and to its subsidiaries in the audited period have been listed in Item 6.11 in the Report on the Activities.

#### **Appointment of the Auditor**

We were appointed as the auditor of the Group's consolidated financial statements by resolution 05/06 of the Parent's Supervisory Board of June 20, 2017. Our total uninterrupted period of engagement to audit the Group's consolidated financial statements is three consecutive financial years, i.e. starting from the financial year ended December 31, 2017.

The key statutory auditor on the audit resulting in this independent auditor's report is Adrian Karaś.

Acting on behalf of Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered seat in Warsaw, entered under number 73 on the list of audit firms, in the name of which the consolidated financial statements have been audited by the key statutory auditor:

Adrian Karaś  
Registered under number 12194

Warsaw, March 25, 2020

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