

Report of an independent statutory auditor on the audit

For the General Meeting and the Supervisory Board of Unimot S.A.

Report on the Audit of the Annual Financial Statements

Our opinion

In our opinion the enclosed annual financial statements:

- give a true and fair view of the economic and financial position of Unimot S.A. ("Company") as of December 31, 2020, and of its financial performance and its cash flows of the Company for the year then ended in accordance with the applicable International Financial Reporting Standards, as endorsed by the European Union, and the adopted accounting principles (policies);
- comply, as regards their form and content, with the applicable laws and the articles of association of the Company;
- was prepared based on correctly kept accounting books in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994 (The Accounting Act – uniform text- Journal of Laws of 2021, item. 217 as amended).

The present opinion is consistent with the Additional Report for the Audit Committee, which we issued on the date of the present statements.

Subject of our audit

We conducted the audit of the annual financial statements of Unimot S.A., which includes:

- statements of financial condition as of 31 December 2020;

as well as prepared for the financial year from 1 January to 31 December 2020;

- statements of total revenues;
- statements of changes in equity;
- statements of cash flows, and
- additional explanatory notes that include the description of significant adopted accounting principles and other explanatory information.

Basis for opinion

We conducted our audit in accordance with National Standards on Auditing within the meaning of International Standards on Auditing ("ISAs") adopted by the National Council of Statutory Auditors 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 2020, item 1415) 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 section Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.

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

Independence

We are independent of the Group in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards

Board for Accountants ("IESBA Code"), adopted by resolution of the National Council of Statutory Auditors, together with other ethical requirements that are applicable to the audit of the financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. Throughout the audit, both the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

Our approach to the audit

Summary

- Significance – the general significance adopted for the audit was determined at the level of PLN 23.3 million, which constitutes 0.5% of revenues on sales.
- Scope of audit – we have audited the annual financial statements of the Company for the period ended on 31 December 2021.
- Key matters of audit – concerned the risk of fraud in the process of recognising revenues, valuation and presence of inventories.

We have designed our audit by establishing the significance and estimating the risk of significant misstatement of the financial statements. In particular, we analysed where the Company's Management Board made subjective judgements; for example with regard to significant book estimates, which required adopting assumptions and considering the occurrence of future events, which are inherently uncertain. We have also addressed the risk of overriding internal control by the Management Board, including – among other matters – we have considered whether there has been evidence of the Management Board's partiality, which would constitute a risk of a significant misstatement due to fraud.

Significance

The scope of our audit was influenced by the adopted significance level. The audit has been designed in order to obtain rational certainty whether the financial statements as a whole are free of a significant misstatement. Misstatements are considered as significant if it can be rationally expected that separately or together they could influence economic decisions of users made based on the financial statements.

Based on our professional judgement we established quantitative thresholds for the significance, including general significance with reference to the financial statements as a whole, which we present below. These thresholds, together with qualitative factors allowed us to determine the scope of our audit as well as type, time and scope of audit procedures, and also to evaluate the influence of misstatements, both individually and cumulatively on the financial statements as a whole.

General significance for the Group	PLN 23.8 million
Basis for establishing	0.5% of revenues on sales
Justification of the adopted approach	We adopted revenues on sales to be the basis for determining the significance due to volatility of financial results being driven by the factors beyond the control of the Company, including primarily currency exchange rates and market prices of fuels. We adopted significance at the level of 0.5% as on the basis of our professional judgement it is within acceptable quantitative thresholds of significance.

We agreed with the Audit Committee of the Company that we would inform about the identified during audit misstatements to the financial statements in the amount greater than PLN 1.2 million, and also about misstatements lower than this amount, should it be justified in our opinion due to qualitative factors.

Key matters of audit

Key matters of audit are the ones that according to our professional judgement were the most significant during auditing the financial statements for the current period. They comprise the most significantly evaluated types of risk of significant misstatement, including the evaluated types of the risk of significant misstatement due to fraud. These matters were referred to in the context of the audit of the financial statements as a whole and while formulating our opinion. We do not express separate opinions in this regard.

Key audit matter	How we addressed the matter
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<p>Risk of fraud in the process of recognising revenues</p> <p>Revenues on sales are one of the key values that testifies the results of the Company's operating activity and are an indicator of the market share, which is of key importance for the Company's development.</p> <p>For this reason, there exists a risk of distorting the financial statements due to an intentional overstating of revenues on sales in the financial statements through, e.g. recognising fictional transactions of sales, recognising transactions in an incorrect value and improper reporting period, which will not be captured by the internal control system. Additionally, misstatements may be caused by introduction of non-system bookings that overstate the value of revenues.</p> <p>In view of the abovementioned, we concluded that this was the key issue for our audit.</p>	<p>Disclosures pertaining to applied accounting principles have been presented in Note 3.3 n, and the disclosures pertaining to the revenues recognised in the period in the Notes 3.4 and 4.1.</p> <p>Our audit procedures included primarily:</p> <ul style="list-style-type: none"> • understanding and evaluation of the internal control system in the process of sale; • analysis of the applied accounting policy pertaining to recognition of revenues on sales; • analysis of selected contracts and orders concluded with key customers; • test confirming the existence of selected sales transactions; • independent confirmation of selected items of trade and other receivables as of the balance sheet date; • analysis of selected documents correcting the values of revenues on sales recognised throughout the audited financial year and after it ended; • analysis of all significant non-system bookings influencing the revenues on sales throughout the year, compliant with the defined criteria; • analytic procedures pertaining to revenues during the audited financial year, including the analysis of the margin achieved by the Company; • evaluation of principles of presenting revenues on sales and costs of sold goods and materials.
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<p>Valuation and existence of inventories</p> <p>The balance of inventories as of 31 December 2020 amounts to PLN 163 million, which constitutes approx.. 22% of all the Company's assets (31 December 2019: PLN 239 million – 37%).</p> <p>Inventories of diesel are valued based on current market value and the remaining amount of goods – according to the lower of the two: price of purchase or nett value viable to be achieved.</p> <p>Inventories are stored in several dozen of locations managed by third parties. Due to the specificity of the inventory it is vulnerable to a series of risks, including primarily the risk of misappropriation or theft and depreciation due to volatility of market prices.</p> <p>In the view of the abovementioned, we concluded that the valuation and existence of inventories are the key issues of our audit.</p> <p>Disclosures related to inventories have been presented in Notes 3.3.g and 4.15 to the financial statements.</p>	<p>Our audit procedures included in particular:</p> <ul style="list-style-type: none"> • understanding and evaluation of internal control, among others, in the processes of physical control over inventories, and also principles of diesel oil valuation to fair value and recognising write-offs on the remaining inventory, including identification by the Management Board of the situations indicating that the purchase cost may exceed the net price of sale and the manner of recognising and verifying the calculation of the write-off; • independent confirmation of the balance of diesel oil as of the balance sheet date, maintained by third parties on behalf of the Company through direct communication with these third parties; • checking the valuation of selected items of goods inventories; • critical evaluation of the adopted assumptions and estimations used to determine the value of the write-off on inventories; • verification of mathematical correctness and methodological consistency with regard to the calculation of inventory valuation to fair value; • evaluation of the reliability and completeness of disclosures.
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The Company's Management Board is responsible for the preparation of the annual financial statements based on correctly kept accounting books, which give a true and fair view of the economic and financial position of the Company and of its financial performance in accordance with the applicable International Financial Reporting Standards, as endorsed by the European Union, the adopted accounting principles (policies) as well as the applicable laws and articles of association of the Company, and for such internal control as the Company's Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Company's Management Board 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 Company's Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management Board and members of the Supervisory Board of the Company are obliged to ensure that the 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 Company's Supervisory Board are responsible for overseeing the financial reporting process.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

The scope of an audit does not include an assurance about the future profitability of the Company or the effectiveness or efficiency of the Company's Management Board in managing its affairs at present or in the future. As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism, and also:

- identify and assess the risks of material misstatement of the 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 the 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 principles (policies) used and the reasonableness of accounting estimates and related disclosures made by the Company's Management Board;
- conclude on the appropriateness of the Company's Management Board's use of the going concern as a 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 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 the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that assures fair presentation;

We communicate with the Company'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 provide the Audit Committee 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, we inform about precautions aimed at eliminating such threats and related safeguards.

From the matters communicated with the Audit Committee we determined those matters that were of utmost significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our statutory 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

Other information includes a report on the activities of the Company and the Unimot Capital Group S.A. (the "Group"), where the Parent Entity is Unimot S.A., for the financial year ended December 31, 2020 (the "Report on the Activities"), together with a statement of compliance with corporate governance principles, which constitute separate parts of the Report on the Activities (jointly "Other Information"). Other information does not comprise the financial statements and the statutory auditor's report thereof.

Responsibilities of the Management Board and the Supervisory Board

The Company's Management Board is responsible for the preparation of Other Information in accordance with the applicable laws.

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

Statutory Auditor's Responsibilities

Our opinion on the audit of the financial statements does not cover Other Information. In connection with our audit of the financial statements, our responsibility is to read Other Information, in doing so, consider whether it is materially

inconsistent with the 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 the Other Information, we are required to report that fact in our auditor's report. 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 annual financial statements and consolidated financial statements. Furthermore, we are obliged to express an opinion on whether the Company and the Group has included the necessary information in the statement of compliance with corporate governance principles.

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. 70 and 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 financial statements and the consolidated financial statements.

Furthermore, we hereby declare that in the light of the knowledge of the Company and the Group and their 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 financial statements and the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Opinion on the requirements of Article 44 of the Energy Law Act

The Company's Management Board is responsible for the preparation of regulatory financial information under Article 44 of the Law of 10 April 1997 the Energy Act ("Energy Law Act" – Journal of Laws of 2020, item 883, as amended). According to the requirements of Article 44 of the Energy Law it is our duty to audit the regulatory financial information and issue an opinion required by the Energy Law.

The regulatory financial information has been presented in Note 3.4 of explanatory information. Our audit did not include the evaluation whether the information required to be disclosed under this law is satisfactory to ensure equal treatment of customers and elimination of cross-subsidisation among the activities.

In our opinion, appropriate statements of the financial standing included in the regulatory financial information (Note No. 3.4) as of the balance sheet date 31 December 2020 and the statements of total revenues for the financial year ending with this date prepared separately for each performed economic activity are compliant in all substantial aspects with the requirements referred to in Article 44(2) of the Energy Law in the scope of ensuring equal treatment of customers and elimination of cross-subsidisation among the activities.

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 Company and to its subsidiaries are compliant with the law and regulations in force in Poland and we have not provided non-audit services, which are 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 Company and to its subsidiaries in the audited period have been listed in Note 4.25 of the financial statements.

Appointment of the Auditor

We were appointed as the auditor of the Company's annual financial statements by the resolution of the Company's Supervisory Board of November 13, 2020. We have audited the Company's financial statements for the first time.

The key statutory auditor on the audit acting on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., entered under number 144 on the list of audit firms, which resulted in the preparation of the present report of the independent statutory auditor is Tomasz Reinfuss.

Tomasz Reinfuss

Key Statutory Auditor

Number in the Registry 90038

Katowice, 23 March 2021