



## Independent Registered Auditor's Report

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

### Report on the audit of the annual financial statements

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#### Our opinion

In our opinion, the accompanying annual financial statements:

- give a fair and clear view of the financial position of Unimot S.A. (the "Company") as at 31 December 2021 and the Company's results of operations and cash flows for the financial year then ended, in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Company and its Articles of Association;
- have been prepared on the basis of properly maintained books of account, in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994 (the "Accounting Act").

This opinion is consistent with our additional report to the Audit Committee issued on the date of this report.

#### What we have audited

We have audited the annual financial statements of Unimot S.A., which comprise:

- the separate statement of financial position as at 31 December 2021;

and the following statements prepared for the financial year from 1 January to 31 December 2021:

- the separate statement of comprehensive income;
- the separate statement of changes in equity;
- the separate statement of cash flows, and
- the explanatory notes to the annual financial statements, comprising a description of the adopted significant accounting policies and other explanations.

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#### Basis for the opinion

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We conducted our audit in accordance with the International Standards on Auditing adopted as the National Standards on Auditing by resolution of the National Council of Statutory Auditors ("NSA") and pursuant to the provisions of the Act of 11 May 2017 on Registered Auditors, Registered Audit Companies and Public Oversight (the "Act on Registered Auditors"), as well as Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities (the "EU Regulation"). Our responsibilities under the NSA are further described in the *Auditor's responsibility for the audit of the financial statements* section of our report.

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

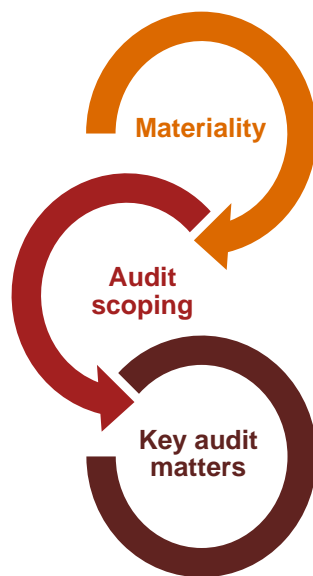
## Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code") as adopted by resolution of the National Council of Statutory Auditors and with other ethical requirements that are relevant to our audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the key registered auditor and the registered audit company remained independent of the Company in accordance with the independence requirements set out in the Act on Registered Auditors and in the EU Regulation.

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## Our audit approach

### Overview



- The overall materiality threshold adopted for the purposes of our audit was set at PLN 39.7 million, which represents 0.5% of sales revenue.
- We have audited the Company's annual financial statements for the period ended 31 December 2021.
- The key audit matters concerned:
  - the risk of fraud in the revenue recognition process;
  - the valuation and existence of inventories.

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the financial statements. In particular, we considered where the Company's Management Board made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering the occurrence of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was any evidence of management bias that represented a risk of material misstatements due to fraud.

### Materiality

The scope of our audit was influenced by the adopted materiality level. Our audit was designed to obtain reasonable assurance that the financial statements as a whole are free from material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole, as presented below. These thresholds, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	PLN 39.7 million
<b>Basis for determination</b>	0.5% of sales revenue
<b>Rationale for the materiality benchmark applied</b>	We have adopted sales revenue as the basis for determining materiality because of the volatility of the results of operations resulting from factors which are beyond the Company's control, including mainly foreign exchange rates and market prices of fuels. We have adopted the materiality threshold at 0.5% because, based on our professional judgement, it is within the acceptable quantitative thresholds for materiality.

We agreed with the Company's Audit Committee that we would report to them any misstatements in the financial statements identified during our audit in excess of PLN 1.9 million, as well as any misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. They include the most significant assessed risks of material misstatements, including the assessed risks of material misstatements resulting from fraud. These matters were addressed in the context of our audit of the financial statements as a whole and in formulating our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Risk of fraud in the revenue recognition process</b>  Sales revenue is one of the key figures describing the results of the Company's operating activities, and it determines the market share which is of key importance to the Company's development.  For this reason, there is a risk of misstatements in the financial statements as a result of an intentional overstatement of sales revenue in the financial statements by, e.g., recognizing fictitious sales transactions, recognizing the wrong amounts for transactions and in the wrong reporting period, which will not be detected by the internal control system. Moreover, misstatements may result from introducing out-of-system postings overstating revenue.	Our audit procedures comprised, in particular: <ul style="list-style-type: none"><li>• obtaining an understanding of and evaluating the internal control system in the sales process;</li><li>• analysing the accounting policies in place, concerning the recognition of sales revenue;</li><li>• analysing selected contracts and orders concluded with key customers;</li><li>• test confirming the existence of selected sales transactions;</li><li>• independent confirmation of selected trade receivables as at the balance sheet date;</li><li>• analysing selected documents adjusting the value of sales revenue recognized during the audited financial year and after the year-end;</li></ul>

In view of the above, we identified this to be a key audit matter.

Disclosures related to the accounting policies in place are presented in Note 3.15, and disclosures related to the revenue recognized during the period – in Note 5.1.

- analysing all material out-of-system postings affecting sales revenue during the year, which met specific criteria;
- analytical procedures relating to revenue during the audited financial year, including analysing the margin achieved by the Company;
- assessing the rules of presentation of sales revenue and the cost of sales of goods for resale and materials.

### Valuation and existence of inventories

As at 31 December 2021, the inventory balance amounted to PLN 318.7 million, which represents approx. 28% of the Company's total assets (PLN 163.1 million as at 31 December 2020, i.e. 22% of total assets).

Stocks of diesel oil are valued on the basis of the current market value and other stocks of goods for resale – at the lower of the cost of purchase and the net realizable value.

Inventories are stored in several dozen locations managed by third parties. Due to the specific nature of the inventories, they are exposed to a number of risks, including mainly the risk of misappropriation or theft, as well as impairment due to fluctuations in market prices.

In view of the above, we concluded that the valuation and existence of inventories were a key audit matter.

Disclosures related to inventories are presented in Notes 3.7 and 5.15 to the separate financial statements.

Our audit procedures comprised, in particular:

- obtaining an understanding of and evaluating the internal control system, among other things, in the processes of: physical control over inventories, as well as the rules of fair value measurement of stocks of diesel oil and determining write-downs of other inventories, including identification by the Management Board of situations indicating that the cost of purchase may exceed the net realizable value and the method of determining and verifying the calculation of write-downs;
- independent confirmation of the balance of inventories as at the balance sheet date, maintained by third parties on behalf of the Company, through direct communication with these third parties;
- verifying the valuation of selected stocks of goods for resale;
- critical assessment of the assumptions and estimates made to determine the value of inventory write-downs;
- verifying the arithmetical correctness and methodological consistency of the calculation of the fair value measurement of inventories;
- assessing the completeness and fairness of the disclosures.

### Responsibility of the Management Board and the Supervisory Board for the financial statements

The Company's Management Board is responsible for the preparation, based on properly maintained books of account, of annual financial statements which give a fair and clear view of the Company's financial position and results of operations in accordance with the International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the laws applicable to the Company and the Company's Articles of Association, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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



The Company's Management Board and the members of the Supervisory Board are obliged to ensure that the financial statements comply with the requirements specified in the Accounting Act. The members of the Supervisory Board are responsible for overseeing the financial reporting process.

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### Auditor's responsibility 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 misstatements, 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 the NSA will always detect a material misstatement when it exists. Misstatements can result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The scope of the audit does not cover an assurance on the Company's future profitability or the efficiency and effectiveness of the Company's Management Board conducting its affairs, now or in the future. As part of an audit in accordance with the NSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and estimate the risks of material misstatements in 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 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 the accounting 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 using 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 doubts as to 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 registered 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 preparation of our registered 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 present the underlying transactions and events in a manner that ensures fair presentation.

We communicate with the Audit Committee 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 Audit Committee with a statement that we have complied with the relevant ethical requirements regarding independence, and we communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, we inform about the measures taken to eliminate such risks and related safeguards.

From among the matters communicated to the Audit Committee, we determined those matters that were of most significance in the audit of the financial statements for the current period and are, therefore, the key audit matters. We describe these matters in our registered auditor's report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we establish 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.

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## Other information, including the Report on the operations

### Other information

Other information comprises a Report on the operations of the Company and the Unimot S.A. Group (the “Group”), in which Unimot S.A. is the parent company, for the financial year ended 31 December 2021 (the “Report on the operations”) and the corporate governance statement which is a separate part of the Report on the operations (jointly “Other information”). Other information does not include the financial statements or the registered auditor’s report thereon.

### Responsibility of the Management Board and the Supervisory Board

The Company’s Management Board is responsible for preparing Other information in accordance with the law.

The Company’s Management Board and the members of the Supervisory Board are obliged to ensure that the Report on the operations, including its separate parts, complies with the requirements of the Accounting Act.

### Registered auditor’s responsibility

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 and, in doing so, consider whether it is materially inconsistent with the financial statements, our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work performed, we identified a material misstatement in Other information, we are obliged to inform about it in our audit report. In accordance with the requirements of the Act on Registered Auditors, we are also obliged to issue an opinion on whether the Report on the operations has been prepared in accordance with the law and whether it is consistent with the information in the annual financial statements and the consolidated financial statements.

Moreover, we are obliged to issue an opinion on whether the Company and the Group provided the required information in the corporate governance statement.

### Opinion on the Report on the operations

Based on the work we carried out during the audit, in our opinion, the Report on the operations:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and paragraph 70 and paragraph 71 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering equivalent the information required under the legislation of a non-Member State (the “Regulation on current information”);
- is consistent with the information in the financial statements and the consolidated financial statements.

Moreover, we declare that, based on the knowledge of the Company and the Group and their environment obtained during our audit, we have not identified any material misstatements in the Report on the operations.

### Opinion on the corporate governance statement

In our opinion, in the corporate governance statement, the Company and the Group included the information set out in paragraph 70 (6) (5) of the Regulation on current information. Moreover, in our opinion, the information specified in paragraph 70 (6) (5) (c)-(f), (h) and (i) of the said Regulation, included in the corporate governance statement, is consistent with the applicable provisions of the law and with the information included in the financial statements and the consolidated financial statements.

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## **Report on other legal and regulatory requirements**

### **Opinion on the requirements of Article 44 of the Energy Law**

The Company's Management Board is responsible for preparing regulatory financial information in accordance with the requirements of Article 44 of the Act of 10 April 1997 – the Energy Law (the "Energy Law").

According to the requirements of Article 44 of the Energy Law, we are obliged to audit regulatory financial information and to issue an opinion required by the Energy Law. Regulatory financial information is presented in Note 4 to the financial statements. Our audit did not cover an evaluation of whether the information required to be disclosed under the Energy Law is sufficient to ensure equal treatment of consumers and to eliminate cross-subsidization between segments.

In our opinion, the relevant statements of financial position as at 31 December 2020 and the statements of comprehensive income for the year then ended, included in the regulatory financial information (Note 4.1 and Note 4.2), prepared for each of the operating segments, comply, in all material respects, with the requirements referred to in Article 44 (2) of the Energy Law, in terms of ensuring the equal treatment of consumers and the elimination of cross-subsidization between these segments.

### **Statement on the provision of non-audit services**

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Parent Company and its subsidiaries are in accordance with the laws and regulations applicable in Poland and that we have not provided any non-audit services which are prohibited under Article 5 (1) of the EU Regulation and Article 136 of the Act on Registered Auditors. The non-audit services which we provided to the Company in the audited period are listed in Note 5.35 to the financial statements.

### **Appointment of the registered audit company**

We were appointed for the first time to audit the Company's annual financial statements by resolution of the Supervisory Board dated 13 November 2019. We have been auditing the Company's financial statements without interruption since the financial year ended 31 December 2020, i.e. for two consecutive years.

The Key Registered Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of Registered Audit Companies with the reference number 144, which has resulted in this Independent Registered Auditor's Report, is Tomasz Reinfuss.

Tomasz Reinfuss  
Key Registered Auditor  
No. 90038

Katowice, 4 April 2022