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Independent Auditor's Report

To the General Shareholders' Meeting and Supervisory Board of ENERGA SA

Report on the Audit of the Annual Consolidated Financial Statements

Opinion

We have audited the accompanying annual consolidated financial statements of ENERGA SA Group (the "Group"), whose parent entity is ENERGA SA (the "Parent Entity"), which comprise:

- the consolidated statement of financial position as at 31 December 2018,

and, for the period from 1 January to 31 December 2018:

- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;

and

- notes comprising a summary of significant accounting policies and other explanatory information

(the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements of the Group:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS EU") and the adopted accounting policy;
- comply, in all material respects, with regard to form and content, with applicable laws and the provisions of the Parent Entity's articles of association.

Our audit opinion on the consolidated financial statements is consistent with our report to the Audit Committee dated 13 March 2019.



Basis for Opinion

We conducted our audit in accordance with:

- International Standards on Auditing as adopted by the National Council of Certified Auditors as National Standards on Auditing (the “NSA”); and
- the act on certified auditors, audit firms and public oversight dated 11 May 2017 (Official Journal from 2017, item 1089 with amendments) (the “Act on certified auditors”); and
- 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-listed entities and repealing Commission

Decision 2005/909/EC (Official Journal of the European Union L 158 from 27 May 2014, page 77 and Official Journal of the European Union L 170 from 11 June 2014, page 66) (the “EU Regulation”); and

- other applicable laws.

Our responsibilities under those standards are further described in the Auditor’s Responsibility for the audit of the consolidated 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 and Ethics

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (“IFAC Code”) issued by the International Ethics Standards Board for Accountants as adopted by the resolutions of the National Council of Certified Auditors, as well as other independence and ethical requirements, applicable to audit

engagement in Poland. We have fulfilled all ethical responsibilities resulting from those requirements and IFAC Code. During our audit the key certified auditors and the audit firm remained independent of the Group in accordance with requirements of the Act on certified auditors and the EU Regulation.

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 are the most significant assessed risks of material misstatements, including those due to fraud, described below and we performed appropriate audit procedures to address these matters. Key audit matters were addressed in

the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon we have summarised our response to those risks. We do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section of our report we have determined the following key audit matters:

Impairment of property, plant and equipment

Net book value of property, plant and equipment as at 31 December 2018 amounts to PLN 14.335 million, and recognized impairment losses as at 31 December 2018 amount to PLN 394 million.

Reference to the consolidated financial statements: Note 6 "Material items subject to judgment and estimates", Note 9.6 "Property, plant and equipment", Note 9.9 "Impairment of non-financial non-current assets", Note 11.1 "Costs by nature", Note 11.2 "Cost of depreciation and impairment losses recognized on non-financial non-current assets in the statement of profit or loss", Note 13 "Property, plant and equipment"

Key audit matter	Our response
As described in Note 13 to the consolidated financial statements, in relation with the identified indicators of impairment of property, plant and equipment, the Group decided to perform impairment tests for property, plant	Our audit procedures included, among others: <ul style="list-style-type: none"> — Assessment of compliance of the accounting policies adopted by the Group with regard to identification and recognition of impairment of property,

and equipment of the energy production sector, in particular, power generation assets belonging to ENERGA Wytwarzanie SA, ENERGA Elektrownie Ostrołęka SA and ENERGA Kogeneracja Sp.z o.o.

The Group estimated the recoverable amount of property, plant and equipment of the power generation sector based on the corresponding value in use of cash generating units using the discounted cash flow model.

Impairment of property, plant and equipment has been recognized as a key audit matter as the recoverable amount is based on numerous assumptions and estimates, notably in relation to the projected cash flows and the adopted discount rate.

The projected cash flows are dependent on electricity, coal, electricity origin certificates and CO2 emission rights prices. The validity of the assumptions made in this regard are associated with high degree of uncertainty in view of a changing regulatory environment and its effect on the economics of the energy trading and production sector.

plant and equipment with the respective financial reporting standards;

- Assessment of the system of internal control over the detection of indicators of impairment and tests for impairment of property, plant and equipment;
 - Assessment of the Group's judgements related to the identification of cash generating units;
 - Critical assessment of the reasonableness of judgements and assumptions made by the Group, and the estimation of the recoverable amount of property, plant and equipment in the power generation sector, and as a consequence, the value of identified impairment losses, with the support of our internal valuation specialists, including:
 - ✓ assessment of the discounted cash flow model prepared by the Group with regard to its compliance with the applicable financial reporting standards, compliance with generally accepted impairment testing models, and the internal integrity of the used methodology,
 - ✓ assessment of the reasonableness of the key macroeconomic and discount rate assumptions made by the Group by comparing them to external sources,
 - ✓ critical assessment of the reasonability of projections of future cash flows, including the assumed levels of revenues, costs, investment expenditures by comparing the adopted assumptions to historical financial information, and by analyzing actions taken by the Group and its subsidiaries prior to the audit,
 - ✓ assessment of whether the Group's assumptions regarding future regulatory conditions were based on a reasonable model of the power sector and renewable energy sources support system;
 - ✓ assessment of the appropriateness of the assumptions regarding the prices of electricity by comparing them to the results of analyses of external experts ordered by the Group, whose competences, experience and objectivity we assessed.
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- Assessment of adequacy and completeness of disclosures in the consolidated financial statements with regard to impairment tests, including the assessment of the sensitivity of cash flow model prepared by the Group to changes in its key assumptions, such as discount rate, inflation rate, prices of electric energy, revenues from the power market.

Revenue recognition

Sales revenues for the financial year ended 31 December 2018 amount to PLN 10.534 million, trade receivables as at 31 December 2018 amount to PLN 1.834 million.

Reference to the consolidated financial statements: Note 6 "Material items subject to judgment and estimates", Note 9.22.1. "Financial assets", Note 9.24 "Revenue", Note 11.1 "Sales revenues", Note 28 "Financial instruments"

Key audit matter

During the year ended 31 December 2018, the Group generated revenues primarily from the sale of electricity to both end users and on the wholesale market, electricity distribution services and gas sales.

of Revenue recognition was the subject of our particular attention due to the fact that the application of appropriate financial reporting standards is complex and requires Management's estimates and judgements as to the value of non-billed sales of electricity and distribution service as at the reporting date. Meter readings regarding the value of electricity sold to end users are mostly performed in cycles that different from the reporting period.

Accordingly, ENERGA Group entities make estimates of electricity sales and distribution services at each date, for the period not covered by the readings.

Revenue recognition is also dependent on the use of complex IT systems for data processing (in particular billing systems) that process large volumes of data with a combination of different tariffs and readings periods of the actual value of electricity consumed by customers.

Our response

Our audit procedures included, among others:

- Updating our understanding and assessment of the process of revenue recognition and conducting internal control tests in this area, in particular regarding the correctness of invoicing customers for energy consumption based on meter readings;
- Evaluation of the accounting policy regarding the revenue recognition in terms of their compliance with the relevant requirements of the financial reporting standards;
- Analysis of the correctness of billing system reports and their recognition in the accounting records, with the support of our internal information risk management specialists;
- Assessment of selected IT systems used by the Group in relation to automated controls in the area of program changes and access controls to the above systems, including billing systems used in the process of revenue recognition, with the support of our internal information risk management specialists;
- Reconciliation of the revenues included in the accounts to billing data and revenues recognized on the basis of

For these reasons, this area has been recognized by us as a key audit matter.

- estimates made by the Group regarding the value of unbilled electricity and distribution service at the reporting date with actual data available after the end of the reporting period;
- assessment of the reasonableness of the amount of sales revenues by building independent expectations regarding these revenues:
 - ✓ for distribution services - based on the analysis of revenues from the previous year, updated for the effect of changing distribution tariffs;
 - ✓ for electricity sales services based on the analysis of revenues from the previous year, updated for the effect of changes in volume and price in individual tariff groups.
 - ✓ comparison of our expectations against amounts recognized by the Group's lines of business;
- For a selected sample of the Group's customers, obtaining confirmations of balances as at October 31, 2018; Reconciliation of changes in the accounts receivables from October 31, 2018 until the reporting date.
- Reconciliation of data on the volume of electricity consumed for a selected sample of invoices for customers to information in the billing systems based on meter reading, including testing the receipt of payment for selected items from each billing system.

Claims for cessation of performance of long-term contracts for purchase of property rights resulting from certificates of origin of energy from renewable sources

The amount of recognized liabilities due to the cessation of long-term agreements for the purchase of property rights as at 31 December 2018 amounts to PLN 19.2 million and disclosed contingent liabilities amount to PLN 59.2 million;

Reference to the consolidated financial statements: Note 35.1 "Contingent liabilities"

<i>Key audit matter</i>	<i>Our response</i>
<p>As described in Note 35.1 to the consolidated financial statements, ENERGA-OBRÓT SA (the "Subsidiary") reached the conclusion of unconditional invalidity of the long-term master contracts for purchase of property rights arising from certificates of origin ("CPAs"). In the opinion of the Subsidiary, the reason for the invalidity of the CPAs is their inconsistency with the Act of 29 January 2004 - Public Procurement Law (Dz.U.2017.1579).</p> <p>Due to the above, as at 11 September 2017,</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> — Assessment of compliance of the Group's accounting policy regarding the recognition of liabilities and provisions and disclosure of contingent liabilities as a result of cessation of the performance of the CPAs with appropriate financial reporting standards; — Analysis of selected contracts for the purchase of green certificates, including in particular in the context of the legal

the Subsidiary ceased to perform under the CPAs and filed claims to common and arbitration courts to rule on the invalidity of those agreements.

There is significant uncertainty as to the outcome of the final settlement of court disputes regarding the legal grounds for recognition of their unconditional invalidity and reported claims, which require a detailed analysis and a number of assumptions and judgments. The value of claims may be significant, and the determination of any amount that should be recognized or disclosed in the financial statements is subjective in nature, therefore the reported and potential claims for cessation of contracts for the purchase of property rights arising from certificates of origin have been recognized by us as a key audit matter.

basis of invalidity concluded by the Subsidiary, and legal claim correspondence up to the date of the audit, in order to assess the probability of an unfavorable outcome for the Subsidiary in resolving disputes related to the cessation of these contracts;

- Analysis of legal opinions obtained by the Subsidiary and letters independently received by us from lawyers servicing the Subsidiary regarding reported claims and pending court proceedings in this respect, discussion of selected issues with the ENERGA-OBRÓT's Management Board;
 - Analysis of the legal opinion prepared at our request by an independent law firm not previously involved in the proceedings assessing the most probable outcome of the dispute as well as possible further consequences for the Subsidiary, of both the acceptance and rejection by the court of applications for determination of the absolute invalidity of the contracts;
 - An analysis of court judgements and arguments of the parties, prepared by our internal law specialist;
 - Critical assessment of the Subsidiary's assumptions and estimates (including the probability of unfavorable court judgements) based on the above analyses;
 - Critical evaluation of the reasonableness of the calculation of costs arising due to cessation of contracts in the event of unfavorable court judgements, by building expectations based on the estimated volume of unrealized purchases of green certificates and average contract prices for the purchase of green certificates and their comparison to the amount determined by the Company;
 - Assessment of the correctness and completeness of disclosures in the consolidated financial statements regarding contingent liabilities from ceasing to perform under the contracts for the purchase of green certificates.
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Realization of the duty from the article 52 of the Act on the Renewable Energy Sources

The provision for settlement of obligations arising from article 52 of the Act on Renewable Energy Sources as at 31 December 2018 amounts to PLN 433 million.

Reference to the consolidated financial statements: Note 6 „Material items subject to judgement and estimates”, Note 9.18 „Other provisions”, Note 24.2 „Other provisions”, Note 37 „Other information significantly affecting the assessment of assets, financial position and financial result of the Group”, Note 38 „Subsequent events”

Key audit matter	Our response
<p>On 20 July 2017, an amendment was made to the Act on Renewable Energy Sources of 20 February 2015 („RES Act”), designed to link the amount of the unit substitution fee (article 56 of the RES Act) to the market prices of property rights arising from the certificates of origin.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> — Assessment of compliance of the Group’s accounting policy regarding the recognition and estimation of provisions with appropriate financial reporting standards; — Analysis of the amended RES Act, the Ministry of Finance and President of ERO communiques; — Critical evaluation of the reasonableness of the Group’s judgement and assumptions underlying the estimations of the provision for the realization of the obligation to redeem the property rights or payment of the unit substitution fee in the energy trading sector and consequently the amount of the recognized provision, with the support of our internal legal experts, including: <ul style="list-style-type: none"> ✓ Assessment of the assumptions made by the ENERGA-OBRÓT Management in respect of the methods of fulfilling the obligation under art. 52 of RES Act’s and the estimated cost to bear, based on the independent external legal expert’s opinion prepared on the request of the Subsidiary; ✓ Analysis of the amended RES Act, the Ministry of Finance and President of ERO communiques and the Group’s arguments, prepared by our internal legal advisor; ✓ Assessment of the competence and independence of the advisors responsible for the reports underlying the assumptions used to determine the provision;
<p>According to the statement of the basis for the above mentioned amendments, the value of the unit substitution fee is to be determined taking into consideration the annual weighted average prices of such property rights for a given calendar year to which the redemption duty applies. If the unit substitution fee exceeds the market prices of such property rights the duty imposed by article 52 point 1 of RES Act can be fulfilled only by redemption of such property rights. The primary interpretative uncertainty is the possibility to use the unit substitution fee in 2018 following satisfaction on the RES Act conditions.</p>	
<p>On 1 February 2019, the President of the Energy Regulatory Office („President of ERO”) publish communique no. 12/2019 concerning the manner of enforcement of the duty, referred to in article 52 point 1 of the RES Act in 2019 stating that the only allowed form of fulfilling this obligation is by redemption of acquired green certificates of origin.</p>	
<p>As described in Note 37 to the consolidated financial statements, Group has applied a different approach to that described in the above mentioned communique.</p>	

- Independent calculation of the provision for the obligation stated in article 52 of the RES Act and comparison with the Subsidiary's calculations;
- Assessment of the correctness and completeness of disclosures in the consolidated financial statements regarding the provision for redemption of property rights.

Onerous contracts resulting from the amendments to the Excise Tax Act and Certain Other Acts dated 28 December 2018

The provision for onerous contracts as at 31 December 2018 amounts to PLN 136 million.

Reference to the consolidated financial statements: Note 6 "Material items subject to judgment and estimates", Note 9.18 „Other provisions”, Note 11.5 „Other operating costs”, Note 37 „Other information significantly affecting the assessment of assets, financial position and financial result of the Group”.

<i>Key audit matter</i>	<i>Our response</i>
<p>As described in Note 37 to the consolidated financial statements, on 1 January 2019 the Act amending the Excise Tax Act and Other Acts dated 28 December 2018 („the Act”), which aim is to mitigate and stabilize the increase in electricity prices for the end consumers, came in force.</p> <p>According to the Act, prices for the electricity sold by trading companies to the end consumers are to be limited in 2019, which will cause a decreases revenue form electricity sales. The Act relates to all contract types conducted between the trading companies and the end consumer.</p> <p>At the same time the Act introduces a reimbursement mechanism, which is intended to cover the differences between prices in the newly established tariff or energy pricelists and the weighted average price of electricity in the wholesale market. The compensation system is to be described in detail in the supplementary regulations to the Act, which have not as yet been enacted.</p> <p>Above circumstances caused the need for an analysis of contracts with customers which could be loss making and the necessity of provisions for onerous contracts. The provision for onerous contracts has been recognized by us as a key audit matter as it</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> — Assessment of compliance of the Group's accounting policy regarding the identification, recognition and estimation of provisions, including provisions for onerous contracts, with appropriate financial reporting standards; — Critical assessment of the reasonableness of judgements and assumptions made by the Group and their impact on the estimates made for possible onerous contracts with individual customers, and consequently the amount of recognized provisions. — Critical assessment of Management's judgement that in the analyzed case it is possible to apply the exemption from recognition of a provision in relation to a part of the contracts with customers in according to IAS 37.26 Provisions, Contingent Liabilities and Contingent Assets, due an inability to measure such provisions reliably, and consequently the disclosure of a contingent liability. — Consultation with internal experts on financial reporting standards. — Assessment of the correctness and completeness of disclosures in the

requires professional judgements and significant assumptions, in particular regarding the identification of onerous contracts according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the inflows related to contracts, including consideration of the net future inflows from contracts and whether the inflows from the reimbursement mechanism may be considered jointly.

consolidated financial statements regarding the recognized and disclosed provision and contingent liabilities and contingent assets.

The judgement of the impact of the Act required an assessment of whether it is possible to estimate the provision and the whether the related disclosures in the consolidated financial statements are sufficient and not misleading.

On 5 March 2019, the Act dated 21 February 2019 amending the Act, was published in the Journal of Law.

The measurement of the provision required professional judgement in respect of subsequent events, in particular whether the assumptions should be based on the Act dated 28 December 2018 or the Act dated 21 February 2019.

Responsibility of the Management Board and Supervisory Board of the Parent Entity for the consolidated financial statements

The Management Board of the Parent Entity is responsible for the preparation of consolidated financial statements that give a true and fair view of the consolidated financial position of the Group and of its consolidated financial performance in accordance with International Financial Reporting Standards, as adopted by the European Union, the adopted accounting policy, the applicable laws and the provisions of the Parent Entity's articles of association and for such internal control as the Management Board of the Parent Entity 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 Management Board of the Parent Entity 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 Management Board of the Parent Entity either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

According to the accounting act dated 29 September 1994 (Official Journal from 2019, item 351) (the "Accounting Act"), the Management Board and members of the Supervisory Board of the Parent Entity are required to ensure that the consolidated financial statements are in compliance with the requirements set forth in the Accounting Act. Members of the Supervisory Board of the Parent Entity are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility 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 auditors' 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 NSAs 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 audit does not include assurance on the future viability of the Group or on the efficiency or effectiveness with which the Management Board of the Parent Entity has conducted or will conduct the affairs of the Group.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional scepticism 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 Management Board of the Parent Entity;
- conclude on the appropriateness of the Management Board of the Parent Entity'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 auditors' report on the audit of the consolidated financial statements 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 auditors' report on the audit of the consolidated financial statements. 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 Audit Committee of the Parent Entity 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 of the Parent Entity with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them 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 Audit Committee of the Parent Entity, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditors' report on the audit of the consolidated financial statements 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 activities

Other Information

The other information comprise:

- the report on activities of the for the year ended 31 December 2018 (the “Report on activities”), including the corporate governance statement, which is a separate part of the Report on activities;

- the separate report on non-financial information referred to in art. 55 paragraph 2c of the Accounting Act

(together the “Other information”).

Responsibility of the Management Board and Supervisory Board

The Management Board of the Parent Entity is responsible for the Other information in accordance with applicable laws.

The Management Board and members of the Supervisory Board of the Parent Entity are

required to ensure that the Report on activities, including the corporate governance statement and the report on non-financial information referred to in art. 55 paragraph 2c of the Accounting Act are in compliance with the requirements set forth in the Accounting Act.

Auditor’s Responsibility

Our opinion on the consolidated financial statements does not cover the Other information.

In connection with our audit of the consolidated financial statements, our responsibility was to read the Other information and, in doing so, consider whether the Other information 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 performed, we conclude that there is a material misstatement in the Other information, we are required to report that fact.

In accordance with the Act on certified auditors our responsibility was to report if the Report on activities was prepared in accordance with

applicable laws and the information given in the Report on activities is consistent with the consolidated financial statements.

Moreover, in accordance with the requirements of the Act on certified auditors our responsibility was to report whether the Group included in the statement on corporate governance information required by the applicable laws and regulations, and in relation to specific information indicated in these laws or regulations, to determine whether it complies with the applicable laws and whether it is consistent with the consolidated financial statements and to inform whether the Group prepared a separate report on non-financial information.

Opinion on the Report on activities

Based on the work undertaken in the course of our audit of the consolidated financial statements, in our opinion, the accompanying Report on activities, in all material respects:

- has been prepared in accordance with applicable laws, and

- is consistent with the consolidated financial statements.

Furthermore, based on our knowledge about the Group and its environment obtained in the audit of the separate financial statements, we have not identified material misstatements in the Report on activities.

Opinion on the statement on corporate governance

In our opinion, the corporate governance statement, which is a separate part of the Report on activities, includes the information

required by paragraph 70 subparagraph 6 point 5 of the Decree of the Ministry of Finance dated 29 March 2018 on current and periodic



information provided by issuers of securities and the conditions for recognition as equivalent of information required by the laws of a non-member state (Official Journal from 2018, item 757) (the “decree”).

Furthermore, in our opinion, the information identified in paragraph 70 subparagraph 6

point 5 letter c-f, h and letter i of the decree, included in the corporate governance statement, in all material respects:

- has been prepared in accordance with applicable laws; and
- is consistent with the consolidated financial statements.

Information about the statement on non-financial information

In accordance with the requirements of the Act on certified auditors, we report that the Group has prepared a separate report on non-financial information referred to in art. 55 paragraph 2c of the Accounting Act.

We have not performed any assurance procedures in relation to the separate report on non-financial information and, accordingly, we do not express any assurance conclusion thereon.

Report on other legal and regulatory requirements

Statement on services other than audit of the financial statements

To the best of our knowledge and belief, we did not provide prohibited non-audit services referred to in art. 5 paragraph 1 second subparagraph of the EU Regulation and art. 136 of the act on certified auditors.

Services other than audit of the financial statements, which were provided to the Group and entities under the control of the Parent Entity in the audited period are listed in point 2.8 of the Report on activities.

Appointment of the audit firm

We have been appointed for the first time to audit the annual consolidated financial statements of the Group by resolution of the Supervisory Board dated 20 December 2016.

Our period of total uninterrupted engagement is 2 years, covering the periods ended 31 December 2017 to 31 December 2018.

On behalf of audit firm

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Registration No. 3546

Signed on the Polish original

Signed on the Polish original

Zbigniew Libera

Natalia Markowska

Key Certified Auditor
Registration No. 90047
Limited Partner, Proxy

Key Certified Auditor
Registration No. 10853

Gdańsk, 13 March 2019