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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

To the General Meeting and Supervisory Board of TAURON Polska Energia S.A.

Audit report on the annual consolidated financial statements

Opinion

We have audited the annual consolidated financial statements of TAURON Polska Energia S.A. Group (the 'Group'), for which the holding company is TAURON Polska Energia S.A. (the 'Company') located in Katowice at Ks. Piotra Skargi 3 street, containing: the consolidated statement of comprehensive income for the period from 1 January 2019 to 31 December 2019, the consolidated statement of financial position as at 31 December 2019, the consolidated statement of changes in equity, the consolidated statement of cash flows for the period from 1 January 2019 to 31 December 2019 and additional information to the consolidated financial statements, including a summary of significant accounting policies (the 'consolidated financial statements').

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and its consolidated financial performance and its consolidated cash flows for the period from 1 January 2019 to 31 December 2019 in accordance with required applicable rules of International Accounting Standards, International Financial Reporting Standards approved by the European Union and the adopted accounting policies,

- are in respect of the form and content in accordance with legal regulations governing the Group and the Company's Statute.

The opinion is consistent with the additional report to the Audit Committee issued on 31 March 2020.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing in the version adopted as the National Auditing Standards by the National Council of Statutory Auditors ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the 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 and repealing Commission Decision 2005/909/EC (the 'Regulation 537/2014').

Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group in accordance with the Code of ethics for professional accountants, published by the International Federation of Accountants (the 'Code of ethics'), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics. While conducting the audit, the key certified 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 the Regulation 537/2014.

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

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 include the most significant assessed risks of material misstatement, including the 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, and we have summarized our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Impairment of assets analysis	
Why the issue is a key audit matter	Audit approach
As at December 31, 2019, the Group, in the consolidated financial statements, presented within significant asset items: • fixed assets including property, plant and equipment with a carrying amount of approximately PLN 31 099 million; • right of use assets with a carrying amount of approximately PLN 1 773 million; • goodwill with a carrying amount approximately PLN 26 million; • other intangible assets with a carrying amount of approximately PLN 478 million; • investments in joint ventures with a carrying amount of approximately PLN 559 million; • loans receivable from joint ventures with a carrying amount of approximately PLN 243 million; constituting in total approximately 82% of the Group's consolidated balance sheet.	Our procedures, in relation to the key audit matter described, included, among others: • Overview of the process and identification of control mechanisms operating in the Group related to impairment tests of assets, as well as an understanding of the applied accounting policies and procedures, including internal control environment related to the process of assessing impairment indicators and performing of impairment tests, • Assessment of the assumptions made with regard to the grouping of assets into cash-generating units (CGU), • Assessment (with the assistance of valuation specialists) of estimates and assumptions made by the Group in order to determine the assets recoverable amount, including: - the key macroeconomic assumptions adopted by the Group for future years (including: discount rates, projected growth rate) by comparing them to market data and available external data; - arithmetical correctness of the discounted cash flows model, and - assumptions made to determine cash flows and residual values after the period covered by a detailed strategy; • Inquiries to employees of the financial department and the Management Board of the Parent Company referring to the status of implementation of the adopted assumptions, including the validity of key estimates,

According to International Financial Reporting Standards the Management of the entity is obliged to determine the appropriate valuation method of loans receivable from joint ventures and, depending on the valuation method, to determine the fair value of these loans or determine the value of expected credit losses that may occur in the period of 12 months or remaining period of existence of loans depending on classification of assets to the brackets and for fixed assets, right of use assets, goodwill, other intangible assets and investments in joint ventures as a result of the identified assets impairment premise for performing the impairment test. The issue was identified as key audit matter in the audit of the consolidated financial statements due to the value of the assets listed above, which is significant for the consolidated financial statements, as well as due to the element of professional judgment of the Group management regarding the valuation of loans receivable from joint ventures and a complex element of the professional judgment of the Management Board of Parent Company regarding identifying cash-generating units and the estimation of the recoverable amount of fixed assets, right of use assets, goodwill, other intangible assets and investments in joint ventures. The valuation of loans receivable from joint ventures requires the application of appropriate valuation model, depending on the classification of assets, in accordance with International Financial Reporting Standard 9 Financial Instruments.	• Analysis of external sources of information such as industry press and evaluation of potential risk related to the implementation of the assumptions with the support of valuation specialists; • Analysis of impairments indicators and reconciliation of source data used in impairment test models and assessment of impairment triggers for financial forecasts approved by the Management Board of the Parent Company; • Obtaining detailed statements of Parent Company Management's regarding the completeness and correctness of the data and significant assumptions provided to us; • Assessment of the classification of the loans receivable from joint ventures; • Assessment of the Parent Company's Management Board's judgment regarding the valuation models used for loan receivables to joint ventures and the existence of objective events affecting the impairment of loans; • Assessment of the correctness of recognition of results of impairment tests of assets and the valuation of loans receivable from joint venture in the books; • Assessment of the valuation models of loans receivable from joint venture adopted by the Group, including reconciliation of source data being the basis for valuation of loans;

Estimation of the recoverable amount of fixed assets, right of use assets, goodwill, other intangible assets and investments in joint ventures require the Management Board of Parent Company to adopt a number of assumptions regarding future market and economic conditions, such as, future changes in the prices of raw materials, electricity, property rights arising from certificates of origin of energy, CO_2 emission rights and future revenues, costs and cash flows, weighted average cost of capital ("WACC"), as well as the impact of potential and already approved Polish and European regulatory changes, including environmental protection and the anticipated macroeconomic situation. A reference to disclosure in the consolidated financial statements The Group disclosed information regarding impairment indicators, estimates of the impairment test, as well as impairment losses on intangible assets in note 10 of the explanatory the notes to the consolidated financial statements for the year ended December 31, 2019. The disclosure regarding the valuation of loans receivables from joint ventures and investments in join venture was included by the Group respectively in note 25 and 24 of the explanatory notes to the consolidated financial statements for the year ended 31 December 2019.	• Assessment of the completeness of disclosures, in accordance with the International Accounting Standard 36 Impairment of assets, the International Accounting Standard 1 Presentation of Financial Statements and the International Financial Reporting Standard 7 Financial Instruments - disclosure of information in the Group's consolidated financial statements regarding impairment and valuation of assets.

Claims, lawsuits and contingent liabilities	
Why the issue is a key audit matter	Audit approach
The Group is a party to many significant claims and court cases which, depending on the Parent Company Management's assessment, are recognized as provisions or contingent liabilities. Significant in terms of value are potential and submitted claims identified by the Group related to the termination of long-term contracts for the purchase of electricity and property rights arising from certificates of origin of energy generated in renewable energy sources. The basis for recognizing provisions and contingent liabilities in the consolidated financial statements are the Parent Company Management's judgments regarding the likelihood of adverse effects of the claims and court cases that may cause an outflow of economic benefits from the Group. The results of these claims and lawsuits are beyond the Group's control. The issue was identified as key audit matter in the audit of the consolidated financial statements due to the significance of the claims and lawsuits, as well as due to the complex element of the professional judgment of the Management regarding their impact on the consolidated financial statements.	Our procedures, in relation to the key audit matter described, included, among others: • Obtaining an understanding of the process of making judgments by the Parent Company Management's regarding claims and lawsuits; • Monitoring of public information to identify a violation or potential violation of laws and regulations by the Group and to assess the completeness of the effects of identified violations, as well as to assess the completeness of disclosures in the consolidated financial statements; • Analysis of the documentation regarding court cases presented for the audit purposes and discussion of significant court cases with the Legal Project Management Team of the Group and external lawyers significant claims and lawsuits; • Analysis of the costs of legal services incurred during the year including the identification of entities providing legal services to the Group; • Obtaining written explanations from the lawyers serving the Group with regard to the court and dispute cases conducted by them, and the analysis of the provided explanations; • Analysis and assessment of the level and completeness of provisions for litigation in the context of the existing legal documentation;

A reference to disclosure in the consolidated financial statements The Group disclosed information regarding claims and court cases in note 50 of the explanatory notes to the consolidated financial statements for the year ended December 31, 2019.	• Analysis and assessment of disclosures in the consolidated financial statements regarding contingent liabilities and changes in the value of provisions for claims and lawsuits; • Discussion of the selected claims and court cases with internal specialists in the field of law; • Obtaining detailed statements of the Parent Company Management Board regarding the completeness and correctness of the data and significant assumptions provided to us; • Review of minutes of meetings of the legal bodies of the Parent Company Management Board as well as control reports of supervisory authorities and correspondence with these authorities. • Analysis of the adequacy of disclosures in relation to court and out-of-court proceedings, related provisions and contingent liabilities in the consolidated financial statements.

First application of IFRS 16 “Leasing”	
Why the issue is a key audit matter	Audit approach
International Financial Reporting Standard 16 Leasing ("IFRS 16") requires an analysis of contracts and business relationships, as well as a number of judgments and estimates related to determining, whether the contract is within a scope if IFRS 16 and how it should be covered in accordance with that standard (i.a. determine the scope of application new standard, lease periods, minimum leasing payments or discount rates). The issue was identified as key audit matter in the audit of the consolidated financial statements due to quantity and variety of contracts and the fact that the Group applied IFRS 16 to prepare the attached consolidated financial statements for the first time. The Parent Company’s Management Board decided to implement IFRS 16 using a modified retrospective approach. As a result of the recognition of right-of-use assets and lease liabilities recognized by the Group as part of debt liabilities, in connection with the first adoption of IFRS 16, there was an increase in the Group’s assets reported in the statement of financial position by PLN 918 million as at 1st January 2019 compared to data presented in consolidated financial statements for the previous financial year.	Our procedures, in relation to the key audit matter described, included, among others: • Analysis of the accounting policies regarding the recognition of contracts and business relationships falling within the scope of IFRS 16 and related significant judgments and estimates in particular regarding: - determination of the scope of contracts and business relationships subject to recognition in accordance with IFRS 16; - determination of minimum lease payments; - determination of term of leasing periods; - determination of discount rates; • Obtaining an understanding of the process and the control environment implementing IFRS 16, including understanding of the procedures to ensure the completeness of the review of contracts and business relationships; • Performing tests of controls for selected control mechanisms in relation to the recognition of contracts and business relationships in accordance with IFRS 16; • Performing test of details for a sample of contracts and business relations to verify the accuracy of the parameters used to calculate the leasing liability and the right-of-use assets;

A reference to disclosure in the consolidated financial statements Disclosures regarding the right of use assets and lease liabilities related to the application of IFRS 16 are presented in note 8.1 of the explanatory notes to the consolidated financial statements for the year ended December 31, 2019. Disclosures regarding accounting policies for leasing, including key judgments and estimates, were included in notes 8.1 and 20 of the explanatory notes to the consolidated financial statements for the year ended December 31, 2019.	• Analysis of the completeness and correctness of the recognition of contracts and business relationships identified by the Group as falling within the scope of IFRS 16; • Analysis and assessment of the arithmetical correctness of the lease liabilities valuation model and the right-of-use assets used by the Group; • Obtaining detailed statements of the Parent Company Management Board regarding the completeness and correctness of the data and significant assumptions provided to us; • Assessment the adequacy of disclosures in consolidated financial statements with regard to the guidelines contained in IFRS 16, as well as on key judgments in the recognition of lease contracts, business relationships and the impact of the implementation of the new standard on the consolidated financial statements.

Significant one-off transaction - the acquisition of wind farms from in.ventus Group	
Why the issue is a key audit matter	Audit approach
On September 3, 2019 through a specially created for this purpose subsidiaries the Group acquired: • five wind farms belonging to the in.ventus Group and • financial claims due to Hamburg Commercial Bank AG against companies managing these wind farms. Transaction was executed through the acquisition of Polish private companies owning these wind farms and German partnerships being their limited partners. The total value of funds transferred in connection with the transaction was PLN 580 million, which represents 1% of the Group's balance sheet total.	Our procedures, in relation to the key audit matter described, included, among others: • Analysis of the accounting policies regarding the recognition of business combination; • Obtaining an understanding of the process and the control environment in the area of identifying significant one-off transactions, including understanding procedures to ensure completeness in identifying key aspects of such transactions; • Assessment, with the support of valuation specialists, of the assumptions and estimates adopted by the Group to determine the fair value of the acquired assets and assumed liabilities, as well as the assessment of the accounting for the acquisition, including: - key assumptions and methodologies of fair value adopted by the Group's external specialists; - the arithmetical correctness of the models used to value the acquired assets, and • Assessment of the analysis of contractual provisions made by the Parent's Company Management Board regarding a significant one-off transaction, as well as independent analysis of this contract and assessment of the completeness and correctness of the analysis performed by the Parent's Company Management Board;

The issue was identified as key audit matter in the audit of the consolidated financial statements due to the value of the transaction, which is significant for the consolidated financial statements, as well as due to the complex element of the Parent Company's Management Board's professional judgment regarding: • determining the acquisition date; • identification and measurement of the acquired identifiable assets, liabilities assumed; • valuation of the payment transferred; • recognition and measurement of the profit from a bargain purchase; • recognition of the transaction and its effects in the consolidated financial statements of the Group. As a result of the transaction, the Group recognized a profit on a bargain purchase of PLN 120 million, which was presented in the consolidated statements of comprehensive income under other operating income, in accordance with the International Financial Reporting Standard 3 Business combinations.	• Discussing with the Parent's Company Management Board the assessment of the correctness of identification and completeness of acquired assets and assumed liabilities; • Obtaining written explanations from lawyers serving the Group regarding their litigation and disputes, evaluation of completeness and analysis Management's estimates related to recognizing the impact of litigation and claims for the settlement of the transaction; • Assessment of key judgments and estimates of the Parent's Company Management Board regarding the implementation of contractual provisions that affect the determination of the purchase price in relation to the significant one-off transaction; • Performing test of details on the sample of acquired assets and assumed liabilities acquired as part of the transaction in order to assess the completeness and correctness of recognition of these assets as part of the transaction settlement; • Assessment of impairment triggers with respect to assets acquired as part of the one-off transaction and reconciliation of source data used in impairment tests to the financial forecasts adopted by the Parent Company;

A reference to disclosure in the consolidated financial statements Disclosures regarding the settlement of the transaction and adopted judgments of the Parent's Management Board regarding the transaction were presented in Note 2.1 to the explanatory notes to the consolidated financial statements for the year ended December 31, 2019.	• Obtaining detailed statements of the Parent Company Management Board regarding the completeness and correctness of the data and significant assumptions provided to us; • Analysis and assessment of the adequacy of disclosures in the consolidated financial statements in relation to the guidelines contained in the International Financial Reporting Standard 3 Business combinations, International Financial Reporting Standard 13 Determination of fair value, as well as disclosures regarding key judgments of the Parent's Company Management Board regarding the settlement of acquisitions.

Legislative and regulatory changes regarding electricity sales prices in 2019 and in subsequent years	
Why the issue is a key audit matter	Audit approach
On December 31, 2018, the Act of December 28, 2018 amending the Act on excise duty and certain other acts came into force (the "Act"). The Act was amended twice: • on March 20, 2019, the Act of February 21, 2019 amending the Act amending the Act on excise tax and certain other acts, the Act - Environmental Protection Law, the act on the system of managing greenhouse gas emissions and other substances, the Act amending the Act on biocomponents and liquid biofuels and some other acts and the Act on the promotion of electricity from high-efficiency cogeneration; • on June 29, 2019, the Act of June 13, 2019 amending the Act amending the Act on excise duty and certain other acts, the Act on energy efficiency and the Act on biocomponents and liquid biofuels. (hereinafter together as: "Electricity Act"). The Electricity Act imposed on electricity trading companies, and therefore companies belonging to the Group, the obligation to use the prices of June 30, 2018 during 2019 in the scope and in a manner that is described in detail by the Group in Note 12 of explanatory notes to consolidated financial statements for the year ended December 31, 2019.	Our procedures, in relation to the key audit matter described, included, among others: • Analysis of the accounting policies relating to the identification, recognition and measurement of provisions for onerous contracts and accounting policies relating to recognition and measurement of Compensation; • Obtaining the understanding of the process and the control environment of identifying legal and regulatory changes as well as business relationships that may create encumbrances or give rights to contingent assets; • Assessment of the correctness and completeness of the analysis of the provisions of the Electricity Act made by the Management Board of the Parent Company and comparison of the results of the analysis of the Management Board of the Parent Company to our analysis of this Act; • Assessment of key judgments and estimates of the Parent Company's Management Board in the scope of assessing the likelihood of receiving Compensation; • Assessment of key judgments and estimates of the Parent's Company Management Board in the scope of valuation and recognition of onerous contracts provisions;

At the same time, the Electricity Act provides ~~for~~ two forms of compensation for trading enterprises in the form of a price difference amount for the period from January 1, 2019 to June 30, 2019 for all customer groups, and in the form of financial compensation for the period from July 1, 2019 to December 31, 2019. with respect to final recipients specified in the Electricity Act and described by the Group in Note 12 to the explanatory notes to the consolidated financial statements for the year ended December 31, 2019 ("Compensation"). As a result of the entry into force of the Electricity Act, the Group recognized the received and due compensation regarding sales in 2019 in the amount of PLN 953 million. Compensations were presented in the Compensation line of the consolidated statement of comprehensive income. On December 17, 2019, the President of the Energy Regulatory Office approved the electricity tariff for consumers in G tariff groups ("G tariff") for the Group's subsidiary applicable in 2020. The amount of electricity sales prices approved under the G tariff caused the necessity to create and recognize in the consolidated statements of financial position a provision for onerous contracts in the amount of PLN 237 million.	• Performing test of details in relation to onerous contracts provisions to assess the correctness of the measurement of recognition and presentation of these provisions in the consolidated financial statements; • Performing test of details in respect of compensation received and due; • Assessment of the arithmetical correctness of the models used by the Group for the valuation of Compensation due and an assessment of the input parameters, which are part of the professional judgment, used in these models; • Obtaining detailed statements of the Parent Company Management Board regarding the completeness and correctness of the data and significant assumptions provided to us;

The issue was identified as key audit matter in the audit of the consolidated financial statements due to the significant impact of the Electricity Act and approved for the year 2020 tariff G for the consolidated financial statements, as well as due to a complex element of professional judgment of the Management of the Group and adopted significant assumptions in regard to recognition and measurement of provisions for onerous contracts and compensation in accordance with the International Accounting Standard 37 Provisions, contingent liabilities and contingent assets in the consolidated financial statements of the Group. A reference to disclosure in the consolidated financial statements Disclosures regarding the entry into force of the Electricity Act and its impact on the consolidated financial statements were presented in Note 12 of the explanatory notes to the consolidated financial statements for the year ended December 31, 2019. Disclosure regarding the provision for onerous contracts in relation to the G tariff in force in 2020 was presented in note 39.2 of the explanatory notes to the consolidated financial statements for the year ended December 31, 2019.	• Analysis and assessment of the adequacy of disclosures in the consolidated financial statements in relation to the guidelines contained in the International Accounting Standard 37 Provisions, contingent liabilities and contingent assets, as well as disclosures regarding the key judgments of the Parent's Company Management Board in recognizing the impact of the entry into force of the Electricity Act.

Responsibilities of the Company's Management and members of the Supervisory Board for the financial statements

The Company's Management is responsible for the preparation the consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated financial performance in accordance with required applicable rules of International Accounting Standards, International Financial Reporting Standards approved by the European Union, the adopted accounting policies, other applicable laws, as well as the Company's Statute, and is also responsible for such internal control as determined is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, The Company's Management is responsible for assessing the Group's (the holding company and significant components') 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 either intends to liquidate the Group (the holding company or significant components) or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the members of the Company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act dated 29 September 1994 (the 'Accounting Act'). The members of the Company's Supervisory Board are responsible for overseeing the Company'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 due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not guarantee that an audit conducted in accordance with NAS will always detect material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if it can reasonably be expected that individually or in the aggregate, they could influence the economic decisions of the users taken on the basis of these consolidated financial statements.

In accordance with International Auditing Standard 320, section 5, the concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's assertions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.

The scope of the audit does not include assurance on the future profitability of the Group nor effectiveness of conducting business matters now and in the future by the Company's Management.

Throughout the audit in accordance with NAS, we exercise professional judgment and maintain professional skepticism and 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 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 Company's Management,

- conclude on the appropriateness of the Company's Management'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 independent 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 independent 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,

- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the audit of the Group and we remain solely responsible for our audit opinion.

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 provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to 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 to the Audit Committee, we determine those matters that were of most 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 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 Directors' Report

The other information comprises the Directors' Report for the period from 1 January 2019 to 31 December 2019, the representation on the corporate governance and the representation on preparation of the statement on non-financial information, mentioned in article 55, section 2b of the Accounting Act as a separate element of the Directors' Report (jointly 'Other Information').

Responsibilities of the Company's Management and members of the Supervisory Board

The Company's Management is responsible for the preparation the Other Information in accordance with the law.

The Company's Management and members of the Company's Supervisory Board are required to ensure that the Directors' Report (with separate elements) meets the requirements of the Accounting Act.

Auditor's responsibility

Our opinion on the consolidated financial statements does not include the Other Information.
In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained during 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 Other information, we are required to report that fact in our independent auditor's report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the

Directors' Report was prepared in accordance with relevant laws and that it is consistent with the information contained in the consolidated financial statements.

In addition, we are required to inform whether the Company has prepared the representation on non-financial information and to issue an opinion on whether the Company has included the required information in the representation on application of corporate governance.

Opinion on the Directors' Report

Based on the work performed during our audit, in our opinion, the Directors' Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 71 of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (the 'Decree on current and periodic information'),

- is consistent with the information contained in the consolidated financial statements.

Moreover, based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Directors' Report.

Opinion on the corporate governance application representation

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information.

Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the representation on application of corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

Information on non-financial information

In accordance with the requirements of the Act on Statutory Auditors, we inform that the Company has included in Directors' Report information on the preparation of a separate report on non-financial information, referred to in art. 55 par. 2c of the Accounting Act and that the Company has prepared such a separate report.

We have not performed any attestation procedures in respect to the separate report on non-financial information and do not express any assurance in its respect.

Representation on the provision of non-audit services

To the best of our knowledge and belief, we represent that services other than audits of the financial statements, which have been provided to the Group, are compliant with the laws and regulations applicable in Poland, and that we have not provided non-audit services, which are prohibited based on article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors. The non-audit services, which we have provided to the Group in the audited period, have been disclosed in the Directors' Report.

Appointment of the audit firm

We were appointed for the audit of the Group's consolidated financial statements initially based on the resolution of Supervisory Board from 15 March 2017 and reappointed based on the resolution from 28 November 2018. The consolidated financial statements of the Group have been audited by us uninterruptedly starting from the financial year ended on 31 December 2017, i.e. for the past three consecutive years.

Warsaw, 31 March 2020

Key Certified Auditor

Leszek Lerch
Certified auditor
no in the register: 9886

on behalf of:
Ernst & Young Audyt Polska
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no on the audit firms list: 130