Report of the independent auditor on the audit

For the General Meeting and the Supervisory Board of Tyre Company Dębica S.A.

Report on the audit of the annual financial statements

Our opinion

In our opinion, the accompanying annual financial statements:

- gives a true and fair view of the property and financial position of Tyre Company Dębica S.A. ("the Company") as at 31 December 2021 and of the financial result and cash flows of the Company for the financial year ended on that date in accordance with the applicable provisions of the Accounting Act of 29 September 1994 ("the Accounting Act" - uniform text - Journal of Laws of 2021, item 217, as amended) and the adopted accounting principles (policy);
- is consistent in form and content with the applicable laws and the Company's Articles of Association;
- has been prepared on the basis of properly kept accounting records in accordance with the provisions of Chapter 2 of the Accounting Act.

This opinion is consistent with our supplemental report to the Audit Committee, which we issued as of the date of this report.

The subject of our study

We have audited the annual financial statements of Tyre Company Dębica S.A., which comprise:

- statement of financial position as of December 31, 2021; and prepared for the fiscal year January 1 through December 31, 2021:
- statement of comprehensive income;
- statement of changes in equity;
- statement of cash flows, and
- accounting principles (policies) and additional explanatory notes.

Basis for opinion

Basis for opinion

We conducted our audit in accordance with the National Auditing Standards as follows
We have audited our financial statements in accordance with International Standards on Auditing as adopted by resolution of the National Council of Statutory Auditors ("the NSB") and in accordance with the provisions of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision ("the Act on Statutory Auditors"), as well as EU Regulation No. 537/2014 of 16 April 2014 on detailed requirements for the statutory audit of public interest entities ("the EU Regulation"). Our responsibility under the PSC is further described in the section Auditor's Responsibility for the Audit of Financial Statements.

We believe that the study evidence we obtained is sufficient and appropriate to form the basis of our opinion.

Independence
We are independent of the Company in accordance with the International Code of Ethics for Professionals Accounting Standards (including International Standards on Independence) issued by the Council.

We conducted our audit in accordance with International Ethical Standards for Accountants ("the IESBA Code") adopted by a resolution of the National Council of Statutory Auditors and other ethical requirements that are applicable to our audit in Poland. We have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. During the audit, the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements of the Act on Statutory Auditors and the EU Regulation.

Our approach to research

Summary

- The overall materiality assumed for the study was determined at the level of PLN 22.9 million, which constitutes 1% of the sum of: costs of products, goods and materials sold, selling costs and general administrative expenses.

- We have audited the annual financial statements of the Company for the period ended December 31, 2021.

- The key issue of the study concerned the risk of fraud in the recognition of revenue from sales to unrelated parties.

We designed our audit by determining materiality and assessing the risk of material misstatement of the financial statements. In particular, we considered where the Company's management made subjective judgments; for example, with respect to significant accounting estimates that required assumptions and consideration of the occurrence of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including, among other matters, whether there was evidence of management bias that would constitute a risk of material misstatement due to fraud.

Relevance

The scope of our audit was affected by the level of materiality assumed. An audit is designed to provide reasonable assurance about whether the financial statements as a whole are free of material misstatement. Misstatements can arise from fraud or error. Misstatements are considered material if they could reasonably be expected to individually or collectively influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgment, we established quantitative thresholds for materiality, including overall materiality for the financial statements as a whole, which are presented below.

These thresholds, together with qualitative factors, enabled us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to assess the effects of misstatements, both individually and in the aggregate, on the financial statements as a whole.

Overall materiality	PLN 22.9 million in 2021 and PLN 17.1 million in 2020
Basis of determination	1% of the sum of: cost of products, goods and materials sold, selling expenses and general and administrative expenses.
Justification of the basis adopted	We have adopted the aforementioned costs as the basis for determining materiality because the Company is a manufacturing facility that primarily produces on behalf of related parties and these costs are a measure of the Company's operations. We adopted materiality at 1% because, based on our professional judgment, it is within acceptable quantitative thresholds for materiality.

We agreed with the Company's Audit Committee that we would report misstatements of more than 2.3 million in the financial statements identified during the audit and misstatements below that amount if, in our judgment, qualitative factors warranted it.

Key issues of the study

Key audit matters are those matters that, in our professional judgment, were most significant during our audit of the financial statements for the current period. They include the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud. We addressed these matters in the context of our audit of the financial statements as a whole and in forming our opinion. We do not express a separate opinion on these matters.

The key issue of research	How our study addressed this issue
Risk of fraud in the recognition of revenue from sales to unrelated parties Our study procedures specifically included: In 2021, revenue from sales to unrelated parties amounted to PLN 264,727 thousand internal (2020: PLN 178,312 thousand). Accounting policies and revenue disclosures are presented for sales in Notes 1.3.15, 19a, 19b, 20a, 20b, to the Financial Statement Sales revenue is one of the key figures reflecting the results of the Company's operating activity and indicate the degree of utilization of production capacity, coverage of fixed costs of business activity and are the indicator of market share.	• test, on a selected sample, the revenues recognized during the financial year by verification of documents such as invoices, order/contract, documents confirming the delivery of products, and documents confirming payment by recipient; • independent confirmation of the existence and value of selected items of trade receivables at the balance sheet date (for the selected sample) and services as of the balance sheet date (for the selected sample); • for a selected sample of counterparties, a test of accrued bonuses on turnover;

Therefore, there is a risk of distortion of financial statements due to intentional overstatement of revenue from sales revenues in the financial statements through actions such as: recognition of fictitious sales transactions, recognition of transactions at an incorrect value and incorrect reporting period, or through additional accounting overstating the value of revenue. Sales to related parties are made on a cost-plus basis and are based on the volume of orders from the Goodyear group, rather than Company's sales performance. In view of the foregoing, we concluded that the risk of fraud in the process of selling to unrelated parties is a key issue for our examination.	• based on the criterion of transaction volume and their risk a detailed test was made for the selected sample of sales transactions at the turn of the balance sheet year, making sure that they were recognised in an appropriate period; • a test of all significant accounting entries affecting sales revenue during the year that meet certain quality criteria defined by us.

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

Management of the Company is responsible for the preparation, on the basis of properly maintained accounting records, of annual financial statements that give a true and fair view of the financial position and performance of the Company in accordance with International Financial Reporting Standards as adopted by the European Union, with accepted accounting principles (policies) and with the applicable laws and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's management is responsible for assessing the Company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting, except when management 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 responsible for ensuring that the financial statements meet the requirements of the Accounting Act. The members of the Supervisory Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with the NSB will always detect an existing material misstatement. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to affect, individually or in the aggregate, the economic decisions of users made on the basis of the financial statements.

The scope of the audit does not include assurance as to the future profitability of the Company or the effectiveness or efficiency of the management of its affairs now or in the future.

We use professional judgment and maintain professional skepticism when conducting a KSB compliant examination, and:

- we identify and estimate the risks of material misstatement of the financial statements 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 greater than that resulting from error because fraud may involve collusion, falsification, intentional omissions, misrepresentations or circumvention of internal controls;

- 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;
- we assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Company's management;
- we reach a conclusion on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to related disclosures in the financial statements or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on audit evidence obtained through the date of the auditor's report; however, future events or conditions could cause the Company to cease operations as a going concern;
- we evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieves a fair presentation;

We communicate with the Audit Committee regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant internal control weaknesses that we identify during the audit.

We declare to the Audit Committee that we have complied with the applicable ethical requirements for independence and communicate all relationships and other matters that could reasonably be considered to pose a threat to our independence and, where applicable, report on the steps taken to address these threats and the safeguards in place.

Of the matters communicated to the Audit Committee, we identified those matters that were most significant in our audit of the financial statements for the current period and, therefore, we considered them to be key audit matters. We describe these matters in our auditor's report unless that laws or regulations prohibit public disclosure about them or when, in exceptional circumstances, we determine that a matter should not be communicated in our report because the adverse consequences could reasonably be expected to outweigh the benefits to the public interest of such disclosure.

Other information, including a report on activities

Other information

Other information consists of the Company's MD&A for the fiscal year ended December 31, 2021 (the "MD&A") together with the corporate governance statement and the statement of non-financial information, which are separate parts of this MD&A (together "Other Information"). Other Information does not include the financial statements and the auditor's report thereon.

Responsibility of the Management Board and Supervisory Board

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

The Management Board of the Company and the members of the Supervisory Board are obliged to ensure that the Report on the Company's activities, including its separated parts, meets the requirements provided for in the Accounting Act.

Auditor's Responsibility

Our audit opinion on the financial statements does not include Other Information.

In connection with an audit of the financial statements, our responsibility is to read the Other Information and, in doing so, to consider whether it is materially inconsistent with the financial statements, with our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If, on the basis of our work, we conclude that the Other Information is materially misstated, we are required to report that fact in our audit report. Our responsibility under the requirements of the Auditors Act is also to express an opinion on whether the Directors' Report has been prepared in accordance with the regulations and is consistent with the information contained in the annual financial statements.

In addition, we are required to provide an opinion as to whether the Company has included the required information in its corporate governance statement and whether the Company has prepared a statement on non-financial information.

Opinion on the Activity Report

Based on the work performed during the audit, in our opinion, the Company's MD&A:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and paragraph 70 of the Ordinance of the Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent information required by the laws of a non-member state (the "Current Information Ordinance");
- is consistent with the information contained in the financial statements.

We further state that, in light of our knowledge of the Company and its environment obtained during our audit, we have not identified any material misstatements in the Company's MD&A and other Other Information.

Opinion on the statement on the application of corporate governance

In our opinion, the Company has included in its corporate governance statement the information specified in paragraph 70(6)(5) of the Current Information Ordinance. Moreover,

in our opinion, the information indicated in paragraph 70.6 point 5 c-f, h and i of the said Regulation contained regulations and the information contained in the financial statements.

Information on non-financial information

In accordance with the requirements of the Auditors Act, we confirm that the Company has prepared the statement on non-financial information referred to in Article 49b(1) of the Accounting Act as a separate part of the Directors' Report.

We have not performed any attestation work on the statement of non-financial information and do not express any assurance on it.

Report on other legal and regulatory requirements

Statement on the provision of non-audit services

To the best of our knowledge and belief, we represent that the non-audit services that we have provided to the Company and its subsidiaries comply with the laws and regulations applicable in Poland and that we have not provided non-audit services that are prohibited under Article 5.1 of the EU Regulation and Article 136 of the Act on Statutory Auditors.

The non-audit services that we provided to the Company and its subsidiaries during the period under review are listed in Note 19 to the financial statements.

Selection of an audit firm

We were selected to audit the Company's annual financial statements by resolution of the Board of Directors dated June 22, 2017. We have audited the financial statements of the Company beginning with the fiscal year ended December 31, 1996, which is for 26 consecutive years.

The key auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered in the list of audit firms under number 144, which resulted in this Independent Auditor's Report, is Tomasz Reinfuss.

Tomasz Reinfuss

Key Auditor Registration Number 90038

Katowice, April 26, 2022.