

**Report of the Management  
Board on the operations of the  
Unimot Group and Unimot S.A.  
for 2022**



# THE UNIMOT Group in 2022

**Total revenues**

**PLN 13 385 million**

**EBITDA**

**PLN 502 million**

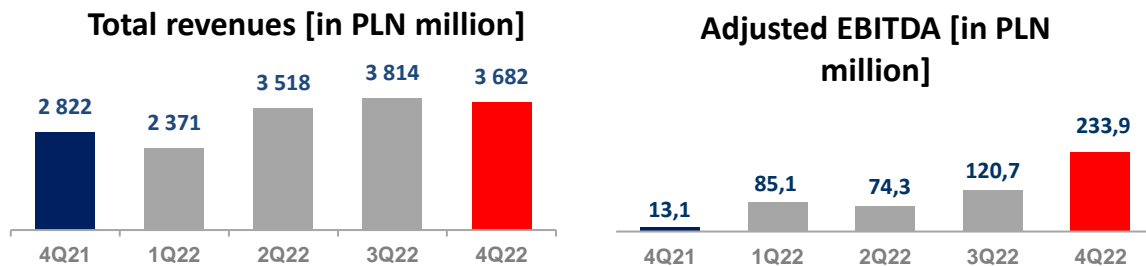
**Adjusted EBITDA**

**PLN 514 million**



UNIMOT S.A. is an independent importer of liquid and gaseous fuels, with the following on offer: diesel oil, liquefied petroleum gas (LPG), natural gas (E, LNG, CNG), biofuels (BIO), electricity, motor oils and asphalts.

It leases the Gulfhavn terminal in Denmark to import diesel with the largest tankers coming to Europe from destinations other than Russia.



## SELECTED FINANCIAL DATA AND INDICATORS <sup>1 2 3</sup>

| <i>in PLN thousand</i>         | 31.12.2022        | 31.12.2021       | 31.12.2020       | 31.12.2019       | 31.12.2018       |
|--------------------------------|-------------------|------------------|------------------|------------------|------------------|
| <b>Total revenue</b>           | <b>13 384 882</b> | <b>8 207 216</b> | <b>4 769 994</b> | <b>4 445 420</b> | <b>3 370 994</b> |
| <b>Gross profit on sales</b>   | <b>954 205</b>    | <b>366 239</b>   | <b>249 521</b>   | <b>221 605</b>   | <b>121 899</b>   |
| <i>Gross margin on sales</i>   | 7,1%              | 4,5%             | 5,2%             | 5,0%             | 3,6%             |
| <b>Operating profit</b>        | <b>485 374</b>    | <b>104 410</b>   | <b>49 255</b>    | <b>68 744</b>    | <b>727</b>       |
| <i>Operating profit margin</i> | 3,6%              | 1,3%             | 1,0%             | 1,5%             | 0,0%             |
| <b>EBITDA</b>                  | <b>502 463</b>    | <b>116 419</b>   | <b>58 293</b>    | <b>89 949</b>    | <b>13 519</b>    |
| <i>EBITDA margin</i>           | 3,8%              | 1,4%             | 1,2%             | 2,0%             | 0,4%             |
| <b>Adjusted EBITDA</b>         | <b>513 663</b>    | <b>70 596</b>    | <b>87 195</b>    | <b>63 712</b>    | <b>31 454</b>    |
| <i>Adjusted EBITDA margin</i>  | 3,8%              | 0,9%             | 1,8%             | 1,4%             | 0,9%             |
| <b>Net profit</b>              | <b>373 897</b>    | <b>75 961</b>    | <b>34 735</b>    | <b>59 923</b>    | <b>(3 140)</b>   |
| <i>Net margin</i>              | 2,8%              | 0,9%             | 0,7%             | 1,3%             | (0,1%)           |
| <b>Adjusted net profit</b>     | <b>385 098</b>    | <b>30 138</b>    | <b>63 637</b>    | <b>34 606</b>    | <b>14 795</b>    |
| <i>Adjusted net margin</i>     | 2,9%              | 0,4%             | 1,3%             | 0,8%             | 0,4%             |

<sup>1</sup> The item comprises realised and unrealised exchange rate differences and the valuation of assets and liabilities, including inventories.

<sup>2</sup> Earnings Before Interest, Taxes, Depreciation and Amortisation.

<sup>3</sup> Adjusted for the impact of the valuation of the compulsory reserve of diesel (caused by a significant change in the spread between spot diesel and futures quotes), the time shifts of costs related to the implementation of the NIT and the maintenance of compulsory reserve of fuel and other non-recurring events.

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# Letter of the President of the Management Board



Dear Shareholders,

On behalf of the UNIMOT Group, I am pleased to provide you with the consolidated and standalone financial statements for 2022, in which we present the financial and operational results achieved, as well as the key events of the period.

We began 2022 with high hopes for a stable and secure global economy, which had struggled with the economic impact of COVID-19 in the previous two years. However, global security was shattered by Russia's brutal armed invasion of our eastern neighbour - Ukraine. The war, which has been ongoing since February 2022, has brought geopolitical uncertainty and is significantly affecting almost every aspect of our business operations, as well as the socio-economic situation and our behaviour in our private lives. The consequences of the outbreak of war have been a shock on the energy commodity market, disrupted supply chains, a dislocated currency system and increasing inflationary pressures.

At the same time, the past year was a period demanding decisive actions from the international community aimed at multifaceted assistance to Ukraine and the Ukrainian people. The unprecedented solidarity of Poland and Poles with this country and its people from the first day of the war should be highlighted.

The UNIMOT Group also joined without delay and with great determination in bringing support to the covered by war nation, helping to reduce the humanitarian crisis. The main activities in this regard were direct financial and in-kind assistance, in addition to co-financing transports of refugees from Ukraine to Germany and winter holidays in Poland for more than 100 children from orphanages evacuated from the Kharkiv region.

In terms of economic development, the Polish economy started 2022 with strong dynamism, but over time we could observe its slowdown as a consequence of the hostilities in Ukraine. In the first quarter, the annualised GDP growth amounted to 8.6 per cent, while in the last quarter of 2022 it was only around 2 per cent. The level of inflation in Poland reached records not seen for many years, with an inflationary peak in October of 17.9 per cent.

Last year proved that the UNIMOT Group is prepared to operate effectively in a very difficult and unpredictable external environment. We are a strong business, reacting flexibly and quickly to changes in business conditions and taking advantage of every market opportunity that arises. Our many years of experience in the fuel industry is an added advantage. In the past year, the UNIMOT Group efficiently met emerging challenges, such as unprecedented volatility in raw material prices or supply chain and logistics disruptions. By responding appropriately to changes, the UNIMOT Group generated record financial results. Consolidated adjusted EBITDA reached PLN 514 million and was more than seven times higher than in 2021. On the other hand, consolidated net profit exceeded PLN 373 million and was almost 400% higher year-on-year. On a standalone basis, EBITDA reached the level of PLN 176 million and net profit amounted to PLN 117 million.

I am aware that 2023 will be another test for all industries, companies and societies, but also convinced that the UNIMOT Group will enter the next year even stronger. I can think so given the expected results of the initiatives and projects undertaken in 2022.

As the first of these undertakings, I would like to mention the acquisition of shares in Lotos Terminale, finalised in April 2023, which resulted in UNIMOT Group becoming an independent fuel logistics operator based on its own infrastructure, consisting of 9 fuel terminals with a total current capacity of 350,000 m<sup>3</sup> owned by Lotos Terminale. In addition, the purpose of the transaction was for UNIMOT Group to enter the modified bitumen production business. The plants in Jasło and Czechowice-Dziedzice were incorporated into our assets. Following the acquisition of Lotos Terminale, the scope and scale of our Group's operations is significantly increasing. We are the third player on the fuel storage market and the second player on the bitumen sales market in terms of volume. An important effect of the transaction is also the diversification of the UNIMOT Group's sources of revenue.

In March 2023, we finalised the acquisition of a 90% of shares in the rail transport company Olavion. The acquisition of the remaining 10% of shares will take place no later than 7 July 2025. This was an important step to expand the railway infrastructure and thus to complete the Group's value chain in the area of logistics, which proved to be crucial and largely determined the financial results achieved after Russia's armed attack on Ukraine. Olavion has 16 locomotives and employs 79 staff, including 49 drivers. Throughout 2022, Olavion transported goods with a total weight of more than 1.1 million tonnes and has an estimated annual freight potential of around 1.7 million tonnes. Complementing the above transaction was the acquisition of rail tank cars with a total capacity of more than 18,000 m<sup>3</sup>. These will be delivered to the UNIMOT Group consecutively until mid-July 2023. The above investments will significantly secure the Group's business operations for the coming years and make it independent of external service providers.

As part of its efforts to make the supply chain more flexible and ensure the supply of products from non-sanctioned destinations, the UNIMOT Group has leased, since April 2022, a deep-water fuel terminal Gulfhavn in Denmark with a total capacity of 127,000 m<sup>3</sup>, which enables the unloading of diesel from the largest tankers arriving in Europe and the onward





transportation of fuel to Poland. Diesel deliveries from Saudi Arabia and India are made using the Danish terminal. In order to secure diesel oil supplies to Poland, the UNIMOT Group is taking steps to diversify the directions of purchase of this fuel by using business contacts, including the growing potential of the Geneva trading office. The result of these efforts was the import of diesel fuel to Poland from the United States. A tanker with a capacity of 38,000 tonnes sailed directly from the Garyville refinery in Louisiana to the port of Gdynia, from where, via the fuel hub in Debogórze, the diesel oil was delivered to the UNIMOT Group customers.

In 2022, we carried out intensive works to expand the reach and availability of the AVIA station chain for customers. Last year, the chain was expanded by a further 21 stations and, at the end of the year, our portfolio included 106 facilities. For business and institutional customers looking for effective ways to optimise their fuel purchase costs, the UNIMOT Group offered the AVIA Card fleet programme. The year 2022 was also used to develop cooperation with our retail partner, the SPAR chain. Shops of this brand already operate at more than 30 AVIA stations throughout Poland. At the same time, the original concept Eat&Go was developed, offering customers a catering offer under this brand, which is constantly being expanded.

I am pleased to note that 2022 was another year in which we pursued initiatives that fostered sustainable development and were in line with the UNIMOT Group ESG Strategy. We undertook actions aimed at ensuring the harmonious improvement of every sphere relevant to the environment, society and corporate governance.

In the area of the environment, the UNIMOT Group was involved in the renewable energy market. In 2022, the machinery park of the Polish photovoltaic modules production line located at the PZL Sędziszów factory was expanded. Currently, the production capacity of the line is 45 MW. In addition, thanks to the established cooperation with the American company First Solar, the UNIMOT Group is able to supply the Polish market with photovoltaic panels sourced 100% from the United States. The first shipment of American photovoltaic panels arrived in Poland in July last year. Another example of the UNIMOT Group's concern for the environment is the start of equipping AVIA petrol stations managed by the UNIMOT Group with photovoltaic installations. The total capacity of the installations at AVIA stations exceeds 100 kWp. All the above activities contribute to the reduction of greenhouse gas emissions. In the area of society in 2022, the UNIMOT Group undertaken a number of activities shaping positive and responsible relations with its stakeholders. It is involved in supporting local communities through the promotion of sports activities and education. As part of its activities, it sponsors the cycling club Kolejarz-Jura Częstochowa, the tennis club Efektowni in Stalowa Wola and the Speedway Fan Club Częstochowa Association, which runs the speedway club Lwy AVIA Częstochowa. Last year, the UNIMOT Group also continued its cooperation, which began in 2019, with the Zawadzkie municipality, where the registered office of UNIMOT S.A. is located. As part of the cooperation, funds are periodically donated to the municipality, which were spent for the construction of a modern and safe children's playground in the town centre and support for local youth sports clubs.

The UNIMOT Group attaches great importance to the sustainable development of its employees, who are one of the key groups in the area of society and aims to make full use of their potential. To this end, in 2022, access to training for was increased and upskilling was facilitated for employees. A valuable HR management initiative we undertook last year was the implementation of the Manager's Academy development programme. It was aimed at team managers as well as employees who will be prepared for this role.

In the area of corporate governance, the UNIMOT Group has taken measures to increase the transparency of business relations. To this end, the "Code of Conduct for Business Partners" was implemented, which defines minimum expectations for business partners related to the issues of respect for human and employee rights, respect for the environment, ethical standards and compliance with applicable laws and regulations.

The past year was another period in which we proved that the UNIMOT Group is a strong organisation and a business that operates effectively in difficult and highly volatile conditions. I am convinced that, with the help and support of our employees and business partners, we will successfully carry out further undertakings and projects.

Finally, I would like, on behalf of myself and the entire UNIMOT Management Board, to thank all our partners for the trust they placed in us during this difficult time, the investors for their interest and commitment to our Group, the Members of the Supervisory Board for their rational supervision and support, and the employees, without whom we would not be where we are now.

Yours faithfully

**Adam Sikorski**

President of the Management Board of UNIMOT S.A.

**SELECTED CONSOLIDATED FINANCIAL DATA OF THE UNIMOT CAPITAL GROUP**

|   | in PLN thousand   |                   | in EUR thousand  |                   |
|---|-------------------|-------------------|------------------|-------------------|
|   | 31.12.2022        | Comparative data* | 31.12.2022       | Comparative data* |
| <b>I. Sales revenue</b>   | <b>13 384 882</b> | <b>8 207 216</b>  | <b>2 854 954</b> | <b>1 792 947</b>  |
| II. Profit / (loss) on operating activities   | 485 374           | 104 410           | 103 529          | 22 809            |
| III. Gross profit / (loss)  | 464 224           | 96 353            | 99 018           | 21 049            |
| IV. Net profit / (loss) attributable to owners of the   | 373 955           | 76 252            | 79 763           | 16 658            |
| <b>V. Net profit/(loss)</b>   | <b>373 897</b>    | <b>75 961</b>     | <b>79 751</b>    | <b>16 594</b>     |
| VI. Net cash flows from operating activities  | 502 260           | (139 954)         | 107 131          | (30 574)          |
| VII. Net cash flows from investing activities   | (105 675)         | (18 992)          | (22 540)         | (4 149)           |
| VIII. Net cash flows from financing activities  | (38 251)          | (36 113)          | (8 159)          | (7 889)           |
| IX. Total net cash flows  | 358 334           | (195 059)         | 76 432           | (42 613)          |
| <b>X. Total assets</b>  | <b>1 665 277</b>  | <b>1 231 288</b>  | <b>355 077</b>   | <b>267 706</b>    |
| XI. Liabilities and provisions for liabilities  | 961 483           | 905 413           | 205 011          | 196 855           |
| XII. Long-term liabilities  | 96 614            | 92 297            | 20 600           | 20 067            |
| XIII. Short-term liabilities  | 864 869           | 813 116           | 184 411          | 176 787           |
| XIV. Equity   | 703 794           | 325 875           | 150 066          | 70 852            |
| <b>XV. Share capital</b>  | <b>8 198</b>      | <b>8 198</b>      | <b>1 748</b>     | <b>1 782</b>      |
| XVI. Number of shares (in thousands)  | 8 198             | 8 198             | -                | -                 |
| <b>XVII. Profit / (loss) per ordinary share attributable to owners of the Parent Entity (in PLN/EUR)**.</b>   | <b>45,62</b>      | <b>9,30</b>       | <b>9,73</b>      | <b>2,03</b>       |
| XVIII. Diluted profit / (loss) per ordinary share attributable to owners of the Parent Entity (in PLN/EUR)**. | 45,62             | 9,30              | 9,73             | 2,03              |
| <b>XIX. Book value per share (in PLN/EUR)***.</b>   | <b>85,85</b>      | <b>39,75</b>      | <b>18,31</b>     | <b>8,64</b>       |
| XX. Diluted book value per share (PLN/EUR)***.  | 85,85             | 39,75             | 18,31            | 8,64              |
| <b>XX. Dividend per share declared or paid (in PLN/EUR)</b>   | <b>-</b>          | <b>1,97</b>       | <b>-</b>         | <b>0,43</b>       |

\*\*Data for items relating to the statements of financial position is presented as of 31 December 2021 and for items relating to the statements of total revenues and statements of cash flows for the period from 1 January 2021 to 31 December 2021.

\*\* as of 31.12.2022, the number of shares used in the calculation of profit per ordinary share and diluted profit per ordinary share was 8,198 thousand.

\*\* as of 31.12.2021, the number of shares used in the calculation of profit per ordinary share and diluted profit per ordinary share was 8,198 thousand.

\*\*\* as of 31.12.2022, the number of shares used to calculate book value and diluted book value per share was 8,198 thousand.

\*\*\* as of 31.12.2021, the number of shares used to calculate book value and diluted book value per share was 8,198 thousand.

**The selected financial data has been converted into euro as follows:**

The asset and liability items of the statements of financial position were converted into euro at the average exchange rate announced by the National Bank of Poland applicable as of 31.12.2022, PLN 4.6899/euro and for comparative data as of 31.12.2021, PLN 4.5994/euro.

Individual items relating to the profit and loss account and other comprehensive revenues and cash flows were converted at an exchange rate representing the arithmetic mean of the average NBP exchange rates prevailing on the last calendar day of each month, which amounted to PLN 4.6883/euro (2022), PLN 4.5775/euro (2021) respectively.

**SELECTED DATA FROM THE STANDALONE FINANCIAL STATEMENTS FOR 2022**

|   | in PLN thousand  |                  | in EUR thousand  |                  |
|---|------------------|------------------|------------------|------------------|
|   | 31.12.2022       | Comparative data | 31.12.2022       | Comparative data |
| <b>I. Sales revenue from continuing operations</b>                                    | <b>1 282 965</b> | <b>864 259</b>   | <b>273 652</b>   | <b>188 806</b>   |
| <b>I. Total sales revenue</b>   | <b>7 682 923</b> | <b>7 952 200</b> | <b>1 638 744</b> | <b>1 737 236</b> |
| II. Operating profit/(loss) from continuing operations                                | (14 882)         | (26 987)         | (3 174)          | (5 896)          |
| <i>II. Total operating profit/(loss)</i>  | <i>154 215</i>   | <i>97 107</i>    | <i>32 894</i>    | <i>21 214</i>    |
| III. Pre-tax profit/(loss) from continuing operations                                 | (20 487)         | (27 631)         | (4 370)          | (6 036)          |
| <i>III. Total pre-tax profit/(loss)</i>   | <i>143 961</i>   | <i>89 333</i>    | <i>30 707</i>    | <i>19 516</i>    |
| <b>IV. Net profit/(loss) from continuing operations</b>                               | <b>(15 915)</b>  | <b>(22 695)</b>  | <b>(3 395)</b>   | <b>(4 958)</b>   |
| <b>IV. Total net profit/(loss)</b>  | <b>117 288</b>   | <b>72 046</b>    | <b>25 017</b>    | <b>15 739</b>    |
| V. Net cash flows from operating activities   | 444 595          | (141 208)        | 94 831           | (30 848)         |
| VI. Net cash flows from investing activities  | (115 528)        | (19 043)         | (24 642)         | (4 160)          |
| VII. Net cash flows from financing activities   | (23 229)         | (47 580)         | (4 955)          | (10 394)         |
| VIII. Total net cash flows  | 308 153          | (213 866)        | 65 728           | (46 721)         |
| <b>IX. Total assets</b>   | <b>711 927</b>   | <b>1 144 738</b> | <b>151 800</b>   | <b>248 889</b>   |
| X. Liabilities and provisions for liabilities   | 279 006          | 829 104          | 59 491           | 180 264          |
| XI. Long-term liabilities   | 86 769           | 81 303           | 18 501           | 17 677           |
| XII. Short-term liabilities   | 192 237          | 747 801          | 40 990           | 162 587          |
| XIII. Equity  | 432 921          | 315 634          | 92 309           | 68 625           |
| <b>XIV. Share capital</b>   | <b>8 198</b>     | <b>8 198</b>     | <b>1 748</b>     | <b>1 782</b>     |
| XV. Number of shares (in thousands)   | 8 198            | 8 198            | -                | -                |
| <b>XVI. Profit/(loss) per ordinary share (PLN/EUR) - from continuing operations</b>   | <b>(1,94)</b>    | <b>(2,77)</b>    | <b>(0,41)</b>    | <b>(0,60)</b>    |
| <b>XVI. Profit (loss) per ordinary share (PLN/EUR) - total</b>                        | <b>14,31</b>     | <b>8,79</b>      | <b>3,05</b>      | <b>1,92</b>      |
| XVII. Diluted profit/(loss) per ordinary share (PLN/EUR) - from continuing operations | (1,94)           | (2,77)           | (0,41)           | (0,60)           |
| XVII. Diluted profit/(loss) per ordinary share (PLN/EUR) - total                      | 14,31            | 8,79             | 3,05             | 1,92             |
| <b>XVIII. Book value per share (in PLN/EUR)</b>                                       | <b>52,81</b>     | <b>38,50</b>     | <b>11,26</b>     | <b>8,37</b>      |
| XIX. Diluted book value per share (PLN/EUR)   | 52,81            | 38,50            | 11,26            | 8,37             |
| <b>XX. Dividend per share declared or paid (in PLN/EUR)</b>                           | <b>-</b>         | <b>1,97</b>      | <b>-</b>         | <b>0,43</b>      |

\*Data for items relating to the statements of financial position is presented as of 31 December 2021, while data for items relating to the statements of total revenues and statements of cash flows is presented for the period from 1 January 2021 to 31 December 2021.

\*\* as of 31.12.2022, the number of shares used in the calculation of profit per ordinary share and diluted profit per ordinary share was 8,198 thousand.

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\*\*\* as of 31.12.2022, the number of shares used to calculate book value and diluted book value per share was 8,198 thousand

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**The selected financial figures have been converted into euro as follows:**

The asset and liability items of the statements of financial position were converted into euro at the average exchange rate announced by the National Bank of Poland applicable as of 31.12.2022, 4.6899 PLN/euro and for comparative data as of 31.12.2021, PLN 4.5994/euro.

Individual items relating to profit and loss account and other comprehensive revenues and cash flows were converted at an exchange rate representing the arithmetic mean of the average NBP exchange rates prevailing on the last calendar day of each month, which amounted to PLN 4.6883/euro (2022), PLN 4.5775/euro (2021), respectively.

 **Commentary**  
on financial results  
of the UNIMOT Group



## 1. HIGHLIGHTS OF 2022

### 1.1. KEY EVENTS IN 2022 INCLUDING A DESCRIPTION OF THE GROUP'S SIGNIFICANT ACHIEVEMENTS OR FAILURES

#### 1ST QUARTER

|  |   |
|--|---|
| Signing of preliminary agreement to purchase Lotos Terminale | On 12 January 2022, Unimot signed a preliminary agreement for the purchase of 100% of the shares in Lotos Terminale (9 fuel terminals and 2 bitumen plants). Unimot thus became one of the entities in the PKN Orlen and Lotos Group merger transaction.  |
| Outbreak of war in Ukraine                                   | On 24 February 2022, the armed aggression of the Russian Federation against an independent Ukraine began, causing enormous challenges for the entire global economy and, above all, for the oil sector (unprecedented price volatility and strained supply chains).   |
| Publication of ESG strategy                                  | On 25 March 2022, the Unimot Group published an ESG Strategy to guide its business activities. The strategy is based on five pillars within each of the main ESG reporting areas: environment (E), society (S) and corporate governance (G). Within the main pillars, the Group has defined twelve activities as a means of achieving its strategic objectives. |

#### 2ND QUARTER

|   |   |
|---|---|
| Lease of a terminal in Gulfhavn                                     | In April 2022, the Unimot Group leased the Gulfhavn deep-water fuel terminal, which allows for the offloading of diesel from the largest tankers arriving in Europe from directions other than Russia and the onward transportation of fuel to Poland, as well as - if necessary, to all other ports in the Baltic Sea. |
| Introduction of AVIA Card   | In April 2022, the Unimot Group launched a fleet programme at its AVIA petrol station chain. It offers customers two types of fleet cards - prepaid and deferred payment.   |
| Sale of shares in Naturalna Energia                                 | On 1 June 2022, Unimot Energia i Gaz entered into an agreement regarding the sale of all its shares in Natural Energia, which represented 80% of the shares in that company, purchased by Unimot Energia i Gaz in December 2020 and the repayment of total loans granted to Natural Energia, including interests.       |
| European Commission approval for the acquisition of Lotos Terminale | On 20 June 2022, The European Commission approved the concentration involving PKN Orlen's acquisition of control over Lotos Group, marking the fulfilment of a material condition for Unimot Investments' acquisition of 100% of the shares in Lotos Terminale.   |
| Publication of the first ESG Report                                 | On 28 June 2022, the Unimot Group published its first ESG Report. The report summarises activities and results in three key areas of responsibility: environmental, social and corporate governance.  |
| 100 AVIA stations   | The Unimot Group opened its 100th AVIA petrol station in June 2022. The Swiss brand of petrol stations chain AVIA has been present on the Polish market for five years. The first station under the brand was opened by the Unimot Group in Łomża, in June 2017.  |

#### III QUARTER

|  |   |
|--|---|
| OCCP's consent to the acquisition of Lotos Terminale | On 8 July 2022, the Unimot Group received approval from the President of the Office of Competition and Consumer Protection for the acquisition of 100% of the shares in Lotos Terminale by Unimot Investments, signifying the fulfilment of another significant condition of the transaction.   |
| Finalisation of the Unimot Group reorganisation      | On 1 August 2022, The Management Board of Unimot signed an agreement to transfer the organised part of the enterprise related to the fuel trading segment from Unimot S.A. to a subsidiary, Unimot Paliwa. This is in preparation for the Group to act as an independent logistics operator, which Unimot will become once the acquisition of Lotos Terminale is finalised. |

#### IV QUARTER

|                                       |   |
|---------------------------------------|---|
| Initiating the acquisition of Olavion | On 14 November 2022, The Unimot Group agreed terms for the purchase of 100% of the shares in Olavion, a company operating in the rail transport sector. The material terms of the transaction are set out in the "Term Sheet" between UNIMOT S.A. and the majority shareholders of Olavion. |
|---------------------------------------|---|

30 SPAR shops at AVIA stations

In November 2022, the number of SPAR Express shops at AVIA petrol stations increased to 30.

UNIMOT on the list of entities subject to special protection

In December 2022, UNIMOT S.A. received information that, being an entity operating in a strategic sector of the Polish economy, from 1 January 2023 it is covered by the special protection provided for in the Act on the control of certain investments.

#### AFTER THE BALANCE SHEET DATE

Agreement on an excise duty guarantee

On 31 January 2023, UNIMOT and the subsidiary company - UNIMOT Investments sp. z o.o. - signed an agreement with PKN ORLEN S.A. and Lotos Terminale S.A. on excise duty security.

Olavion Sp. z o.o. conditional agreement.

On 9 January 2023, a preliminary conditional agreement for the sale of 100% of the shares in Olavion sp. z o.o. was concluded.

UNIMOT Investments sp. z o.o. - Final agreement

On 3 February 2023 UNIMOT Investments sp. z o.o. entered into a conditional promised purchase agreement with PKN ORLEN for 100% of shares in Lotos Terminale S.A.

Contract for the purchase of rail tankers

On 21 February 2023, the UNIMOT Group concluded a contract for the purchase of new rail tankers designed to carry fuel or diesel.

Agreement to purchase Olavion Sp. z o.o. Insurance guarantee contract

7 March 2023, finalisation of the acquisition of 90% of Olavion.

14 March 2023, conclusion of an insurance guarantee agreement with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. to secure the payment of excise duty and fuel surcharges by Lotos Terminale effective following the acquisition by the Issuer's subsidiary Unimot Investments sp. z o.o.

Conditional agreement for the purchase of shares in the energy raw materials industry

On 5 April 2023, UNIMOT concluded a preliminary conditional sale agreement, under which it undertook to acquire 80% of the shares in a company intended for logistics and trading activities in the energy raw materials industry from two natural persons. The subject matter of the transaction will be the acquisition of shares in P2T sp. z o.o., to which a separate part of the P2 Trading sp. z o.o. enterprise will be contributed, and the object of its activities will be the trading of energy raw materials, including biomass and coal, the purchase of sea and land freight, as well as the supervision of deliveries at sea and land border crossings.

Agreement to transfer 100% of shares in Lotos Terminale S.A.

On 7 April 2023, UNIMOT Investments entered into a definitive agreement with PKN ORLEN for the transfer of 100% of the shares in Lotos Terminale S.A.. The conclusion of the transfer agreement took place due to the fulfilment of all agreed conditions of the preliminary agreement and subsequently the promised agreement. Unimot Investments was obliged to pay to PKN ORLEN a portion of the agreed sale price for Lotos Terminale shares and refinanced Lotos Terminale's liability to the bank in the total amount of PLN 366.4 million.

## 1.2. AWARDS AND PRIZES IN 2022



UNIMOT S.A., has once again took first place in the prestigious ranking of the Stock Exchange Company of the Year 2021 in the "Investor Relations" category. The Stock Exchange Company of the Year is a ranking of the best companies listed on the Warsaw Stock Exchange. The 'Investor Relations' category evaluates the quality of information and communication with the market, including the dialogue conducted with institutional and individual investors. The company also won first place in this category in last year's edition of the ranking The Stock Exchange Company of the Year is the oldest ranking on the capital market. The selection of companies is made by 100 stock market analysts, investment advisers and managers representing brokerage houses and offices, pension and investment funds.



Unimot was awarded the title Hero of the Capital Market 2022 for the best investor relations among companies listed on sWIG80. The Hero of the Capital Market 2022 title was competed for by companies, institutions and individuals who, during the past year, have contributed most strongly to the development of the Polish capital market and the raising of its standards. The awards were granted during the WallStreet 26 conference organised by the Association of Individual Investors. In 2022, the title of Capital Market Hero was awarded in 17 categories. Voting by investors on individual candidates lasted a month and ended on 18 May, with more than 100,000 votes cast in the plebiscite.



On 28 July 2022, Forbes magazine published a list of the 100 largest family businesses in Poland. Unimot was ranked ninth, up one place from last year's ranking.



During a special session of the City Council held in July, the Mayor of Zawadzkie Municipality presented awards to Adam Sikorski, Chairman of the Board of Unimot, in the category "Social activity, concern for human and safety" and an award for Unimot in the "Economy and entrepreneurship" category. Unimot is registered in the town of Zawadzkie and is a significant tax payer there. In addition, it supports the local community by donating funds to the municipality each year, which are used, among other things, to build a playground for children and young people and to support local youth sports clubs.



On 3 November 2022, the Press magazine and PSMM Monitoring & More published the Top Brand report for the 15th time, in which the Avia station chain in Poland was ranked 4th in the petrol station category. The survey aimed to identify the strongest brands in the media.



On 24 November 2022, the daily newspaper Rzeczpospolita published a ranking of the largest Polish companies - the List of 500. The Unimot Group was ranked 58th, which means a promotion of 39 places during the year.

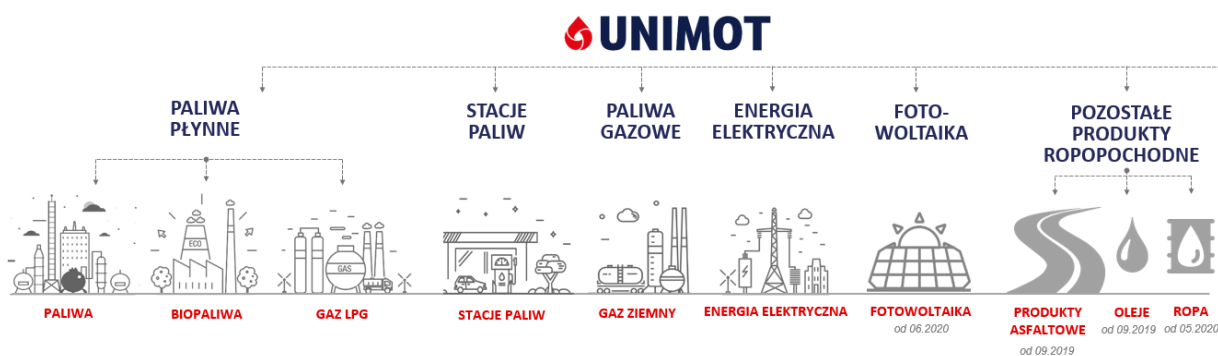


In December 2022, UNIMOT Energia i Gaz was awarded the title 'Entrepreneur of the Mountain Lands' in the medium-sized enterprise category. The competition "Personality of the Mountain Lands", within the framework of which the company was awarded this title, is a plebiscite honouring individuals, organisations and companies contributing through their activities to the development of the mountain lands in the Żywiec, Podhale and Beskid areas.



After the reporting day, Unimot took first place in the Expo Invest Cuffs competition in the "Stock Exchange Company 2022" category. The honours were awarded on the basis of a vote by the investment community, which cast a total of 120,000 votes.

## 2. BASIC INFORMATION ABOUT THE UNIMOT GROUP



The Unimot Group is an independent, largest importer of liquid and gaseous fuels, with the following products on offer: diesel, liquefied petroleum gas (LPG), natural gas (high methane E, LNG, CNG), biofuels (Bio), electricity, motor oils and asphalts. It is a member of the international association Avia International and has been developing a chain of petrol stations under the Avia brand since 2016.

The Group's core business is the retail and wholesale of gaseous fuels, liquid fuels, petroleum products, electricity and the development and construction of natural gas distribution networks.

### PARENT ENTITY DATA

UNIMOT Spółka Akcyjna ("UNIMOT", the "Company", the "Parent Entity") with its registered office in Zawadzkie, Świerkłańska Street 2A, is the Parent Entity in the UNIMOT Capital Group (the "Capital Group", the "Group").

The company was entered on 29 March 2011 in the Register of Entrepreneurs of the District Court in Opole, 8th Commercial Division of the National Court Register, under KRS number: 0000382244.

The company has the identification number REGON: 160384226 and NIP: 7561967341.

UNIMOT S.A. shares have been listed on the Stock Exchange since 7 March 2017.

The Parent Entity's core business is the control and management of other companies or enterprises in the fuel and energy industry and related industries, strategic and organisational planning and decision-making processes, as well as the commercial activities of petrol stations under the AVIA brand and the marketing of natural gas.



## 2.1. COMPOSITION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF THE PARENT ENTITY

### Board composition:

- Adam Sikorski - President of the Management Board,
- Robert Brzozowski - Vice-President of the Management Board,
- Filip Kuropatwa - Vice-President of the Management Board.

There were no changes to the composition of the Board during the reporting period.

### Composition of the Supervisory Board:

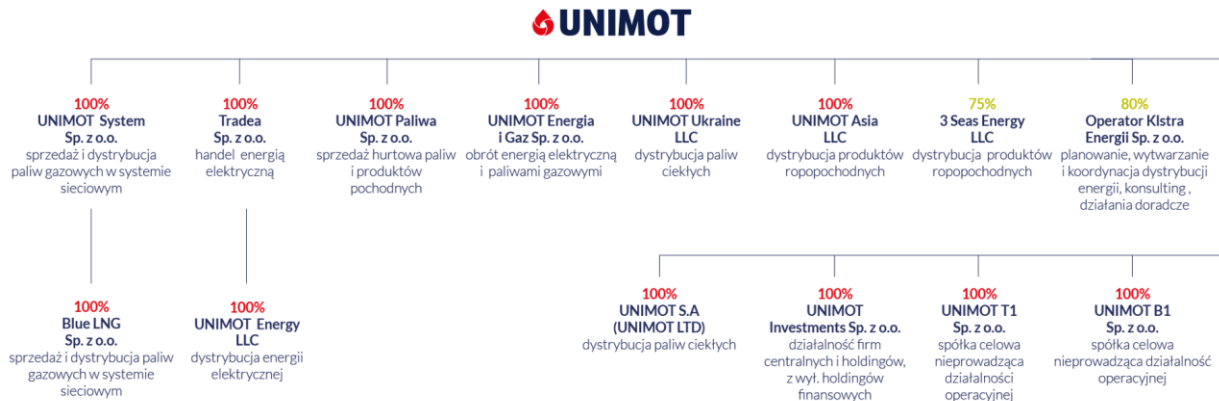
- Andreas Golombek - Chairman of the Supervisory Board,
- Bogusław Satława – Vice-Chairman of the Supervisory Board,
- Piotr Cieślak - Member of the Supervisory Board,
- Isaac Querub - Member of the Supervisory Board,
- Piotr Prusakiewicz - Member of the Supervisory Board,
- Ryszard Budzik - Member of the Supervisory Board,
- Lidia Banach-Hoheker - Member of the Supervisory Board.

There were no changes in the composition of the Supervisory Board during the reporting period.

## 2.2. COMPOSITION OF THE UNIMOT GROUP

As of 31 December 2022, the UNIMOT Group comprised the following directly and indirectly consolidated subsidiaries:

| Name of unit                       | Headquarters | Scope of the unit's core business  | Shareholdings and voting rights | Date of obtaining control |
|------------------------------------|--------------|--|---------------------------------|---------------------------|
| UNIMOT S.A.                        | Poland       | Controlling and managing other companies in the fuel and energy industry and related industries, strategic and organisational planning and decision-making processes; Running the commercial activities of the petrol stations under the AVIA brand; Trading in natural gas. | Not applicable                  | Parent Entity             |
| UNIMOT SYSTEM sp. z o.o.           | Poland       | Sale and distribution of gaseous fuels in the network system   | 100%                            | 20.01.2014                |
| BLUE LNG sp. z o. o.               | Poland       | Sale and distribution of gaseous fuels in the network system   | 100%                            | 04.07.2014                |
| UNIMOT PALIWA sp. z o.o.           | Poland       | Wholesale of fuels and related products  | 100%                            | 16.11.2015                |
| UNIMOT ENERGIA I GAZ sp. z o.o.    | Poland       | Trading in electricity and gaseous fuels   | 100%                            | 30.12.2015                |
| TRADEA Sp. z o.o.                  | Poland       | Electricity trading  | 100%                            | 23.05.2016                |
| UNIMOT UKRAINE LLC                 | Ukraine      | Distribution of liquid fuels   | 100%                            | 19.04.2018                |
| UNIMOT ASIA LLC                    | China        | Distribution of petroleum products   | 100%                            | 04.09.2018                |
| UNIMOT ENERGY LLC                  | Ukraine      | Electricity distribution   | 100%                            | 02.04.2019                |
| 3 SEAS ENERGY LLC                  | U.S.A.       | Distribution of petroleum products   | 75%                             | 21.05.2020                |
| OPERATOR KLASTRA ENRGII sp. z o.o. | Poland       | Planning, generation and coordination of energy distribution, consulting, advisory activities  | 80%                             | 15.02.2021                |
| UNIMOT INVESTMENTS sp. z o.o.      | Poland       | Activities of head offices and holding companies, excluding financial holdings   | 100%                            | 20.10.2021                |
| UNIMOT T1 Ltd.                     | Poland       | Non-operating special purpose vehicle  | 100%                            | 20.10.2021                |
| UNIMOT B1 sp. z o.o.               | Poland       | Non-operating special purpose vehicle  | 100%                            | 20.10.2021                |
| UNIMOT SA (Unimot LTD)             | Switzerland  | Distribution of liquid fuels   | 100%                            | 17.05.2022                |



### 2.3. ORGANISATIONAL LINKS AND CAPITAL INVESTMENTS MADE

The Issuer did not make capital investments outside the Group during the reporting period.

In 2022, the following changes occurred in the Unimot Group:

- On 07.01.2022, Unimot S.A. purchased from Unimot Investments sp. z o.o. 100% of shares in SPV UNIMOT B1 sp. z o.o. with its registered office in Warsaw and Unimot T1 sp. z o.o. with its registered office in Warsaw, in which until the aforementioned date 100% of shares were held directly by Unimot Investments sp. z o.o.
- On 23.02.2022, Unimot S.A. increased the capital in Unimot Investments sp. z o.o. by acquiring 7200 new shares at PLN 50 each, covering them entirely with a cash contribution of PLN 3 600 000, as a result of which the share capital of that company increased by PLN 360 000, while the surplus over the nominal value of the acquired shares, i.e. the amount of PLN 3 240 000, was transferred to the supplementary capital (*agio*). The percentage share of Unimot S.A. in Unimot Investments sp. z o.o. did not change and amounts to 100%.
- On 08.04.2022, Unimot S.A. increased its capital in Unimot B1 Sp. z o.o. by taking up 120 new shares at PLN 50 each, as a result of which the share capital of this company increased by PLN 6,000. The percentage share of Unimot S.A. in Unimot B1 Sp. z o.o. did not change and amounts to 100%.
- On 08.04.2022, Unimot S.A. increased the capital in Unimot T1 sp. z o.o. by taking up 120 new shares at PLN 50 each, as a result of which the share capital of this company increased by PLN 6 000. The percentage share of Unimot S.A. in Unimot T1 sp. z o.o. did not change and amounts to 100%.
- On 20.04.2022, Unimot S.A. increased the capital in Unimot Investments sp. z o.o. by taking up 1,000 new shares at PLN 50 each, covering them entirely with a cash contribution of PLN 500,000, as a result of which the share capital of this company increased by PLN 50,000, while the surplus over the nominal value of the acquired shares, i.e. the amount of PLN 450,000, was transferred to the supplementary capital (*agio*). The percentage share of Unimot S.A. in Unimot Investments sp. z o.o. did not change and amounts to 100%.
- On 09.05.2022, Tradea sp. z o.o sp. k. was deleted from the National Court Register (the company ceased to exist) by virtue of a shareholders' resolution on the dissolution of Tradea sp. z o.o sp. k.
- On 07.06.2022, a new company became part of the Group, i.e. Unimot SA (Unimot LTD), based in Geneva, (Switzerland), in which Unimot S.A. holds 100% of the shares.
- On 01.08.2022, Unimot S.A. and Unimot Paliwa sp. z o.o. (a company 100% controlled by Unimot S.A., "Unimot Paliwa") entered into an agreement for the transfer of an organised part of the enterprise of Unimot S.A. ("OPE") in exchange for the acquisition of new shares in Unimot Paliwa (the "Agreement"). OPE comprises an organisationally, financially and functionally separated part of Unimot S.A.'s enterprise, the object of which is the trading of fuels, excluding fuel trading activities within the developed AVIA petrol station chain and the segment related to natural gas trading. Acquisition of the ownership of OPE from Unimot S.A. by Unimot Paliwa sp. z o.o. took place upon conclusion of the Agreement, i.e. on 01.08.2022, the Issuer received 3,258,500 newly created shares in Unimot Paliwa sp. z o.o. - at PLN 100 each - in exchange for the in-kind contribution (contribution in kind) in the form of OPE. As a result of the transaction, the share capital of Unimot Paliwa sp. z o.o. increased by PLN 325,850 thousand.

- On 19.08.2022, Unimot S.A. increased the capital in Unimot B1 sp. z o.o. by taking up 200 new shares at PLN 50 each, as a result of which the share capital of this company increased by PLN 10 000. The percentage share of Unimot S.A. in Unimot B1 sp. z o.o. has not changed and amounts to 100%.
- On 19.08.2022, Unimot S.A. increased the capital in Unimot T1 sp. z o.o. by taking up 200 new shares at PLN 50 each, as a result of which the share capital of this company increased by PLN 10 000. The percentage share of Unimot S.A. in Unimot T1 sp. z o.o. did not change and amounts to 100%.
- On 22.09.2022, Unimot S.A. increased the capital in Unimot System sp. z o.o. by acquiring 6 000 new shares at PLN 500 each, as a result of which the share capital of this company increased by PLN 3 000 000. The percentage share of Unimot S.A. in Unimot System sp. z o.o. did not change and amounts to 100%.
- On 23.09.2022, Unimot S.A. increased the capital in Blue LNG sp. z o.o. by taking up 6,500 new shares at PLN 100 each, as a result of which the share capital of this company increased by PLN 650,000. The percentage share of Unimot S.A. in Blue LNG sp. z o.o. did not change and amounts to 100%.
- On 04.10.2022, Unimot S.A. increased the capital in Unimot Investments sp. z o.o. by taking up 1,700 new shares at PLN 50 each, covering them entirely with a cash contribution in the amount of PLN 850,000, as a result of which the share capital of that company increased by PLN 85,000, while the surplus over the nominal value of the acquired shares, i.e. the amount of PLN 765,000, was transferred to the supplementary capital (*agio*). The percentage share of Unimot S.A. in Unimot Investments sp. z o.o. did not change and amounts to 100%.

#### **Mergers made in 2022:**

No mergers of companies within the meaning of the Commercial Companies Code were implemented in 2022.

#### **Divestments in 2022:**

On 1 June 2022, a subsidiary of Unimot S.A., i.e. Unimot Energia i Gaz sp. z o.o. ("UEiG") sold 80% of the shares in Naturalna Energia sp. z o.o. ("NE"), representing a 100% stake owned by UEiG to a third party (sale outside the Group). Given that on the date of the aforementioned sale of shares in NE, i.e. 1 June 2022, NE held 100% of the shares in two companies, i.e. PV Energy sp. z o.o. and Nasze Czyste Powietrze sp. z o.o., together with the sale of the shares in NE, there was a change of indirect control over the aforementioned companies PV Energy sp. z o.o. and Nasze Czyste Powietrze sp. z o.o. (outside the Unimot Group).

#### **Changes after the balance sheet date (after 31 December 2022):**

- On 09.01.2023, Unimot S.A. increased the capital in Unimot Investments sp. z o.o. by taking up 2,000 new shares at PLN 50 each, covering them entirely with a cash contribution in the amount of PLN 1,000,000 as a result of which the share capital of this company increased by PLN 100 000, while the surplus over the nominal value of the acquired shares, i.e. the amount of PLN 900 000, was transferred to the supplementary capital (*agio*). The percentage share of Unimot S.A. in Unimot Investments sp. z o.o. did not change and amounts to 100%.
- On 13.02.2023, Unimot S.A. increased the capital in Unimot Investments sp. z o.o. by taking up 6,000 new shares at PLN 50 each, covering them entirely with a cash contribution in the amount of PLN 3,000,000 as a result of which the share capital of this company increased by PLN 300,000, while the surplus over the nominal value of the acquired shares, i.e. the amount of PLN 2,700,000, was transferred to the supplementary capital (*agio*). The percentage share of Unimot S.A. in Unimot Investments sp. z o.o. did not change and amounts to 100%.
- On 14.02.2023, a new company became part of the Unimot Group, i.e. Żywiec OZE-1 sp. z o.o., based in Żywiec, in which Unimot Energia i Gaz sp. z o.o. holds 95% of shares.
- As of 15.02.2023, Unimot Energia i Gaz sp. z o.o., a member of the Unimot Group, holds 100% of the shares in Żywiec OZE-1 sp. z o.o..
- As of 07.03.2023, Unimot S.A. holds 90% of the shares in Olavion sp. z o.o.
- On 05.04.2023, Unimot S.A. increased the capital in Unimot Investments sp. z o.o. by taking up 264,000 new shares at PLN 50 each, covering them entirely with a cash contribution of PLN 132,000,000. As a result, the share capital of this company increased by PLN 13 200 000, from PLN 901 000.00 to PLN 14 101 000. The surplus over the nominal value of the shares taken up, i.e. the amount of PLN 118,800,000, was transferred to supplementary capital (*agio*). The percentage share of Unimot S.A. in Unimot Investments sp. z o.o. did not change and amounts to 100%.
- On 7 April 2023, a subsidiary of Unimot S.A., i.e.: UNIMOT Investments sp. z o.o. concluded a final agreement for the acquisition of 100% of the shares in Lotos Terminale S.A., which holds directly or indirectly 100% of the shares or interests in the companies Lotos Infrastruktura S.A., Uni-Bitumen sp. z o.o. and Ekoenergią sp. z o.o., as a result of which all the aforementioned companies became part of the Unimot Capital Group.

## 2.4. HISTORY OF UNIMOT S.A. AND THE UNIMOT CAPITAL GROUP

### History of the UNIMOT Capital Group

|      |   |
|------|---|
| 1992 | Commencement of business by members of the Sikorski family (trade in automotive oils).  |
| 2001 | Acquisition of an LPG bottling plant in Zawadzkie.  |
| 2011 | Initiation of Unimot's operations under the name Unimot Gaz S.A.<br>Obtaining a licence from the Energy Regulatory Authority to trade in liquid fuels.  |
| 2012 | NewConnect market debut.<br>Meeting issue targets - opening a gas cylinder distribution centre.   |
| 2013 | Obtaining a licence to trade in natural gas.  |
| 2014 | Change of name from Unimot Gaz S.A. to UNIMOT S.A.<br>Launching a wholesale market for diesel and biofuels.<br>Acquisition of the gas network by Unimot System sp. z o.o.<br>Conclusion of an agreement for the transfer of ownership of an organised part of Unimot Express sp. z o.o.'s - Wholesale of fuels, including diesel. |
| 2015 | Obtaining a licence to trade liquid fuels with foreign countries.<br>Acquisition of shares in UEiG sp. z o.o. (d. EnergoGaz - concessions for trading in electricity (ET), gaseous fuels (GFT) and liquid fuels (LFT).  |
| 2016 | Joining the AVIA International association.<br>Acquisition of Tradea - electricity trading company.<br>Adoption of the UNIMOT S.A. development strategy for 2016-2017.  |
| 2017 | Debut on the main market of the Warsaw Stock Exchange.<br>The beginning of the development of the AVIA station chain in Poland.   |
| 2018 | Publication of the 2018-2023 strategy.<br>Adopt a dividend policy - a minimum of 30% from the standalone net profit generated.<br>Appointment of founder and major shareholder Adam Sikorski as President of the Board.   |
| 2019 | The start of the development of the AVIA petrol station franchise chain in Ukraine.<br>Start-up of asphalt products business.<br>Start-up in the oils and lubricants segment.<br>Entry to the sWIG 80 index on the Warsaw Stock Exchange.   |
| 2020 | Start of operations in the photovoltaic installation segment under the AVIA Solar brand.<br>The start of oil trading activities.  |
| 2021 | Start of production of photovoltaic panels under the AVIA Solar brand.<br>Start-up of own production line in Sędziszów  |
| 2022 | Signing of a preliminary agreement for the purchase of Lotos Terminale (9 fuel terminals and 2 asphalt plants) as part of the merger between PKN Orlen and Lotos.<br>Finalisation of the Unimot Group reorganisation.<br>Initiating the acquisition of Olavion.   |
| 2023 | Acquisition of the rail logistics company Olavion.<br>Acquisition of 100% of the Lotos Terminale Shares.  |

### 3. GROUP STRATEGY AND DEVELOPMENT PLANS

#### 3.1. STATUS OF IMPLEMENTATION OF THE GROUP'S STRATEGY, INCLUDING FINANCIAL FORECASTS

In June 2018, the Company prepared and announced its Strategy 2018-2023. The Issuer sets out the main strategic objectives below, together with a commentary on their implementation.

##### ➤ **Achieving £75m EBITDA in 2023.**

The UNIMOT Group is aiming for annual EBITDA growth by undertaking a number of strategic initiatives, developing both the diesel and LPG, natural gas and electricity businesses, as well as asphalt products, oils and photovoltaics. Ultimately, the steadily expanding AVIA petrol station chain will also make a clear contribution to EBITDA.

Part of the published Strategy were forecasts of consolidated adjusted EBITDA for the period 2018-2023. The company assumed the following levels: 2018 = PLN 12 million (book EBITDA), 2019 = PLN 34.0 million, 2020 = PLN 44.2 million, 2021 = PLN 54.3 million, 2022 = PLN 64.9 million, 2023 = PLN 74.8 million.

For 2018, the UNIMOT Group achieved a consolidated (book) EBITDA result of PLN 13.5 million, i.e. exceeding the forecast by 12.6%. In the course of 2019, the Company updated the forecast of consolidated adjusted EBITDA for 2019 several times, and the achieved result was at the level of PLN 63.7 million. The Company updated the forecast of consolidated adjusted EBITDA for 2020 twice. Initially, the forecast was raised to a level of PLN 62.3 million and then to PLN 80 million. The final EBITDA result for 2020 was PLN 87.2 million. In 2021, the UNIMOT Group generated PLN 70.6 million in adjusted EBITDA, exceeding the forecast by PLN 16.3 million.

##### ➤ **Increase in business efficiency as measured by ROCE - calculated as: EBITDA / (equity + long-term liabilities) - in 2023. ROCE = 15%**

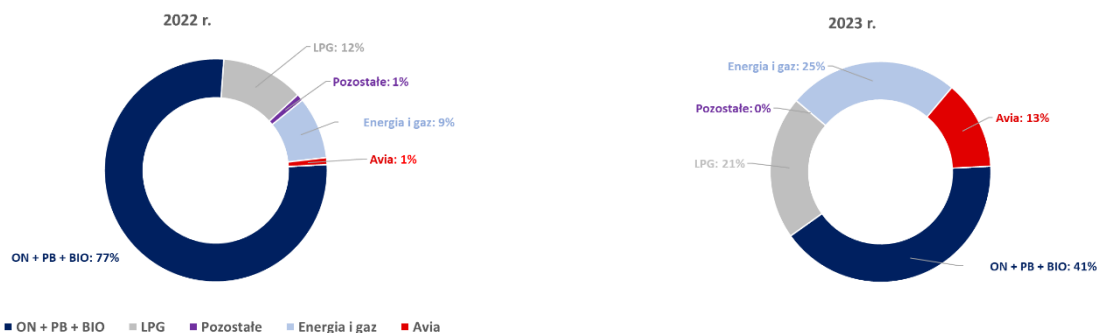
The UNIMOT Group is systematically improving the efficiency of all businesses with the ultimate goal, in line with the Strategy, of achieving a ROCE of 15%. To this end, a number of measures are being taken - both on the revenue and cost sides. At the end of 2022, ROCE (adjusted EBITDA/ (equity + long-term liabilities) amounted to 84.9%, well above the 15% target for 2023.

##### ➤ **Business diversification - generating in 2023 70% of EBITDA from intensively growing non-oil business**

The UNIMOT Group is developing and increasing the scale of all its businesses, including in businesses outside diesel and biofuels, which to date have been the Company's core business. In 2020, it implemented this by, among other things:

- Developing stations in the AVIA chain with the aim of focusing on more prestigious locations and building a new source of profit in the form of non-fuel products sold at AVIA stations.
- Expansion of offer in the area of petroleum products. From August 2019, the UNIMOT Group has started importing and selling asphalt products in Poland. These products are sold under the brand name AVIA Bitumen.
- Developing oil sales in China and Ukraine from 2019, assuming sales growth and entry into new markets in Europe and Asia for the next few years.
- Commencement of sales, installation and service of photovoltaic panels for business and residential customers under the AVIA Solar brand (from Q2 2020).
- Launching a photovoltaic panel factory in the halls of PZL Sędziszów in July 2021.
- Conclusion of a preliminary conditional agreement to acquire 100% of the shares in Olavion sp. z o.o. As part of its business activities, Olavion, on the basis of its licence, provides rail transport services in Poland, as well as forwarding services at home and abroad. It has a qualified staff of drivers and dispatchers, as well as long-standing relationships and contracts that allow it to provide transport and forwarding services to its principals. Olavion operates 16 locomotives and employs 79 staff, including 49 drivers. For the nine months of 2022, Olavion carried goods with a total weight of 750,000 tonnes, and its annual freight potential is estimated at around 1.5 million tonnes.

The market share in renewables is expected to add significant value to the Group in the future and further diversify the business.



### ➤ Development of the AVIA chain in Poland

One of the most important elements of the 2018-2023 Strategy is the dynamic development of the AVIA chain. The Issuer's assumption was to have 200 stations in the AVIA chain in 2023 in Poland, but due to unexpected market events, including the pandemic and the war in Ukraine, which significantly affected the dynamics of fuel market development, the real number of stations at the end of 2023 should be 150 stations.

The Unimot Group is seeking to acquire as many stations as possible and, to this end, is increasing the attractiveness of the franchise offer by, among other things: introducing and developing a fleet card, increasing the flexibility of the terms and conditions of cooperation depending on the potential of the station, creating several flagship stations and expanding the offer with additional products and services.

### ➤ Annual dividend payment

In accordance with the dividend policy in force, in the event of a net profit in a given financial year, the Management Board will recommend to the Company's General Meeting of Shareholders the payment of a dividend each year to represent a minimum of 30% of the consolidated net profit, with the proviso that the recommendation of the Management Board will depend each time on the operational and financial situation of the UNIMOT Group.

The dividend from the 2017 profit was paid on 19 September 2018. The Company's Ordinary General Meeting decided to pay a dividend of PLN 13.9 million (PLN 1.70 per share), which represented 55.1% of the standalone net profit.

In 2018, UNIMOT S.A.'s unconsolidated net result was negative.

The dividend from the 2019 profit was paid on 9 July 2020. The Ordinary General Meeting of UNIMOT S.A. decided to pay out PLN 16.1 million, or PLN 1.97 per share, which represented 30% of the unconsolidated net profit.

The dividend from the 2020 profit was paid on 25 September 2021. The Ordinary General Meeting of UNIMOT S.A. decided to pay out PLN 16.1 million, or PLN 1.97 per share, which represented 50% of the unconsolidated net profit.

The dividend from the 2021 profit was not paid, on 29 June 2022, the Ordinary General Meeting of Unimot S.A. decided to allocate the unit net profit earned in 2021 to the Company's supplementary capital. This was a consequence of the loan agreement concluded in connection with the signing of the preliminary agreement for the acquisition of 100% of shares in LOTOS Terminale S.A.. As of the date of publication of the report, this provision in the loan agreement is no longer in force.

Significant events after the balance sheet date affecting the realisation of the diversification of operations:

- Execution by the Issuer of a preliminary conditional agreement for the sale of 100% of shares in Olavion sp. z o.o. (current report: 1/2023);
- Conclusion of further contracts for the purchase of railway wagons with a significant total value (current report: 6/2023);
- Issuer's conclusion of agreement to sell 90% of shares in Olavion sp. z o.o. (current report: 7/2023);
- Execution by the Issuer of a preliminary conditional agreement for the sale of an 80% stake in a company in the energy resources sector (current report: 9/2023);
- Conclusion by UNIMOT Investments sp. z o.o. of the final agreement for the transfer of 100% of the shares in Lotos Terminale S.A. (current report: 11/2023);

### 3.2. DEVELOPMENT PLANS OF THE ISSUER'S GROUP IN THE NEAR FUTURE

#### 3.2.1. LOTOS TERMINALE

In 2022, intensive work on the reorganisation of the Unimot CG were continued, aimed at preparing the Group's structure for the acquisition of the assets of Lotos Terminale. As part of these activities, on 1 August 2022, the organised part of the enterprise related to the fuel trading segment was transferred from Unimot S.A. to a subsidiary, Unimot Paliwa. The organised part of the enterprise is an organisationally, financially and functionally separate part of UNIMOT S.A., the subject of whose activity is fuel trading, excluding the activity related to fuel trading within the developed AVIA petrol station chain and the segment related to natural gas trading.

UNIMOT S.A. received 3,258,500 newly-established shares in Unimot Paliwa sp. z o.o. in return for a contribution in kind (in-kind contribution) in the form of an organised part of the enterprise. As of the date of signing the agreement, the value of the transferred part of the enterprise was PLN 325,850,000. Following the contribution of the organised part of the enterprise to Unimot Paliwa, Unimot focuses its activities mainly on management functions for all Group companies.

Carrying out the above-described reorganisation was an important stage in the process of preparing the Group's structure for the acquisition of Lotos Terminale's assets, which took place on 7 April 2023 with the conclusion of the final agreement for the transfer of 100% of Lotos Terminale shares to the Unimot Group. At the same time, the Group paid to PKN Orlen part of the agreed sale price and refinanced Lotos Terminale's liability to the bank in the total amount of PLN 366.4 million. The remaining part of the sale price, including that resulting from the agreed earn-out mechanism, as well as the reimbursement of capital expenditures related to the implementation of the investment in the fuel terminal in Szczecin will be made at later dates. The precise amounts of the above liabilities were not known at the date of the transaction. The payment of the sale price was made from an own contribution of PLN 118.6 million and the use of part of a loan granted to the Unimot Group by a consortium of banks.

As part of the acquisition of Lotos Terminale, the UNIMOT Group acquired the Independent Logistics Operator business, which includes nine fuel terminals with a total current capacity of 350,000 m<sup>3</sup> and, upon completion of ongoing development work, storage capacity will increase to 410,000 m<sup>3</sup>. In addition, as part of the transaction, the Unimot CG acquired the 'bitumen' business, which includes asphalt plants with a sales department, as well as a ten-year contract to supply up to 500,000 tonnes per year of raw material for their production from Rafineria Gdańska. The acquired businesses could generate an additional c. PLN 70 - 100 million in EBITDA in the future.

#### 3.2.2. INVESTMENT IN FUEL LOGISTICS

As part of increasing the flexibility of its operations and responding to the logistical challenges that have emerged following the outbreak of war in Ukraine, the UNIMOT Group will acquire new rail tankers with a total capacity of more than 18,000 m<sup>3</sup> designed to transport diesel and petrol. The purchased railcars will constitute a significant addition to the UNIMOT Group's logistics base and will primarily be used by the Group, as well as being made available to external entities as far as possible. The development of the Group's own rail resources will allow it to increase the efficiency of liquid fuels trading. The purchased rolling stock will represent approximately 55% of the wagon fleet for 2023. The wagons will be delivered successively until 15 July 2023.

#### 3.2.3. PURCHASE OF SHARES OF OLAVION

The Unimot Group was taking steps in 2022 to complete its value chain and competences in the area of logistics and transport in order to meet its own needs in this area. In this regard, the terms of the transaction to acquire 100% of Olavion, a rail transport company, were agreed in November.

Olavion provides rail transport services in Poland, as well as forwarding services at home and abroad, on the basis of a single certificate. It has qualified managers, drivers, dispatchers and long-standing relationships and contracts that allow it to provide transport and forwarding services to its principals. Olavion has 16 locomotives and employs 79 staff, including 49 drivers. In 2022, Olavion transported goods with a total weight of more than 1.1 million tonnes, and its annual transport potential is estimated at around 1.7 million tonnes.

On 7 March 2023, UNIMOT entered into an agreement to acquire 90% of the shares in Olavion from two individuals, including the majority shareholder. The total financial exposure to the acquired stake in Olavion (including, inter alia, adjustments for estimated net debt and working capital differences) amounted to PLN 24.2 million. The above value is subject to change, due

to the commitment to pay an additional price under the 'earn out' mechanism. The purchase of the remaining 10% of the shares will be made from Olavion's management no later than 7 July 2025.

#### 3.2.4. OTHER ACTIVITIES

In 2022, the UNIMOT Group identified business opportunities in the field of hard coal trading. The analyses carried out have shown the Group's ability to source this raw material, as well as to locate it at home and abroad. In addition, revenue synergies can be expected from exploiting the potential of the UNIMOT Group's existing customers. Accordingly, at the beginning of 2023, the first test deliveries of coal aimed at industrial plants, including the heating sector, were made. Unimot is currently selling raw material that was previously introduced to Poland by other entities. The test transactions completed by the date of publication of these financial statements will not have a material impact on the financial results for Q1 2023. It is the intention of the Management Board of UNIMOT to continue to develop its hard coal trading activities, which will contribute to enhancing the country's energy security.

### 3.3. GROUP DEVELOPMENT DIRECTIONS

**Diesel** - the Group foresees further organic (natural) growth in wholesale diesel sales based on individual fuel depots, through the use of its own e-Ordering purchasing platform for wholesale customers and its own team of sales staff. Favourable factors include insufficient domestic diesel production in relation to consumption, the so-called fuel package and transport package introduced in Poland limiting the grey market in fuel trading, the use of own stable sources of supply and commercial competence, as well as the ability to apply financial and hedging tools.

**Independent logistics operator business** - the Unimot Group started an independent logistics operator business from April 2023, as a consequence of the acquisition of 100% of the Lotos Terminale assets. This business includes 9 fuel terminals with a total current capacity of 350,000 m<sup>3</sup> located in Czechowice-Dziedzice, Jasło, Piotrków Trybunalski, Poznań, Bolesławiec, Szczecin, Gutkowo and Gdańsk. Upon completion of the ongoing development work, storage capacity will increase to 410,000 m<sup>3</sup>. A ten-year agreement was also concluded for Lotos Terminale to provide fuel storage services to PKN Orlen.

**Building the AVIA station chain** - in 2022, a further 21 AVIA petrol stations managed by the Unimot Group were connected in Poland. At the end of 2022, the AVIA chain comprised 106 stations, including 72 franchised and 34 operated directly by the company. The group is negotiating and discussing further locations in Poland and maintains its plan to have 150 stations by 2023.

**LPG** - development plans for the LPG segment concern further increasing wholesale sales (in Poland and abroad) and retail sales, including through the operation of independent petrol stations and AVIA's own petrol stations, investments in tank installations to private and public entities.

**Biofuels** - the Group expects to continue to sell biofuels and bio-oils, including using expanded sources of purchases of this fuel.

**Natural gas** - The Group is developing a natural gas project, the essence of which is the multi-directional intensification of gas fuel sales. Following the sale of some assets in this business segment in 2019, the Group is focusing on the highest-margin businesses, including the sale and distribution of natural gas through Unimot System from its own distribution network. Wholesale trading will be developed at Unimot S.A. using leased natural gas storage space in caverns. The company will continue to work on opportunities to produce biomethane and feed it into the gas distribution network owned by Unimot System. In terms of UEIG, it envisages the organic development of natural gas sales to end customers.

**Electricity** - there will be a continuation of wholesale electricity trading through exchange and brokerage platforms by Tradea. In 2022, fossil fuels shortages were observed, fossil fuel prices increased and, consequently, electricity prices rose. The scale of these increases was the highest at least since the oil crises of the 1970s. The period of Poland's energy transition will continue to pose new challenges for the Unimot CG for the next 2023.

**Photovoltaics** - The Unimot Group made dynamic changes to the operation of the photovoltaics segment in 2022. Retail sales to individual customers were phased out and relationships in the area of industrial installations began to be built. In addition, the production line of Polish photovoltaic panels launched by the Unimot Group in 2021 was expanded and its capacity tripled to 45 MW per year. In addition, the UNIMOT Group began cooperation with the US company First Solar, through which it delivered 100% US-sourced photovoltaic panels to the Polish market in Q4 2022. The anticipated development of photovoltaics in Poland in the next few years will be supported by changes in the perception of ecology in the broadest sense, but will also be forced by the rising cost of electricity and the tendency to reduce the use of fossil fuels. Increases in energy prices, as well as distribution fees, are driving investments related to the construction of widely understood RES industrial installations, which is not without the Issuer's attention. The UNIMOT Group sees its opportunities in the further development of renewable energy



sources, both in terms of PV installations for business customers, the construction of its own RES generation sources, as well as analysing market opportunities arising from the prospects of subsidies in this area. At the same time, the important need for electricity storage and stabilisation/extension of the production profile from RES is noted, as well as the potential for distributed energy within energy cooperatives and energy clusters.

**Bitumen products** - in the area of bitumen products, the Group plans intensive growth in volumes and their contribution to the Group's result throughout 2023, which will result from the acquisition by the Unimot CG of 100% of the shares in Lotos Terminale, covering the business of independent logistics operator and bitumen production and sales. The bitumen business includes asphalt production facilities in Jasło and Czechowice-Dziedzice together with the sales department, as well as a ten-year contract for Lotos Group to supply up to 500,000 tonnes per year of asphalt products and raw material for their production. The segment's activities are closely linked to the development of road works, which are highly dependent on the implementation of the government's National Roads Construction Programme to 2030 (with an outlook to 2033). The programme assumes the completion of all currently planned expressways and connecting all Polish regions and provincial cities with a network of safe and comfortable roads. A total of approximately PLN 294.4 billion will be allocated to the implementation of the investments included in this programme. This is the largest road programme in the history of Poland. The programme is complemented by a programme for the construction of 100 bypasses, under which a further 850 km of roads are to be built with an estimated value of approx. 28 billion PLN in the period until 2030.

## 4. ISSUER SHARES AND DIVIDEND POLICY

### 4.1. SHAREHOLDING STRUCTURE OF THE ISSUER

Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the Issuer's General Meeting as of the date of this interim report:

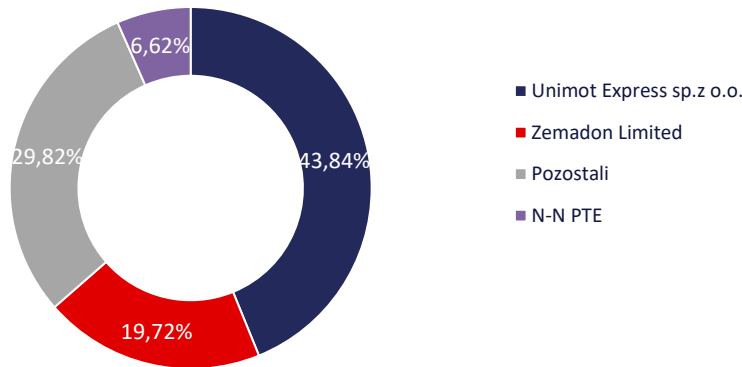
| Shareholder   | Number of shares | Share in capital | Number of votes  | Share of votes% |
|---|------------------|------------------|------------------|-----------------|
| Unimot Express sp. z o.o. <sup>1</sup>  | 3 593 625        | 43,84%           | 3 593 625        | 42,04%          |
| Zemadon Limited <sup>1</sup>  | 1 616 661        | 19,72%           | 1 966 661        | 23,01%          |
| Nationale-Nederlanden Powszechno Towarzystwo Emerytalne S.A. (portfolio) <sup>2</sup> | 542 400          | 6,62%            | 542 400          | 6,35%           |
| <i>of which: Nationale-Nederlanden Otwarty Fundusz Emerytalny.</i>                    | 428 719          | 5,23%            | 428 719          | 5,02%           |
| Others  | 2 445 132        | 29,82%           | 2 445 132        | 28,60%          |
| <b>Total</b>  | <b>8 197 818</b> | <b>100,00%</b>   | <b>8 547 818</b> | <b>100,00%</b>  |

<sup>1</sup> **Mr Adam Antoni Sikorski and his family are indirectly controlling the Issuer and Unimot Express sp. z o.o. and Zemadon Ltd. through the "Family First Foundation" and in connection with the agreement concluded on 5.12.2016 between spouses Adam Antoni Sikorski and Magdalena Sikorska as to joint policy towards Unimot Express sp. z o.o. and Unimot S.A.. A detailed description of the structure of entities exercising control over the Issuer is provided in the section below the Report.**

<sup>2</sup> **Nationale-Nederlanden Powszechno Towarzystwo Emerytalne S.A. through Nationale-Nederlanden Otwarty Fundusz Emerytalny indicated above and: Nationale-Nederlanden Dobrowolny Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2025, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2030, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2035, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2040, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2045, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2050, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2055, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2060 and Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2065.**

There have been no changes in the ownership of significant shareholdings in UNIMOT in the period since the previous interim report.

### Share in the capital of UNIMOT S.A.



#### 4.2. SUMMARY OF SHAREHOLDINGS IN THE ISSUER BY MANAGEMENT AND SUPERVISORY PERSONNEL

A summary of the holdings of shares in the Issuer by the Issuer's management and supervisory personnel as of the date of the report and the change in holdings since the date of the previous interim report.

| Shareholder       | Number of shares | Share in capital | Number of votes | Share of votes | Changes in ownership |
|-------------------|------------------|------------------|-----------------|----------------|----------------------|
| Robert Brzozowski | 102 068          | 1,25%            | 102 068         | 1,19%          | -                    |
| Filip Kuropatwa   | 21 347           | 0,26%            | 21 347          | 0,25%          | -                    |
| Isaac Querub      | 15 700           | 0,19%            | 15 700          | 0,18%          | -                    |

**Mr Adam Antoni Sikorski** - President of the Issuer's Management Board, indirectly holds 100% of the shares in Zemadon Ltd. in Cyprus through the "Family First Foundation" based in Vaduz, Liechtenstein, which he controls and whose beneficiaries are the family of Mr Adam Antoni Sikorski.

**Zemadon Ltd.** of Nicosia, Cyprus as of the date of publication of the interim report holds 19.72% in the Issuer's share capital and 23.01% in the votes at the Issuer's General Meeting. The shareholding has not changed since the date of the previous interim report.

Zemadon Ltd, based in Nicosia, Cyprus, is also a shareholder in Unimot Express sp. z o.o. (the Issuer's main shareholder), in which it holds 49.75% of the share capital and voting rights as of the date of publication of the interim report. The other shareholder of Unimot Express sp. z o.o. is Mr Adam Władysław Sikorski (nephew of Mr Adam Antoni Sikorski) holding a 49.75% interest and votes at the shareholders' meeting as of the date of publication of the interim report. The remaining minority interest, representing 0.5% of the share capital and votes at Unimot Express sp. z o.o. as of the date of publication of the interim report, is held by Ms Magdalena Sikorska, wife of Mr Adam Antoni Sikorski, President of the Management Board.

As of the date of publication of the interim report, **Unimot Express sp. z o.o.** holds 43.84% of the share capital and 42.04% of the votes at the General Meeting of Unimot S.A. The shareholding has not changed since the date of the previous interim report.

As of 05.12.2016, spouses Adam Antoni Sikorski and Magdalena Sikorska, due to a verbal agreement between them to pursue a common policy towards Unimot Express sp. z o.o. and Unimot S.A., indirectly through Unimot Express sp. z o.o. and Zemadon Ltd. controlled a total of 63.56% of the share capital and 65.05% of the votes at the General Meeting of Unimot S.A. An entity related to the Issuer by virtue of being jointly controlled by Unimot Express sp. z o.o. is Unimot-Truck sp. z o.o., seated in Warsaw, in which Unimot Express sp. z o.o. holds 52.02% of shares, and Ammerviel Ltd, seated in Nicosia, Cyprus, in which Unimot Express sp. z o.o. holds 100% of shares. Another company related to the Issuer is PZL Sędziszów S.A., based in Sędziszów Małopolski, in which Mr Adam Antoni Sikorski holds 48.78% and Unimot Express sp. z o.o. holds 48.78% of the share capital. An entity related to the Issuer, due to being under common control by Mr Adam Antoni Sikorski (indirectly through Zemadon Ltd.), is U.C. Energy Ltd. with its registered office in Cyprus. The shareholding of Mr Adam Sikorski has not changed since the date of the previous interim report.

**Mr Robert Brzozowski** - Vice-President of the Issuer's Management Board, as of the date of the report, holds 102,068 shares of the Issuer entitling him to 102,068 votes at the General Meeting, whose share in the share capital amounts to 1.25%, and his share in the total number of votes at the General Meeting was 1.19%.

Mr Robert Brzozowski's shareholding has not changed since the previous interim report.

**Mr Filip Kuropatwa** - Vice-President of the Issuer's Management Board, as of the date of the report, holds 21 347 shares of the Issuer entitling him to 21 347 votes at the General Meeting, whose share in the share capital amounts to 0.26% and the share in the total number of votes at the General Meeting amounts to 0.25%.

Mr Filip Kuropatwa's shareholding has not changed since the previous interim report.

**Mr. Isaac Querub** - Member of the Issuer's Supervisory Board, as of the date of this report, holds 15,700 shares in the Issuer entitling him to 15,700 votes at the General Meeting, whose share in the share capital amounts to 0.19%, and whose share in the total number of votes at the General Meeting amounts to 0.18%.

Mr Isaac Querub's shareholding has not changed since the previous interim report.

A summary of the ownership of the Issuer's shares by the Issuer's management and supervisory personnel as of the date of the report and the change in ownership in 2022.

| Shareholder       | Number of shares | Share in capital | Number of votes | Share of votes | Changes in ownership in 2022. |
|-------------------|------------------|------------------|-----------------|----------------|-------------------------------|
| Robert Brzozowski | 102 068          | 1,25%            | 102 068         | 1,19%          | + 29 208                      |
| Filip Kuropatwa   | 21 347           | 0,26%            | 21 347          | 0,25%          | + 19 722                      |
| Isaac Querub      | 15 700           | 0,19%            | 15 700          | 0,18%          | + 15 700                      |

#### 4.3. DIVIDEND POLICY

The Issuer's dividend policy is described in the Group Strategy in section 3.1 of this Management Board's Report.

#### 4.4. SHARES IN UNIMOT S.A. ON THE WARSAW STOCK EXCHANGE

On the Warsaw Stock Exchange ("WSE"), the broad market index WIG lost 17.08% in 2022, continuing the declines that began in November 2021. The large-cap indices WIG20 and WIG30 behaved less well, losing respectively: 20,95% i 20,88%. Only three WIG indices recorded increases, among them WIG-chemistry gained the most 10.85% and the least WIG-mining: 1.61%.

UNIMOT S.A. shares are listed on the parallel market of the WSE, in the continuous trading system. They are included in the indices: WIG, WIG-PALIWA, sWIG80, sWIG80TR, WIG-Poland, InvestorMS, CEEplus. In 2022, the share price of UNIMOT S.A. increased by 124.31% and performed much better than the SWIG80 index, which lost 12.76%. In terms of turnover value in 2022, Unimot was in 73rd place out of 421 companies listed on the WSE. The minimum price in this period was PLN 32.70 and the maximum price was PLN 96. The value of trading was PLN 185.34 million and the average volume per session was 13,002 shares. Capitalisation of UNIMOT S.A. at the end of the period: PLN 733.7 million.

#### Statistical data and stock market indicators:

|                                    | 2022    | 2021   |
|------------------------------------|---------|--------|
| Annual return sWIG80               | -12,76% | 24,60% |
| Annual rate of return              | 124,31% | 23,61% |
| Capitalisation (PLN million)       | 733,70  | 327,09 |
| P/P ratio                          | 3,2     | 4,2    |
| P/E ratio                          | 1,39    | 1,09   |
| Dividend rate                      | -       | 4,9    |
| Value of turnover (million PLN)    | 185,34  | 149,06 |
| Share in turnover                  | 0,06%   | 0,05%  |
| Average volume per session (units) | 13 002  | 13 463 |

data source: WSE, bankier.pl

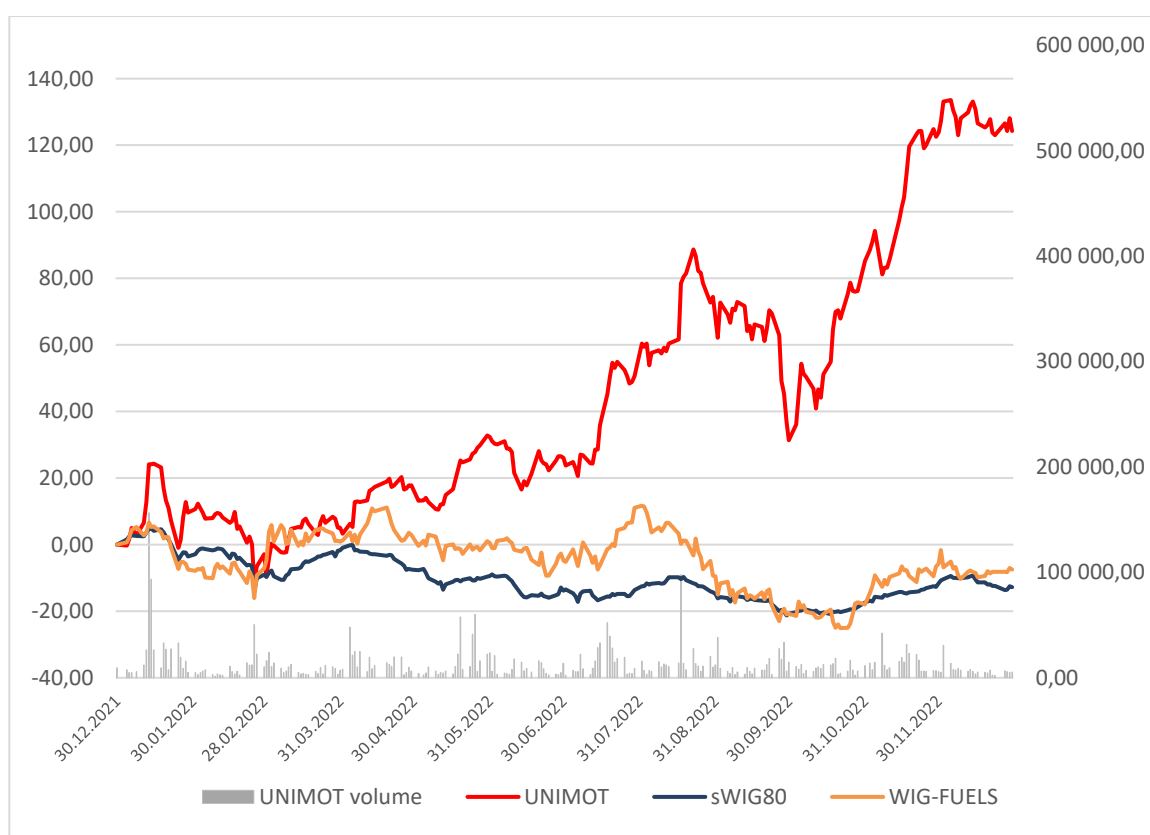
UNIMOT S.A. is valued by analysts at the Brokerage House of Bank Ochrony Środowiska S.A.

The table shows the latest recommendations for the company prepared on behalf of the WSE as part of the Exchange's Analytical Support Programme 3.0.

| Date of issue | Fundamental recommendation | Relative recommendation | Valuation over a 12-month horizon | Price on the day of issue |
|---------------|----------------------------|-------------------------|-----------------------------------|---------------------------|
| 14-03-2023    | Buy                        | Outweigh                | PLN 130.00                        | PLN 105.60                |
| 04-12-2022    | Buy                        | Outweigh                | PLN 115.00                        | PLN 93.00                 |
| 20-11-2022    | Buy                        | Outweigh                | 115.00 00zł                       | PLN 87.60                 |
| 27-10-2022    | Buy                        | Outweigh                | PLN 95.00                         | PLN 70.20                 |
| 16-08-2022    | Buy                        | Outweigh                | PLN 87.00                         | PLN 64.50                 |
| 05-12-2021    | Hold                       | Neutral                 | PLN 47.00                         | PLN 41.00                 |
| 25-08-2021    | Buy                        | Outweigh                | PLN 67.00                         | PLN 48.05                 |

### UNIMOT share price compared to sWIG80 and WIG-Fuels indices

[left axis: price change, right axis: trading volume in units].



data source: stockwatch.pl

\*differences between the quoted values and those published on some websites may be influenced by the dividend paid being taken into account.

Main activities carried out by UNIMOT S.A. in the field of investor relations in 2022:

- **Performance conferences** - online meetings of the Management Board with representatives of financial institutions (analysts, fund managers) following the publication of interim reports and at other times as required.
- **Investor chats** - online meetings between the Management Board and individual investors held quarterly after the publication of interim reports. Prior to the chats there is a performance presentation by a member of the Management Board. Reports of the chats are posted on the Company's website: <https://www.unimot.pl/relacje-inwestorskie/materialy-informacyjne/relacje-z-czatow/>
- **Participation in the WallStreet Conference** - The Company takes an active part in the largest meeting of individual investors in Poland. At the Shareholding Forum, President Adam Sikorski gave a presentation of the Company.

- **Online conferences, presentations and commentaries** - when important events occur in the company or in the market environment, online conferences are held with the President of the Management Board and possibly members of the Management Board, or presentations are prepared. These materials are available on the Company's website: <https://www.unimot.pl/relacje-inwestorskie/>.
- **Investor relations tab on the company's website** - the company informs on the website, among other things, about the most important events and new recommendations. The tab is also regularly supplemented with new content and information materials (video, audio, presentations, one-pagers). The website operates in Polish and English: <https://www.unimot.pl/relacje-inwestorskie/>.
- **Twitter communication** - the company actively communicates through the social medium Twitter by providing key information and answering questions as they arise; the company's Twitter account is followed by more than 1,300 people.
- **IR notifications** - investors can benefit from receiving by e-mail: notifications of important company events that have taken place and a set of result materials. Consent to receive e-mails can be submitted via the website under investor relations at <https://www.unimot.pl/relacje-inwestorskie/powiadomienia-inwestorskie/>.
- **UNIMOT Club+**

A loyalty programme for UNIMOT S.A. shareholders called UNIMOT Club+ was launched in 2021. The aim of the Club is to build a long-term relationship with shareholders and to recognise loyal investors who hold UNIMOT shares for a long time. UNIMOT Club+ is also part of building a stable and conscious shareholding. Any shareholder holding at least 100 shares for a minimum of 6 months. Club members receive access to a wide range of benefits depending on their membership level. Among the benefits are: one-time reimbursement of fuelling costs at AVIA stations, discounts on home LPG installation, participation in online meetings with the Chairman, discounts on subscriptions to partner stock exchange media (StockWatch.pl, Investor Zone, e-Kiosk), discounts on conferences and training courses or insurance cover. A Club Member can also benefit from a reduced or waived membership fee to the Association of Individual Investors depending on the Club membership level. In addition, Members can attend the WallStreet Conference on preferential terms. All shareholders can join the Club, the programme is not restricted to shareholders holding shares in brokerage houses and offices cooperating with the programme.

An online platform has been made available for Club members, where benefits can be activated after logging in: <https://www.unimotklubplus.pl/>.

The main partner of UNIMOT Club+ is the Association of Individual Investors.

## 5. UNIMOT CG'S OPERATIONS IN 2022 AND ITS ENVIRONMENT

### 5.1. MAIN PRODUCTS, SOURCES OF SUPPLY AND SALES MARKETS

In 2022, sales were mainly to domestic customers and accounted for 77% of total sales and were by 5.8 p.p. lower against 2021. There was a significant increase in the share of sales to the Ukrainian market; this share accounted for 10% of sales revenue in 2022.

| <i>in PLN thousand</i> | <b>As of<br/>31.12.2022</b> | <b>As of<br/>31.12.2021</b> | <b>share%<br/>2022 r.</b> | <b>share%<br/>2021 r.</b> | <b>changes<br/>p.p.</b> |
|------------------------|-----------------------------|-----------------------------|---------------------------|---------------------------|-------------------------|
| Poland                 | 10 277 291                  | 6 777 746                   | 77%                       | 83%                       | (5,8)                   |
| Czech Republic         | 222 681                     | 391 116                     | 2%                        | 5%                        | (3,1)                   |
| Switzerland            | 306 050                     | 25 207                      | 2%                        | 0%                        | 2,0                     |
| Slovakia               | 96 154                      | 12 719                      | 1%                        | 0%                        | 0,6                     |
| Hungary                | 23 855                      | 83 870                      | 0%                        | 1%                        | (0,8)                   |
| Austria                | 10 274                      | 35 970                      | 0%                        | 0%                        | (0,4)                   |
| Belgium                | 324 347                     | 52 262                      | 2%                        | 1%                        | 1,8                     |
| United Kingdom         | 99 725                      | 31 928                      | 1%                        | 0%                        | 0,4                     |
| Georgia                | 151                         | 122                         | 0%                        | 0%                        | (0,0)                   |
| Germany                | 54 253                      | 82 872                      | 0%                        | 1%                        | (0,6)                   |
| Netherlands            | 287 071                     | 636 932                     | 2%                        | 8%                        | (5,6)                   |
| Estonia                | 107 595                     | -                           | 1%                        | -                         | 0,8                     |
| Romania                | 196                         | -                           | 0%                        | -                         | 0,0                     |
| Cyprus                 | 142 704                     | 12                          | 1%                        | 0%                        | 1,1                     |
| Ukraine                | 1 352 005                   | 20 627                      | 10%                       | 0%                        | 9,8                     |
| Serbia                 | 3 823                       | -                           | 0%                        | -                         | 0,0                     |
| Taiwan                 | 584                         | 317                         | 0%                        | 0%                        | 0,0                     |
| China                  | 177                         | 4 108                       | 0%                        | 0%                        | (0,0)                   |
| Bulgaria               | 73 427                      | 46 665                      | 1%                        | 1%                        | (0,0)                   |

|              |                   |                  |             |             |       |
|--------------|-------------------|------------------|-------------|-------------|-------|
| Kazakhstan   | 1 351             | -                | 0%          | -           | 0,0   |
| Greece       | 49                | -                | 0%          | -           | 0,0   |
| Latvia       | 250               | -                | 0%          | -           | 0,0   |
| Turkey       | 869               | -                | 0%          | -           | 0,0   |
| Lithuania    | -                 | 4 743            | 0%          | 0%          | (0,1) |
| <b>Total</b> | <b>13 384 882</b> | <b>8 207 216</b> | <b>100%</b> | <b>100%</b> |       |

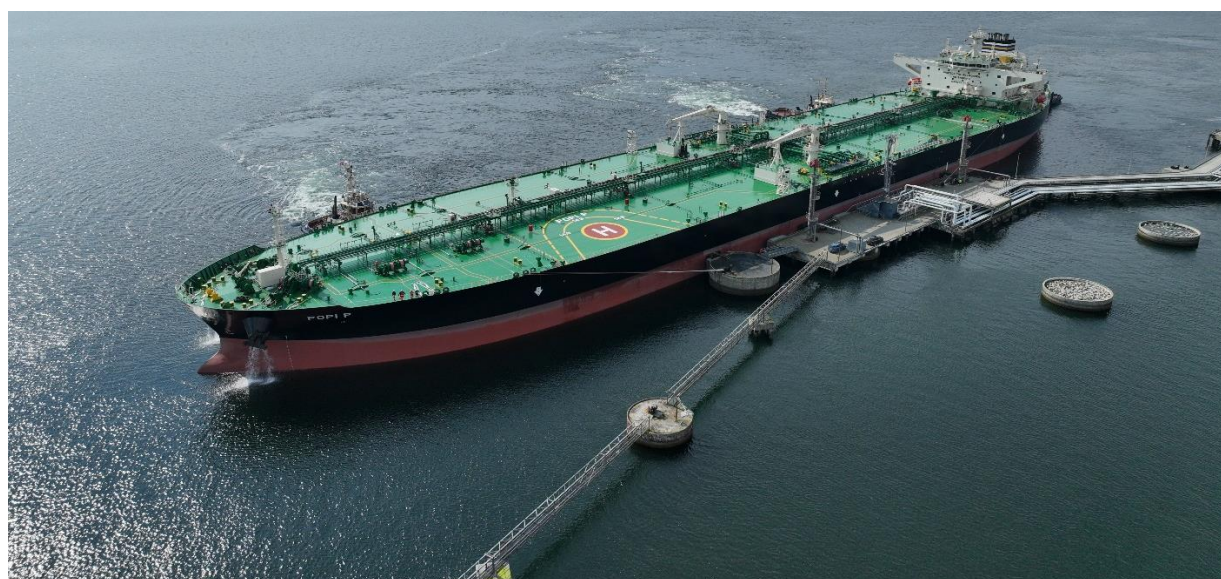
In the period from 1 January to 31 December 2022 and in the corresponding period of the previous year, none of the Group's customers exceeded 10% of revenue. In the period from 1 January to 31 December 2022, one of suppliers Gunvor S.A. exceeded 10% of supplies. Gunvor is not related to the Parent Entity or any subsidiary.

### 5.1.1. LIQUID FUELS

The Unimot Group is active in the sale of diesel oil and petrol. Wholesale is carried out on the territory of Poland using a wide distribution network (fuel depots) covering the entire country in the franco (sale of the product together with transport services) and loco (sale of the product from fuel depots with independent collection by the customer) systems. Due to the legal regulations in force, the Group is obliged to achieve a minimum share of bio-components in the total volume of liquid fuels sold in accordance with the National Indicative Target. This is done mainly by physically adding bio-components to imported liquid fuels in the blending process. In the wake of Russia's military onslaught in Ukraine, a number of sanctions were introduced that included petroleum products. On 5 February 2023, a further package of sanctions was introduced and imports of refinery products from Russia such as diesel, petrol and lubricating oils, among others, were banned. Unimot, as Poland's largest independent fuel importer, had been preparing for this situation since the outbreak of the war by, among other things, signing an agreement to use the Gulfhavn terminal in Denmark.

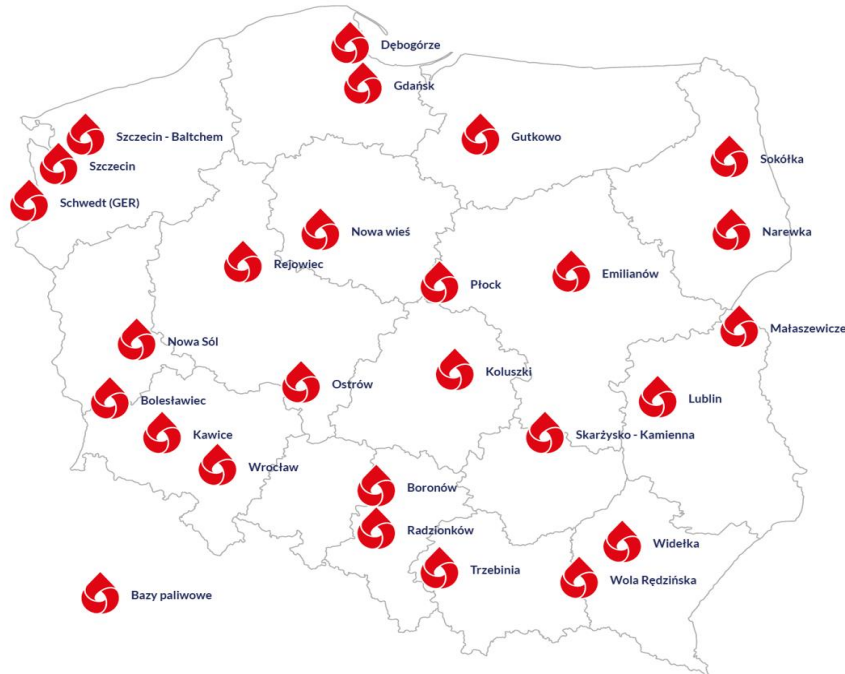
#### Sources of supply

the Unimot CG purchases liquid fuels from a number of suppliers. For liquid fuels, a large proportion of purchases are made abroad, with the Unimot CG being a direct importer. Fuels are imported primarily by sea through the fuel depot in Debogórze, but also by rail and road transport. A clear share of diesel fuel purchases is a Polish product purchased from Poland's largest fuel company. Fuel is purchased both on the basis of annual contracts and on the spot market. As of 15 April 2022, the Unimot CG has a leased deep-water fuel terminal Gulfhavn (Denmark) with a total capacity of 127,000 m<sup>3</sup>, which allows the unloading of diesel fuel from the largest tankers arriving in Europe and further transport of fuel to Poland. In 2022, the Unimot CG made diesel deliveries using the Danish terminal, which came from Saudi Arabia and India.



## Sales Markets

Unimot has a base of more than 1,000 active customers - these are mainly transport and construction companies, fuel wholesalers, petrol stations (including the AVIA chain) and agriculture. In addition, following the outbreak of war in Ukraine, there was a significant demand for this raw material from that country, which was largely met by the UNIMOT Group.



### 5.1.2. BIOFUELS

The Group trades in the sale of bio-components and biofuels for diesel vehicles as a fuel in their own right. Compared to traditional diesel, biofuels and bio-components contribute to a significant reduction in emissions of harmful substances as well as greenhouse gases due to their properties.

On offer are:

- B100 diesel - a methyl ester that is a fuel in its own right,
- Methyl esters (FAME) - biocomponent of the following quality: RME; UCOME; FAME 10; FAME 0.

#### Sources of supply

Biofuels are primarily purchased domestically from the country's largest oil companies and private entities mainly through tenders.

#### Sales Markets

Foreign market, wholesale customers.

### 5.1.3. LPG

LPG is a liquefied gas, primarily propane, butane and a mixture of propane and butane. LPG is of natural origin obtained as a product of refining natural gas and crude oil. Within the Unimot Group, wholesale of LPG is carried out directly from the Group's own bottling plant in Zawadzkie, as well as from third-party transshipment terminals in Poland. The Group distributes LPG to filling stations (including stations in the AVIA chain) and to heating tanks - both its own, of which it has approximately 120, and installations made by other companies. Gas is transported to destinations from terminals using its own tanker trucks.



### Sources of supply

In 2022, the Unimot Group was working intensively to switch its LPG purchasing logistics from the eastern to the western direction. Potential destinations to replace the Russian direction currently include Sweden, the UK, the Netherlands and Norway, and these destinations are also used by the Unimot CG. The Unimot CG has signed contracts for 2023 with western suppliers for volumes more than double those of 2022 and has the potential to increase these volumes further.

### Sales Markets

Due to the nature of the business, the portfolio of LPG customers is clearly diversified, with domestic operators and from 2022, the Ukrainian market.

#### 5.1.4. NATURAL GAS

Natural gas is a natural fuel that is extracted from deposits underground. It is a type of fossil fuel consisting mainly of methane (70-98%), ethane, propane, carbon monoxide and dioxide, nitrogen and helium. Depending on the proportions of the components, several types of natural gas are distinguished. The Unimot Group sells mainly high-methane E-type. The Unimot CG is not a significant supplier of natural gas on the domestic market; the main competition comes from large state-owned companies.

The most important event for the CG in the natural gas segment in 2022 was the successful exploitation of market volatility in connection with the war in Ukraine and the start of trading activities.

Natural gas is sold on the domestic market to individual customers, trading companies including affiliates, i.e. Unimot System, Blue LNG and Unimot Energia i Gaz.

In 2022, new investments were made with 105 gas connections with a total length of 920 m. Capital expenditure incurred by both companies amounted to PLN 608,000, which will allow future sales to increase by 1,760 MWh/year. In 2022, Poland opened up to new markets such as Slovakia and Lithuania. In addition, it gained access to the Dutch and Norwegian markets with the Baltic Pipe connection.

The outbreak of war in Ukraine had a significant impact on the natural gas segment primarily in terms of price increases and the need to raise additional financing. The following factors had a major impact on the volumes and results achieved:

- variability of natural gas market prices,
- liquidity on the Commodity Exchange,
- available financing within the Unimot Group.

In the near term, the CG plans to enter the Lithuanian market by becoming a member of the Lithuanian exchange GET Baltic. Entering this market will allow the CG to open up to new business segments and enable diversification of natural gas supplies. This will have its direct impact on increasing realised volumes.



In the longer term, the CG is emphasising long-term trading using storage capacity. In addition, it is planned to expand its counterparty base to include entities active in European gas markets.

The Group continuously analyses the markets in terms of flows, capacities and price differences between countries.

### Sources of supply

The CG did not purchase natural gas from Belarus and Russia in 2022 and therefore the sources of supply were not significantly affected by the sanctions. Natural gas is purchased on the Polish Power Exchange and in off-exchange transactions (OTC market). Unimot S.A. uses standardised EFET framework agreements in gas trading with independent parties. The sources of supply for the subsidiaries are the Issuer and gas producers. The current global geopolitical situation has not translated negatively into the gas business. The availability of the raw material natural gas for Unimot has not been reduced.

### Sales Markets

The Polish Power Exchange multi-market participant platform.

End customer through Unimot System, Blue LNG and Unimot Energia i Gaz.

#### 5.1.5. ELECTRICITY

The Unimot Group has been trading electricity since 2016 through its subsidiary Tradea Sp. z o.o.. This trading takes place on the Polish Power Exchange S.A. through a brokerage house. Tradea Sp. z o.o. works with electricity generators focusing mainly on renewable energy sources and provides the following services:

- the purchase of electricity under various pricing formulas,
- commercial balancing, involving the submission of commercial schedules to the Transmission System Operator and the settlement of differences on the balancing market between declared and actual energy,
- short-term forecasting of electricity production by professional forecasting companies,
- trading in guarantees of origin.

Tradea also acts as a link between generators and consumers.

### Sources of supply

The purchase of electricity takes place on the Polish Power Exchange and directly from renewable energy producers. Suppliers of electricity are mainly domestic entities.

### Sales Markets

Electricity is sold to end customers, which are small and medium-sized companies and institutions. Electricity is sold to customers throughout Poland.

#### 5.1.6. PHOTOVOLTAICS

The Unimot CG, through its subsidiary Unimot Energia i Gaz, is continuing - started in 2020. – sales of photovoltaic installations under the AVIA Solar brand. The Group offers installation of the installations, as well as the possibility to buy back energy from the installations, store energy and, if necessary, supply electricity from the grid. From 2020 onwards, competence is also being built in the Group's in the field of photovoltaic farms. Unimot Energia i Gaz has signed the first contracts for the development of such projects. Participation in the renewable energy market is expected to provide significant added value for the Group in the future and contribute to further business diversification.

The year 2022 was a period of dynamic changes in the segment's operations. Retail sales to individual customers were phased out, and the building of industrial installation relationships in the construction law regime began. The UNIMOT Group started cooperation with the US company First Solar, thanks to which 100% US-origin photovoltaic panels were delivered to the Polish market. The first shipment of US First Solar photovoltaic panels arrived in Poland in October 2022 and the modules are now available in the UNIMOT Group's offer.

Launched in 2021 by the Unimot CG, the production line of Polish photovoltaic panels has been expanded and its capacity has tripled and is now 45 MW per year. The assumptions of the previous year have been achieved, and the offer has been further enriched with inverters, photovoltaic switchgear, energy storage and complementary accessories. The UNIMOT Group sees its

opportunities in the further development of renewable energy sources, both in terms of PV installations for business customers, the construction of its own RES generation sources, as well as keeping a close eye on market opportunities arising from the prospects of subsidies in this area. At the same time, the important need for electricity storage and stabilisation/extension of the production profile from RES is noted, as well as the potential for distributed energy within energy cooperatives and energy clusters.

#### Sources of supply

the Unimot CG offers photovoltaic panels from China, the USA, as well as panels of its own production.

#### Sales Markets

Through its own sales network, the company reaches out to customers in the segment of small, medium and large companies operating in Poland.

#### 5.1.7. PETROL STATIONS

Since 2017, the Group is developing a chain of petrol stations in Poland under the AVIA brand, which is represented by more than 3,000 facilities in more than a dozen European countries. The AVIA brand's more than 90-year presence in the fuel market allows it to pass on to its partner a proven business model based on expert know-how, independence and high-quality fuels at competitive prices.

There are 106 facilities in the portfolio of the AVIA petrol station chain in Poland, including:

- 34 owned stations and stations on a lease basis (CODO),
- 72 franchised stations (DOFOs).

In 2022, the AVIA chain was expanded by a further 21 stations. In June 2022, exactly five years after the opening of the first AVIA station in Poland, UNIMOT opened its 100th station.

In addition, the CG manages stations in Ukraine; of its 14 stations, 13 are still operational.

Spring 2022 saw the launch of the AVIA Card fleet programme, which is designed for business and institutional customers and institutional customers looking for effective ways to optimise costs associated with fuel purchases, and who value minimum formalities when ordering a card and secure cashless transactions, carried out online system.

The year 2022 was also used to develop cooperation with the retail partner, the SPAR chain. Shops of this brand already operate at more than 30 AVIA stations throughout Poland.

In parallel, the original Eat&Go concept has been developed, offering customers a catering offer under this brand, which is constantly being expanded.

#### 5.1.8. ASPHALT PRODUCTS

Asphalt is the best solution for roads with varying traffic volumes. There are many types of asphalt pavements, each with different physical and service properties. The Unimot CG offers the entire spectrum of asphalt products: asphalt, modified and highly modified asphalt, industrial asphalt and low-temperature asphalt. The range also includes special products such as adhesives, cellulose fibres and special binders, among others. These products are sold on the Polish market under the AVIA Bitumen brand from September 2019.

#### Sources of supply

The Group purchases asphalt products from several production centres located in Poland, Germany and Hungary.

#### Sales Markets

Recipients of asphalt products are national players in the construction industry related to road construction and modernisation.

#### 5.1.9. OILS AND LUBRICANTS

In 2022, the Unimot Group continued its activities with the sale and distribution of automotive oils and lubricants under the AVIA brand.

### Sources of supply

The group sources its product primarily from the Netherlands, where it buys its oils directly from the manufacturer - a company with a history of more than 100 years in business. Approx. 30% of oils are purchased in Poland - the suppliers are the main domestic producers. Dutch oils are top-quality synthetic products intended for high-end cars. Polish oils are mineral products intended for cars as well as for industry and agriculture.

### Sales Markets

In 2022, there was a significant decline in sales in the main overseas markets, i.e. China (lockdowns) and Ukraine (ongoing war). Product sales in these markets continued, yet, to a limited extent. Declines in the main markets were offset by sales in new markets such as Kazakhstan, Latvia, Greece, as well as in Romania and Georgia.

## 5.2. MARKET ENVIRONMENT - MACROECONOMIC - GEOPOLITICAL

### 5.2.1. LIQUID FUELS, INCLUDING DIESEL

The main factors influencing the liquid fuels market in Poland included the dynamic development of the Polish economy, the ongoing war in Ukraine, the effects of the covid-19 pandemic, dynamic changes in liquid fuels prices, the adaptation of domestic logistics to the distribution and import of products from non-Russian directions and preparation for market balancing through liquid fuels imports from directions other than Russia.

In 2022, diesel fuel consumption in Poland amounted to 22,659 thousand m<sup>3</sup> and was 3.1% higher than in the previous year. As domestic fuel production does not meet market needs, imports of this raw material are required to balance the market, which in 2022 accounted for approximately 32% of consumption (a similar level of imports was recorded in 2021).

An important event for the liquid fuels market was the adoption of the sixth package of economic and individual sanctions against Russia by the European Council in June 2022. Its main objective was to limit profits from the trade in oil and certain oil products for the Russian budget. The embargo included a ban on the purchase, import or transfer of oil transported by sea and certain oil products from Russia to the EU. The ban is effective from 5 December 2022 for crude oil and from 5 February 2023 for refined petroleum products. In addition, in December 2022, EU countries set a price ceiling for crude oil from Russia at USD 60 per barrel.

The situation on the diesel market forced a change in the directions of supply of this raw material to Poland, which was primarily associated with logistical challenges. The product was globally available, e.g. in the Middle East, the United States or China, which had limited internal demand due to the pandemic situation, but it takes longer and is more expensive to deliver it to Poland.

In Poland, an influx of refugees - Ukrainian citizens – has contributed to the increased consumption of diesel. The Polish-Ukrainian border has been crossed by some 10 million people since the outbreak of the war, of which some 2 million Ukrainian citizens have chosen to remain in our country. In addition, Polish exporters have played an important role in supplying liquid fuels to Ukraine, which prior to the outbreak of war was dependent on imports, mainly from Russia and Belarus, for approximately 80% of its supplies. Today, about 90% of supplies to Ukraine come from the western direction, mainly from Poland and Romania.

Price quotations for diesel oil (Platts) [USD/T].



### 5.2.2. BIOFUELS

In 2022, trade in biofuels and biocomponents was hampered by market perturbations resulting from Russia's aggression against Ukraine. Situations of demand-supply mismatch appeared on the market, which was caused by the lack of availability of rail wagons and resulted in high fluctuations in product quotations. The market also faced a significant increase in the price of transport services.

According to the Renewables 2022 - Analysis - IEA report, global demand for biofuels is expected to have been 6pc or 9 100 million litres per year higher in 2022 against 2021. This increase was a consequence of attractive policies encouraging greater use of biofuels in the US and Europe, as well as blending requirements and financial incentives supporting demand in India and Brazil and a 30% biodiesel blending requirement in Indonesia. Between 2022 and 2027, total global demand for biofuels is projected to increase by 35,000 million litres per year, or more than 20%. The US, Canada, Brazil, Indonesia and India account for 80% of this change. These countries have comprehensive solutions to support the growth.

### 5.2.3. LPG

In 2022, LPG consumption in Poland amounted to 5.1 million m<sup>3</sup> by 8.5 p.p. higher against the previous year. In Poland, LPG was mostly imported and in 2022 its share of the market supply was 89% (4.6 m<sup>3</sup>) - 5 p.p. higher against 2021. As a consequence of the war in Ukraine, there was a sharp increase in exports of this fuel from Poland to Ukraine, which, combined with strong demand from Polish consumers, resulted in price increases and temporary shortages of LPG. In addition, the gas market situation was affected by sanctions imposed on large LPG suppliers limiting supply from the eastern direction. This increased pressure on the use of transshipment bases in seaports and bases capable of accepting full pipeline supplies from Western Europe. The rapid diversion of LPG supplies from western directions was hampered by transport difficulties on Polish and European railways and the lack of sufficient infrastructure to allow imports of this commodity from other directions than east.

LPG (Propane ARA) price quotations [USD/T].



### 5.2.4. PETROL STATIONS

At the end of 2022, there were more than 7,900 petrol stations operating in the domestic fuel market. As in previous years, about 45% of petrol stations were facilities of non-associated operators, 30% of petrol stations operated in the chain of domestic concerns and 20% of foreign concerns. In 2022, 46 petrol stations were added in Poland, including 30 additional stations opened by non-associated operators, which include the AVIA station chain developed by the UNIMOT Group. At the end of last year, the AVIA station chain comprised 106 facilities, 21 more than the year before.

In 2022, there was a reduction (by 8 facilities) in the number of stations belonging to shop chains, due to the withdrawal from the Polish market of TESCO supermarkets, which operated 13 petrol stations at the end of 2021.

Domestic consumption of diesel was at 22.7million m<sup>3</sup>, up by 3.1 p.p. against 2021. On the other hand, demand for motor petrol recorded a 5.5% year-on-year increase to 7.2 million m<sup>3</sup>.

The upward trend in consumption in the liquid fuels market was driven by the dynamics of the Polish economy, the war in Ukraine and fuel prices. The demand for fuels in the country was increased by the significant number of refugees from Ukraine moving around Poland in their cars and the increased mobility of Poles. In addition, the increase in fuel consumption was influenced by the so-called fuel tourism caused by significant fuel price differences with our neighbours from the western and southern borders.

It should be noted that during the holidays, several key market players introduced price promotions, which resulted in strong pressure on retail margins. Thus, rising wholesale fuel prices could not be offset by corresponding actions in the retail market for an extended period of time. At the same time, the retail fuel market, like other sectors of the economy, struggled with high inflation and cost increases.

#### 5.2.5. ASPHALT PRODUCTS

The year 2022 was supposed to be a time of so-called 'rebound' for the construction industry after two years of pandemics. At the beginning of last year, it seemed that the situation was relatively normalised, but unfortunately the war in Ukraine strongly affected the economy and also affected the construction sector. In addition, increases in labour, fuel and energy costs were recorded. Despite these negative factors, the roadworks market in 2022 was a positive period, thanks in part to the implementation of projects financed by Bank Gospodarstwa Krajowego.

The development of road works in 2022 and beyond will be influenced by the implementation of the government's National Roads Construction Programme to 2030 (with an outlook to 2033). The programme assumes the completion of all currently planned expressways and connecting all Polish regions and voivodeship cities with a network of safe and comfortable roads. A total of approximately PLN 294.4 billion will be allocated for the implementation of the investments included in this programme. This is the largest road programme in the history of Poland. The programme is complemented by a programme for the construction of 100 bypasses, under which a further 850 km of roads are to be built with an estimated value of road works of around PLN 28 billion in the period up to 2030.

In 2022, 26 road sections with a total length of 321.8 km were commissioned, road construction contracts with a total length of 333.4 km and a value of PLN 12.8 billion were signed. Investment expenditure closed at over PLN 18 billion.

The plan for 2023 assumes:

Completion of 18 tasks with a total length of 256.6 km

- Tenders announced for 38 tasks totalling 564.2 km

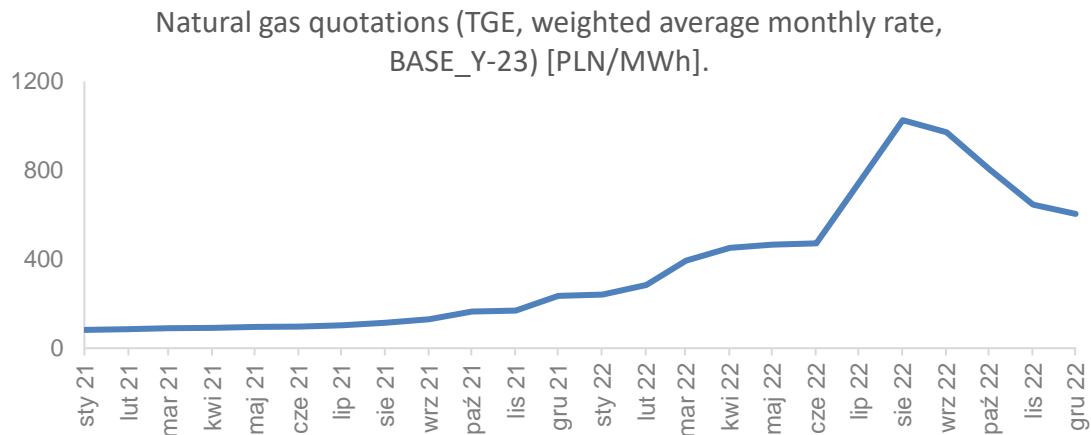
#### 5.2.6. NATURAL GAS

Already by the end of 2021, a huge increase in the volatility of the price of this commodity was observed. However, it was not until 2022 that the biggest changes took place. With the outbreak of war in Ukraine, the supply of crude to European markets came into question. The reduction of transmission via the Yamal pipeline, caused the first major increases in raw material prices. Subsequently, the suspension of supply via the Nord Stream pipeline and its eventual failure had a significant impact on the market. For gas, this meant a move away from the average price over the last 20 years of around EUR 15/MWh to levels above EUR 200/MWh. Europe had limited indigenous production, which is not able to cover its consumption, and therefore Poland was also affected by the supply problem.

Looking for alternatives to Russian fuel, Europe has turned to maritime supplies, i.e. imports via methane carriers broadly defined as LNG - Liquefied Natural Gas - shipments. PGNiG took delivery of some 4.23 million tonnes of LNG (approx. 5.83 billion m<sup>3</sup>) at the Swinoujscie terminal in 2022, and compared to 2021 this is about 1.45 million tonnes more LNG (approx. 2 billion m<sup>3</sup>). Lithuania also had a record year, with approximately 2.8 million tonnes of LNG received in 2022, or about 3.8 billion m<sup>3</sup> - an increase of about 1 million tonnes of LNG (about 1.38 billion m<sup>3</sup>). According to ISE data, exports from US terminals in August 2022 were about 6.2 million tonnes of LNG and in September there were 87 LNG carriers transporting about 6.3 million tonnes of LNG. Of this, almost 70% of the cargoes, or 4.37 million tonnes, went to Europe. In December, ISE estimates shipments of up to 7.5 million tonnes of LNG. On 15 December 2022, Germany joined the LNG receiving countries. The FSRU Hoegh Esperanza terminal shipped the first 4 million m<sup>3</sup> to the German gas grid at the end of 2022 as part of the tests. The Wilhelmshaven terminal is the first of six FSRU terminals in Germany to be operational by the end of 2023 to replace Russian natural gas supplies.

Replacing the volume, pumped from the east, on a daily basis by pipelines to Europe, proved to be a major logistical challenge. Indeed, the old continent's switch to imports by sea meant the need to compete with the Asian market, which was the main recipient of LNG in the world. The situation was further complicated by the previously mentioned damage to the gas pipeline at the bottom of the Baltic Sea. The weather, which proved to be a significant challenge, also contributed to Europe's economic situation. The relatively hot and windless summer translated into restrictions on electricity production in many European countries. France, among others, was forced to reduce generation from its nuclear reactors due to the high temperature of its rivers, increasing its demand for natural gas. The UK and Germany were also looking hard for alternatives to cover the shortfall in wind power generation. Europe faced the challenge of maintaining power sources while replenishing gas storage at all costs ahead of the coming winter. The winter, however, turned out to be lighter than expected in the fourth quarter of 2022. Temperatures well above the seasonal average in western Europe, reductions in industrial gas consumption, translated into

less emptying of storage, reducing the need to provide further LNG supplies to the continent. However, the situation remains tense.

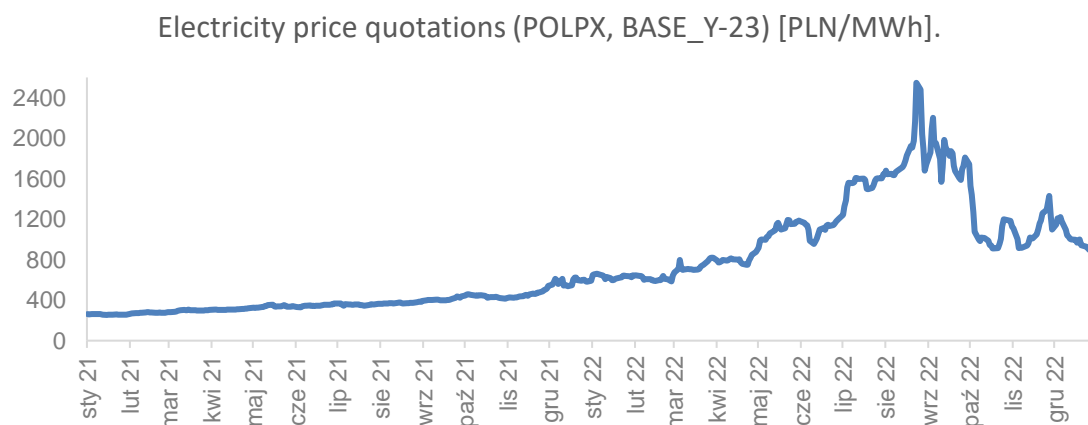


### 5.2.7. ELECTRICITY

The war in Ukraine, and the consequent economic war between Russia and the European Union, was a key event in 2022 in the energy sector. It contributed to fossil fuel shortages, fossil fuel price increases and consequent increases in electricity or heating prices. The scale of these increases was the highest at least since the oil crises of the 1970s. The increase in demand for energy in Europe, including Poland, was accompanied by technical problems at French nuclear power plants and drought, limiting energy production at power plants in the Alps and Scandinavia or the possibility of transporting coal on German rivers, which further increased electricity prices especially in western Europe. Initially, Poland maintained its position as an exporter of electricity, a position it had already taken in the second half of 2021. However, energy exports quickly led to a decline in the country's coal stocks from a record high to a record low. The coal shortage has led to the need to reduce electricity production in the country's power plants and forced reductions in electricity exports. Electricity prices reached their highest levels ever.

Counteracting the price increase, the Ministry of Climate and Environment has changed the rules for bidding prices in the balancing market. The new rules led to a decrease in prices on the balancing market and, consequently, prices on the exchange market. Subsequently, the Parliament amended the Energy Law and the Law on Renewable Energy Sources, inter alia by abolishing the exchange obligation. Generators producing energy from coal and gas were no longer obliged to sell it only on the Polish Power Exchange.

Electricity production in 2022 in Poland increased by 0.91 p.p. over the previous year, while domestic consumption value by 0.53 p.p. Monthly reports on system operation for January-December 2022 show that domestic electricity production in that period was over 175 TWh and consumption was just under 173.5 TWh. Poland was a net exporter of electricity last year, the surplus of exports over imports amounted to just under 1.7 TWh, while in the previous year Poland imported more energy than it exported - net imports amounted to over 0.8 TWh. Exactly 50% of the electricity produced came from hard coal power plants, less than 27% from lignite power plants and less than 6% from gas power plants. Renewable sources - excluding system hydroelectric power plants - provided just under 16% of production. Two-thirds of renewable energy came from wind turbines. Wind alone provided almost 10.5% of production.



### 5.2.8. PHOTOVOLTAICS

The market for photovoltaic installations, both for individual and institutional customers, has been on a clear upward trend for several years. Photovoltaic installations are becoming an increasingly popular feature on the roofs of detached houses, blocks of flats, production halls or warehouses.

At the end of December 2022, the installed capacity of photovoltaics in Poland was 12,189.1 MW. This is 58.7 p.p. more than in December of the previous year, when 7 681.4 MW was recorded. Prosumer PV installations had a capacity of 8,773.91 MW. Their number amounted to 1,193,053 units. /source: rynekelektryczny.pl/ A large contribution to this growth was made by individual prosumers benefiting from the government's 'My Current' installation subsidy programme, who were also encouraged by *the net-metering* energy production settlement rules applicable to installations connected by 31 March 2022. Russia's invasion of Ukraine has caused significant price fluctuations in the electricity market, resulting in increasing interest in PV installations in the corporate segment. The anticipated growth of PV in the next few years will be supported by changes in perceptions of broader environmentalism, but will also be forced by rising electricity costs and trends towards reducing fossil fuel consumption. Increases in energy prices and distribution charges are driving investment in the construction of widely understood industrial RES installations, which is not without the Issuer's attention.

The total capacity of photovoltaic installations in Poland is currently 12 GW, while government plans called for 10 GW of electricity from the sun to be reached only in 2040. A similar trend is observed across the continent, which is why the offer of Polish photovoltaic panels and other photovoltaic solutions is aimed at the entire European market. The current global situation confirms how important the quality and reliability of a local supplier is. On the other hand, the continuous development of the market for renewable energy sources allows us to assume that the offer of high-quality, Polish photovoltaic modules with a guarantee of good availability will constitute an answer to the constantly growing demand.

### 5.3. REGULATORY ENVIRONMENT

Unimot, as a group, by combining the activities of several entities, collectively constitutes one of the country's leading multi-energy concerns. The individual entities of the Unimot Group concentrate their activities in the following areas:

- liquid fuels (including mainly imports to Poland of diesel, motor petrol, LPG and other fuels);
- trading in liquid fuels at petrol stations;
- the bottling, storage and processing of LPG at its bottling plant;
- the use and circulation of bio-components and liquid biofuels;
- natural gas and electricity trading;
- marketing of bitumen and asphalts.

Each of the above areas is subject to national as well as EU regulations, which, especially in times of evolving climate policy, are subject to constant changes and adjustments. Currently, the so-called Fit for 55 package is being processed at the EU level, which will significantly affect the operations of both the entire group and the individual entities within the Unimot Group.

Among other things, the Package aims to reduce the CO<sub>2</sub> emissions of individual energy carriers (including transport fuels), and to increase the share of renewable energy in the overall EU energy balance. The individual areas of the Unimot Group's activities described below intersect with the proposals contained in the Package, most of which, however, will require additional implementation into national law following their enactment at EU level.

#### 5.3.1. LIQUID FUELS

The main area of the Unimot Group's operations is domestic and foreign trade in liquid fuels (including diesel, motor petrol and LPG), based on fuel concessions issued by the President of the Energy Regulatory Office. Issues related to fuel licensing are regulated by the Energy Law of 10 April 1997 (jt. Journal of Laws 2022, item 1385, as amended). In 2022, no significant changes were made to the Energy Law with regard to liquid fuels - however, in February 2023, the so-called SENT CONNECT project was announced, which, in addition to changes concerning the monitoring of road transport of liquid fuels (SENT system), is also expected to introduce significant changes concerning the retail trade in liquid fuels, including LPG. These changes aim to register all liquid fuels receipt points in the country (both petrol stations and end user locations) and are expected to come into force in 2024.

On all liquid fuels imported to Poland, so-called reserve obligations are fulfilled, i.e. compulsory reserves are created and maintained, in the amount resulting from applicable regulations, and the so-called fuel surcharge is settled, thanks to which intervention reserves on the same fuels are created and maintained by the Government Strategic Reserve Agency. Details of obligations concerning compulsory reserves are set out in the Act of 16 February 2007 on stocks of crude oil, petroleum products and natural gas and the principles of proceeding in situations of threat to the state's fuel security and disturbances on the oil market (i.e. Journal of Laws of 2022, item 1537, as amended).

Standard liquid fuels, i.e. diesel oils and engine petrol, are additionally subject to the so-called National Indicative Target and obligatory bio blending, which means that for each litre of such fuels disposed of in Poland for transport purposes, Unimot entities ensure the share of the so-called renewable element resulting from the law (i.e. primarily the share of bio-components contained in these fuels, respectively methyl esters in diesel and bioethanol in engine petrol). Unimot was also one of the first entities in the country to start implementing RES obligations using so-called hydrogenated vegetable oils (so-called HVO). The rules for the implementation of the above obligations are set out in the Act of 25 August 2006 on bio-components and liquid biofuels (jt. Journal of Laws of 2022, item 403, as amended). An amendment to the BIO Act is currently under way, which is intended to implement the provisions of the so-called RED II Directive into the national legal order. The third version of the extensive amendment has already been published on the website of the Governmental Legislation Centre, which will significantly modify the existing rules for the implementation of the RES indicator targets for transport fuels. The most important provisions of the amendment include:

- a significant increase in the headline NIC (from 8.9% today to 14.8% in 2030);
- moving away from the possibility of realising the NIT with the so-called B-100 spontaneous fuel based on its domestic sales (after the changes, it will also be necessary to physically consume the biofuel in Poland);
- enabling the implementation of NIT also with electricity used for road and rail transport;
- the gradual abandonment of the possibility of applying a so-called substitute charge;
- the introduction of an obligation to use so-called advanced biofuels (2G) in significant volumes (at 3.5% by 2030);

The amendment is expected to enter into force in the first half of 2024.

In addition, the Ministry of Climate and Environment has published a project to generalise the use of the so-called E-10 petrol format (i.e. with a bioethanol content of up to 10% by volume). Currently, the format is basically not found in the domestic market, where the E-5 petrol format is dominant. Also, these changes are announced for 2024.

Liquid fuels subject to the NIT obligation are also subject to further so-called regulatory obligations, including the National Reduction Target (which consists of ensuring an adequate reduction in CO<sub>2</sub> emissions of transport fuels entering the national market). This obligation is implemented in order to reduce CO<sub>2</sub> emissions of transport fuels, with gaseous fuels such as LPG and methane fuels (LNG and CNG) additionally being subject to it. The rules for the implementation of these obligations result from the Act of 25 August 2006 on the system of monitoring and controlling the quality of fuels (jt. Journal of Laws of 2022, item 1315, as amended).

From 2021, transport fuels have also been made mandatory to meet so-called energy efficiency targets. This applies to diesel, petrol and LPG. These obligations boil down to a reduction in end-use energy consumption at end users, in relation to the amount of energy supplied in transport fuels placed on the domestic market. These obligations are included in the Act of 20 May 2016 on Energy Efficiency (jt. OJ 2021, item 2166, as amended).

All liquid fuels are excise goods to which the so-called excise duty suspension procedure applies, i.e. they are imported into Poland under the supervision of a special EMCS system, and excise duty and fuel duty are paid in Poland only on those fuels which are consumed on Polish territory. In addition, a so-called emission fee is charged on diesel and petrol. Excise tax is regulated by the Act of 6 December 2008 on Excise Tax (jt. Journal of Laws of 2022, item 143, as amended) and a number of implementing regulations to this Act, the fuel duty is included in the Act of 27 October 1994 on toll motorways and the National Road Fund (jt. Journal of Laws of 2022, item 2483, as amended), and the emission fee in the Act of 27 April 2001, Environmental Protection Law (jt. Journal of Laws of 2022, item 2556, as amended).

There were a number of significant amendments to excise legislation in 2022, including changes to the rules for the movement of fuels between EU countries under the procedure with paid excise duty (so-called e-SAD) and the movement of excise-exempt and zero-rated products within the country (so-called e-DD). These changes do not apply to retail transport fuels. Currently, the most important changes announced with regard to excise duty include the introduction of the so-called CEWA, or Central Excise Products Register - currently, the change is also at the stage of government drafts and is expected to come into force in 2024.

With regard to intra-Community acquisitions for liquid fuels, the so-called VAT-14 mechanism is also applied, which involves the VAT on imported fuels being settled in advance and then recognised in the standard VAT return.

### 5.3.2. RETAIL TRADE IN FUELS

Retail trade in liquid fuels is carried out at Unimot-owned and franchised petrol stations. Comprehensively, the rules for trading at stations are governed by the Energy Law, but individual station locations must also comply with the requirements of the Construction Law, Environmental Law, Technical Supervision Regulations and Metric Regulations (concerning measuring instruments and equipment).

The fuels offered at petrol stations have all taxes and charges accrued and therefore directly this turnover is not related to the implementation of the regulatory obligations described above regarding the import of liquid fuels into Poland.



All liquid fuels offered at petrol stations must meet the so-called quality requirements specified in the regulations implementing the Act on the system of monitoring and controlling fuel quality. All fuels purchased and offered by Unimot meet these requirements, which is confirmed by tests carried out in accredited laboratories and quality certificates issued from fuel depots. The movement of fuels within the country is monitored by the tax administration by means of the so-called SENT system, which has significantly tightened up domestic trade in liquid fuels. Under the SENT CONNECT project published on the website of the Government Legislation Centre, the system is to be subject to further sealing from 2024.

### **5.3.3. LPG BOTTLING AND STORAGE**

The Unimot Group also operates a liquefied gas terminal in Zawadzkie. This terminal has the status of a tax warehouse (within the meaning of the excise regulations), and the operations performed there are based on licences issued by the President of the Energy Regulatory Office for the storage of liquefied petroleum gas and its processing by mixing propane and butane fractions obtained in accordance with the requirements of the Energy Law. Individual installations and tanks are subject to technical supervision and metrological control, as well as other obligations under the Building Law and environmental protection regulations.

### **5.3.4. BIOCOMPONENTS AND LIQUID BIOFUELS**

A derivative of the NIT, bio blending and NRT obligations is the need to obtain, both in domestic and foreign markets, and to market - the required quantities of biocomponents and liquid biofuels. The entirety of obligations in respect of indicative targets in liquid fuels is regulated in the aforementioned Act on Biocomponents and Liquid Biofuels (jt. Dz. U. of 2022, item 403, as amended).

Unimot purchases bio-components both from domestic producers and from foreign suppliers. As a group, we are one of the largest domestic importers of liquid fuels and thus an entity that meets the indicator targets described, both through the addition of methyl esters to diesel, through bioethanol in fuel and through other mechanisms provided for in specific legislation.

### **5.3.5. EFFECTS OF THE SO-CALLED EU SANCTIONS ON THE LIQUID FUELS MARKET**

The year 2022 is marked by Russia's aggression against Ukraine, which has resulted, among other things, in ten sanctions packages already being introduced at EU level. The individual packages resulted in an initial restriction and, from February 2023, in principle a complete ban on the import of both oil and Russian-produced products into the Union.

The Unimot Group had prepared for the regulatory changes and diversified its supplier portfolio accordingly, so as to maintain continuity of supply in the new legal reality.

### **5.3.6. ELECTRICITY AND NATURAL GAS TRADING**

The electricity and natural gas markets are also markets that are strictly regulated by the President of the Energy Regulatory Office, and as a result, the entities carrying out these activities operate on the basis of the concessions obtained and permits provided for in the Energy Law. Within the group, all obligations under the law are implemented, including tariff and indicator obligations.

In 2022, the main challenges for energy and gas suppliers were new regulations related to price formation associated firstly with the post-COVID situation and then with price increases for energy itself and its carriers as a result of Russia's aggression against Ukraine. The Energy Law itself has been amended, and in recent months several special laws have been passed to adapt the domestic energy market to the new reality.

The key change appears to be the Act of 27 October 2022 on emergency measures to cap electricity prices and support certain consumers in 2023 (Journal of Laws 2022, item 2243), concerning the maximum price for energy for consumption from 1 December 2022 to 31 December 2023. Ultimately, the law introduces maximum electricity prices for households - PLN 693 per MWh, local governments (public utilities) and companies - PLN 785 per MWh for consumption from 1 December 2022 to 31 December 2023. For households, the maximum price will apply after the annual consumption limits are exceeded: 2 MWh - for all households, 2.6 MWh - for families with a disabled person, 3 MWh - for farmers and Large Family Card holders.

Energy sellers will be entitled to compensation for applying maximum prices in settlements with eligible customers. The expected cost of the compensations is expected to amount to PLN 19.7 billion. In the period from 1 December 2022 to 31 June 2023, electricity generators and sellers will have to pay a deduction to the Price Difference Payment Fund, which is excess revenue.

Unimot complies with the special regulations arising from the so-called COVID regulations and pursues environmental protection and renewable energy origin targets.

#### 5.4. SEASONALITY OF ACTIVITY

The Group's operations are subject to seasonality.

During the year, there is regular and moderate variability in product sales volumes due to seasonal fluctuations in demand, particularly in the segments:

- sales of natural gas and electricity due to significantly higher demand for this product range during the heating season, i.e. Q1 and Q4,
- Fuel/Biofuel/LPG sales - increased demand for fuels in Q3 and Q4,
- bitumen sales - due to the peak road construction and repair season falling in the third and fourth quarters.

The operations of selling and installing photovoltaic systems is carried out throughout the year, but there are occasional technical interruptions during the winter due to adverse weather conditions.

#### 5.5. INFORMATION ON AGREEMENTS CONCLUDED THAT ARE SIGNIFICANT FOR THE OPERATIONS OF UNIMOT S.A. AND THE CAPITAL GROUP

No such agreements are in place.

#### 5.6. CHANGES TO THE FUNDAMENTAL PRINCIPLES OF MANAGEMENT OF THE ISSUER AND ITS GROUP

The basic principles of management of the Company and its Group did not change significantly during the period under review.

#### 5.7. LEGAL PROCEEDINGS

Neither the Issuer nor any of its subsidiaries is a party to any proceedings pending before a court, an authority competent to conduct arbitration proceedings or a public administration authority concerning liabilities or receivables that could materially affect the financial results.

Neither the Issuer nor any of its subsidiaries is a party to two or more proceedings before a court, an authority competent to conduct arbitration proceedings or a public administration authority concerning liabilities or receivables that could materially affect the financial results.

#### 5.8. GROUP EMPLOYMENT

| Specification  | 31.12.2022 |            |            | 31.12.2021 |           |            |
|--|------------|------------|------------|------------|-----------|------------|
|  | WOMEN      | MEN        | TOTAL      | WOMEN      | MEN       | TOTAL      |
| <b>Structure of employment in the CG by type of contract</b>   | <b>113</b> | <b>115</b> | <b>228</b> | <b>100</b> | <b>95</b> | <b>195</b> |
| Employment contract for an indefinite period                   | 67         | 94         | 161        | 62         | 71        | 133        |
| Fixed-term employment contract                                 | 46         | 21         | 67         | 38         | 24        | 62         |
| <b>Structure of employment in the CG by nature of contract</b> | <b>113</b> | <b>115</b> | <b>228</b> | <b>100</b> | <b>95</b> | <b>195</b> |
| full-time  | 107        | 110        | 217        | 98         | 91        | 189        |
| part-time  | 6          | 5          | 11         | 2          | 4         | 6          |
| <b>Employment structure in the CG by age</b>                   | <b>113</b> | <b>115</b> | <b>228</b> | <b>100</b> | <b>95</b> | <b>195</b> |
| Up to 30 years   | 17         | 13         | 30         | 22         | 18        | 40         |
| 31 to 50 years   | 81         | 76         | 157        | 70         | 56        | 126        |
| Over 50 years  | 15         | 26         | 41         | 8          | 21        | 29         |

The Unimot CG has an Employment Policy, which regulates the rules for the admission of employees and a Recruitment Policy, which defines the standards and principles according to which the process of obtaining candidates is conducted. The presentation of job offers is transparent - job advertisements are published on the website and on online portals. Candidates for a job are selected on the basis of objective criteria such as education, work experience, general and specific competences, knowledge of foreign languages. Candidate selection decisions are not made on a one-person basis, which significantly enhances objectivity in recruitment. Criteria concerning age, race, colour, gender, ethnic and national origin, sexual orientation and health status are not applied in the selection of employees. These principles also apply to termination of employment, conditions of employment, promotion and access to training to improve professional qualifications.

As of 31 December 2022, there were 228 employees in the Group, compared with 195 in the same period of the previous year (an increase of 17%).

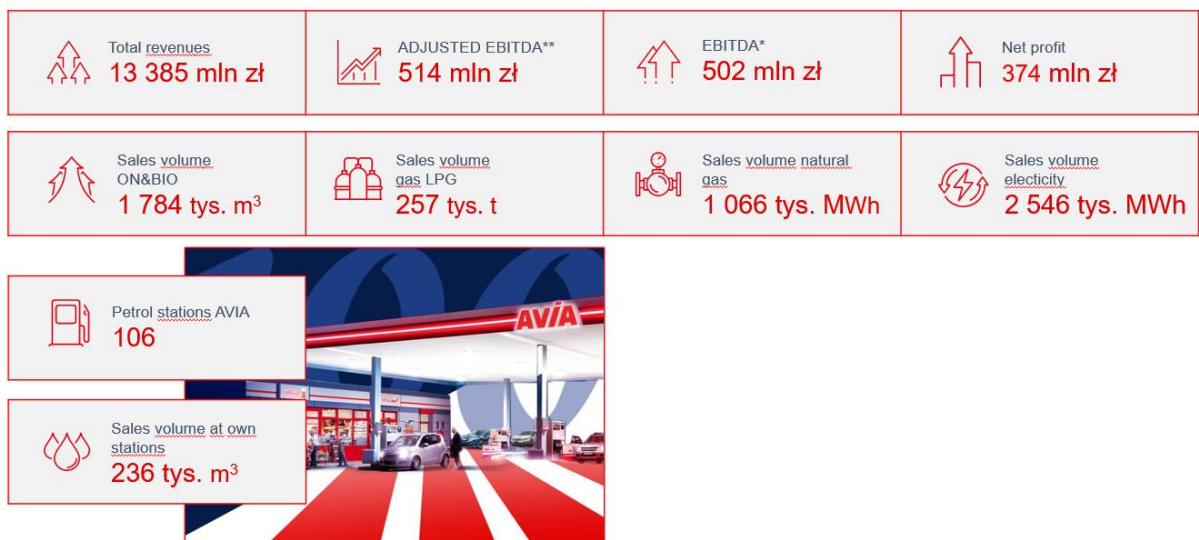
In 2022, the proportion of female and male employees is almost unchanged from 2021. The vast majority of employees (71%) has permanent contracts.

Full-time employment accounts for 95% of the workforce. Furthermore, the largest age group is made up of those employed between 31 and 50 years (69%). In contrast, employees under 30 years of age represent only 13% of those employed in 2022.

## 6. FACTORS AND EVENTS THAT HAVE IMPACT ON THE GROUP'S PERFORMANCE AND DESCRIPTION OF SIGNIFICANT RISKS IN THE GROUP'S ACTIVITIES

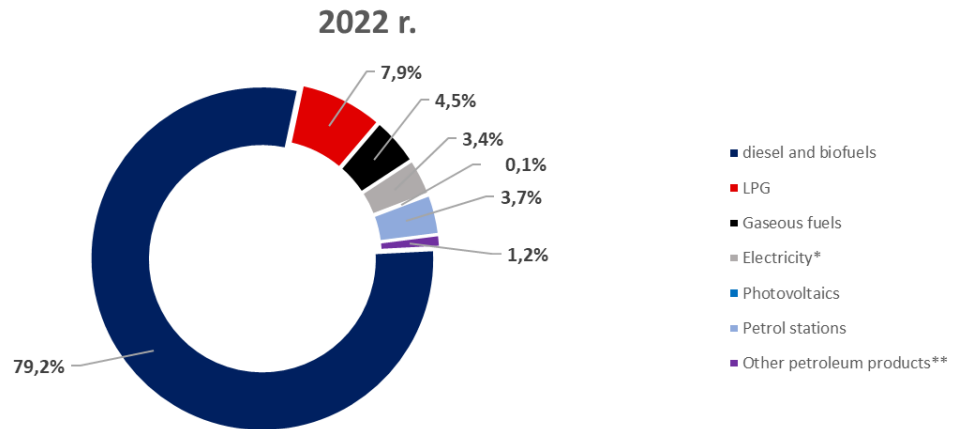
### 6.1. MAIN FACTORS AND EVENTS SHAPING THE GROUP'S PERFORMANCE IN 2022 THAT MIGHT IMPACT THE GROUP'S OPERATIONS IN THE NEXT YEARS

The Unimot Group is an independent importer of liquid and gaseous fuels with a range of diesel, biofuels, LPG, natural gas, electricity, photovoltaics, oils and asphalt products. The Group is also developing a chain of petrol stations under the AVIA brand.



## Capital Group's data

### Consolidated sales revenue and its structure by product group:



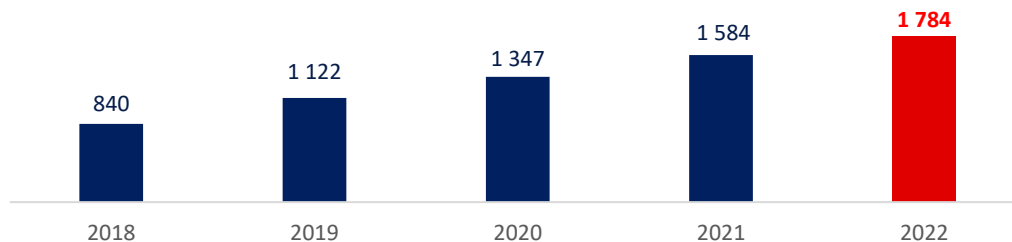
| <i>in PLN thousand</i>     | 01.01.2022<br>31.12.2022 | structure<br>% | 01.01.2021<br>31.12.2021 | structure % |
|----------------------------|--------------------------|----------------|--------------------------|-------------|
| diesel and biofuels        | 10 579 269               | 79,2%          | 6 450 845                | 79%         |
| LPG                        | 1 054 336                | 7,9%           | 645 338                  | 8%          |
| Gaseous fuels              | 605 194                  | 4,5%           | 552 622                  | 7%          |
| Electricity*               | 457 184                  | 3,4%           | 222 971                  | 3%          |
| Photovoltaics              | 7 769                    | 0,1%           | 14 756                   | 0%          |
| Petrol stations            | 500 707                  | 3,7%           | 214 235                  | 3%          |
| Other petroleum products** | 154 588                  | 1,2%           | 106 449                  | 1%          |
| <b>Total</b>               | <b>13 359 047</b>        | <b>100,0%</b>  | <b>8 207 216</b>         | <b>100%</b> |

\* Revenues and expenses from wholesale energy trading via exchange and brokerage platforms at Tradea Sp. z o.o. in accordance with the current IFRS 15 are included as a result in gross profit on sales.

\*\* Including oil.

### Consolidated volumes by product group:

| <i>in m3/T/GWh/KWp</i>   | 01.01.2022<br>31.12.2022 | 01.01.2021-<br>31.12.2021 | % change |
|--------------------------|--------------------------|---------------------------|----------|
| diesel and biofuels [m3] | 1 784 405                | 1 583 850                 | 13%      |
| LPG [T].                 | 256 544                  | 221 445                   | 16%      |
| Gaseous fuels [GWh]      | 1 066                    | 2 507                     | -57%     |
| Petrol stations [m3]     | 236 338                  | 179 834                   | 31%      |
| Electricity [GWh]        | 2 546                    | 3 145                     | -19%     |
| Photovoltaics [KWp].     | 1 686                    | 4 249                     | -60%     |

**SEGMENT OF DIESEL and BIOFUELS TRADE**
**Diesel and biofuels**


\* Data in thousand m<sup>3</sup>

In 2022, the UNIMOT Group sold more than 1,784.4 thousand m<sup>3</sup> of diesel and biofuels, an increase of 13% against the previous year. At the same time, there was a significant increase in sales revenue by 64% higher against 2021, the revenue received is the result of the increase in volumes and the dynamic increase in fuel prices.

The results of this segment for 2022 include the impact of the sale of part of the compulsory reserve as a consequence of the organisational changes reported by UNIMOT in current report No. 39/2022 of 1 August 2022, which contributed to the generation of PLN 25 million of adjusted EBITDA.

EBITDA generated for the whole of 2022 in the liquid fuels trading segment amounted to PLN 445.2 million (up 295% y/y), and adjusted EBITDA amounted to PLN 436 million (up 424% y/y). Profit for 2022 amounted to PLN 425m (up 316% y/y).

**DIESEL AND BIOFUELS**

| <i>in PLN thousand</i>           | <b>01.01.2022</b> | <b>31.12.2022</b> | <b>01.01.2021</b> | <b>31.12.2021</b> | <b>% change</b> |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| Sales volume [m <sup>3</sup> ]   |                   | 1 784 405         | 1 583 850         |                   | 13%             |
| Total revenue                    |                   | 10 579 269        | 6 450 845         |                   | 64%             |
| EBITDA                           |                   | 445 180           | 112 686           |                   | 295%            |
| Adjusted EBITDA                  |                   | 436 001           | 83 225            |                   | 424%            |
| Net profit/(loss) for the period |                   | 425 466           | 102 135           |                   | 316%            |

The results achieved in 2022 in the diesel and biofuels segment were mainly influenced by the following factors:

- The outbreak of war in Ukraine resulted in increasing supply tensions for petroleum products, which translated into unprecedented fluctuations in liquid fuels prices;
- The dynamic growth of the Polish economy directly influenced higher diesel consumption in Poland, which further stimulated quotations for petroleum products and gave room for higher margins on the Polish market;
- To meet the needs of the Ukrainian economy and population for fuel, however, over time there was an increase in the number of entities supplying products to Ukraine, which affected the volume of sales by the UNIMOT Group to this market. Before the outbreak of the war, Ukraine depended for about 80% on imports, mainly from Russia and Belarus. Today, about 90% of supplies to Ukraine come from the western direction, mainly from Poland and Romania. Fuel trading with Ukraine has had a positive impact on the UNIMOT Group's results;
- The adaptation of supply chains to operate under a total embargo on fuel imports from Russia and Belarus, including the rental of a fuel transshipment terminal in the Danish Straits has increased purchasing flexibility, but there are additional costs associated with this (e.g. terminal rental, increase in inventories). In addition, fuel imports by sea take longer and are more expensive;
- The need to adapt domestic logistics to the distribution and import of products from non-Russian destinations has exacerbated the problems of transporting raw materials by rail in Poland and, as a consequence, significant increases in transport costs have been recorded;
- To a significant extent, the release of compulsory reserves of liquid fuels associated with the reorganisation of the Unimot CG contributed to the generation of additional revenue and improved liquidity.

The following factors will mainly affect the results of future periods:

- Reorganisation of the UNIMOT Group to prepare the Group for its role as an independent logistics operator, which it became after the acquisition of Lotos Terminale. As part of the reorganisation process, UNIMOT ceased its liquid fuels import and liquid fuels production activities (in terms of LPG) under its OPZ and WPC concessions and continues these activities from 1 July 2022 through its subsidiary UNIMOT Paliwa. The continuation of fuel import activities and fuel production (in terms of LPG) through the subsidiary secures the supply of liquid fuels for the entire Group under the same conditions as before. Due to the changes described, on 1 August 2022 the companies: UNIMOT and Unimot Paliwa sp. z o.o. (a company 100% controlled by UNIMOT) signed an agreement to transfer the organised part of UNIMOT's enterprise in exchange for the acquisition of new shares in Unimot Paliwa. The organised part of the enterprise comprised an organisationally, financially and functionally separated part of UNIMOT, the subject of whose activity is fuel trading, excluding the activity related to fuel trading within the developed AVIA petrol station chain and the segment related to natural gas trading. The effect of the transfer of the organised part of the enterprise to UNIMOT Paliwa is to limit the Group's obligation to maintain a compulsory reserve of liquid fuels from 1 July 2022 to 30 June 2024;
- Following the finalisation of the acquisition of Grupa Lotos by PKN Orlen and the related process of implementation of the European Commission's remedies concerning the terms and conditions of the merger of these entities, new international players have appeared on the Polish oil and fuel market, i.e. Saudi Aramco and MOL. Their activity in the local market may affect the pricing of products offered by the Unimot Group and thus the volume of revenues and profits generated;
- The amount of the land premium (the difference between the price on the local market and the price at the ports of delivery of fuel to the country) for diesel, the range dominating the Group's sales structure. The amount of the land premium determines the area of the realisable trading margin less the costs of logistics (transport costs, handling costs, quality testing), the costs of renting fuel depot capacity, the costs of insuring receivables (in connection with the trading security policy adopted by the Group), as well as the costs of fulfilling NIT obligations;
- Dynamics and direction of changes in diesel prices - high dynamics of price increases have a negative impact, while high dynamics of price decreases have a positive impact;
- Market structure (contango/backwardation);
- Market and competitive situation - start of operations of new multinationals on the Polish market, including in connection with the implementation of the European Commission's remedies regarding the conditions of the merger between PKN Orlen S.A. and Grupa Lotos S.A. Increased competition in the market may affect the pricing of products offered by the Group;
- The amount of working capital required to finance the turnover carried out, which depends on the level of fuel prices in the markets and the extension of the working capital loans held;
- The demand and supply situation in Europe and Poland in particular, especially in the context of the war in Ukraine, its further course and further sanctions imposed on Russia and Belarus.

## LPG



\* Data in thousand tonnes

In 2022, the UNIMOT Group sold 256.5 thousand tonnes of LPG, by 16% more against 2021. Revenues amounted to PLN 1,054.3 million (up 63% year-on-year).

EBITDA and adjusted EBITDA generated throughout 2022 were equal and amounted PLN 69.2 million each and profit reached the level of PLN 68.5 million (up by 327%)

## LPG

| <i>in PLN thousand</i>           | <b>01.01.2022</b><br><b>31.12.2022</b> | <b>01.01.2021</b><br><b>31.12.2021</b> | <b>% change</b> |
|----------------------------------|--|--|-----------------|
| Sales volume [T]                 | 256 544                                | 221 445                                | 16%             |
| Total revenue                    | 1 054 336                              | 645 338                                | 63%             |
| EBITDA                           | 69 179                                 | 16 863                                 | 310%            |
| Adjusted EBITDA                  | 69 179                                 | 16 863                                 | 310%            |
| Net profit/(loss) for the period | 68 452                                 | 16 033                                 | 327%            |

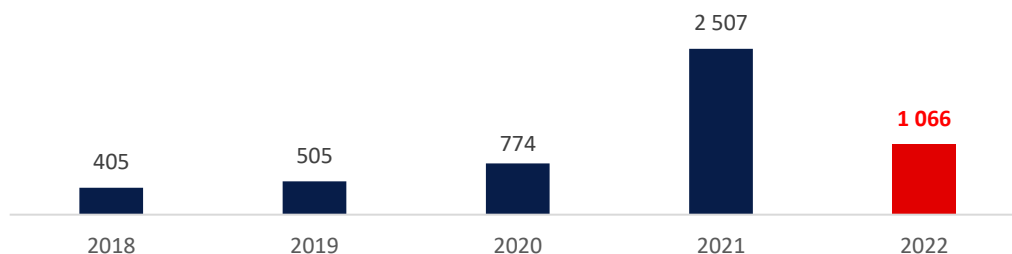
The results achieved in 2022 in the LPG segment were mainly influenced by the following factors:

- The outbreak of war in Ukraine, which has shaken up the demand-supply situation in the market, resulting in difficulties in obtaining LPG;
- Higher LPG consumption in Poland, combined with strong demand from Ukrainian customers, resulted in higher gas prices and thus opportunities to achieve favourable trading margins;
- Transport difficulties on Polish and European railways, including the lack of availability of wagons for LPG transport and significant lengthening of journey times especially for loading at ports due to repairs and priority coal transport in Poland and Germany, resulted in limited exploitation of market opportunities and large increases in rail freight prices in Poland and Europe;
- In addition, the gas market was affected by sanctions imposed on large LPG suppliers limiting supply from the eastern direction. The rapid diversion of LPG supply from western directions was hampered by the transport difficulties mentioned above and the lack of sufficient infrastructure to enable the import of this commodity from directions other than the east.

In the coming periods, the Group's LPG business will be most affected by the demand and supply situation in the market related to the ongoing war in Ukraine and further sanctions imposed on Russia and Belarus.

## TRADING IN GASEOUS FUELS

### Natural gas



\* Data in thousand MWh

In the natural gas segment in 2022, the UNIMOT Group sold 1,066 GWh of natural gas. Sales revenue from this segment amounted to PLN 605.2 million (up by 10% year-on-year). EBITDA reached the level of PLN 30.3 million and was more than 1,200% higher against the previous year.

## NATURAL GAS

| <i>in PLN thousand</i>       | <b>01.01.2022</b><br><b>31.12.2022</b> | <b>01.01.2021</b><br><b>31.12.2021</b> | <b>% change</b> |
|------------------------------|--|--|-----------------|
| Sales volume [GWh]           | 1 066                                  | 2 507                                  | -57%            |
| Total revenue                | 605 194                                | 552 622                                | 10%             |
| EBITDA                       | 30 340                                 | 2 282                                  | 1230%           |
| Adjusted EBITDA              | 30 340                                 | 2 282                                  | 1230%           |
| Profit/(loss) for the period | 19 971                                 | -2 977                                 | -               |

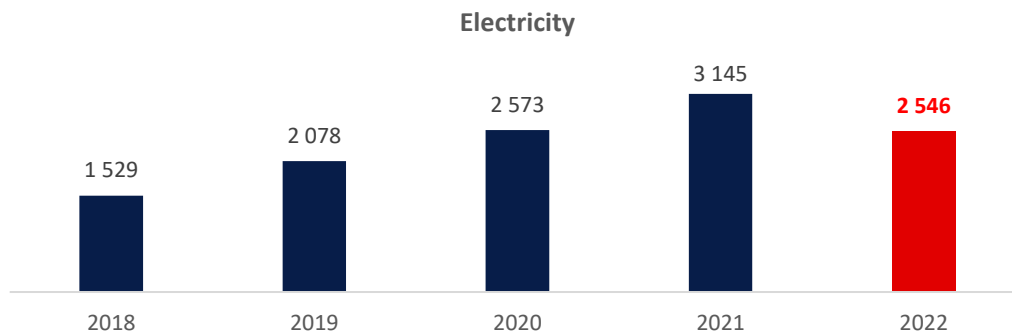
The results achieved in 2022 in the natural gas segment were mainly influenced by the following factors:

- The outbreak of war in Ukraine resulted in a lack of predictability regarding the availability of natural gas in Europe and, consequently, natural gas quotations were subject to significant fluctuations. Such high market volatility was effectively exploited by the UNIMOT Group;

- Launch of trading activities on the Dutch TTF market (ICE exchange) characterised by an adequate level of liquidity in natural gas trading enabling additional financial benefits;
- Decision of the President of the Energy Regulatory Office (ERO) of 15 July 2022 to change (increase) the rates for gaseous fuel by 14% for Unimot System customers (in accordance with the current law, the price is frozen). The new rates took effect from 1 August 2022;
- Decision of the President of the Energy Regulatory Office (ERO) of 08 June 2022 to change (increase) the rates for gaseous fuel by 37% for Blue LNG customers (according to the current law, the price is frozen). The new rates took effect from 1 July 2022;
- Entry into force of the Act of 13 January 2022 on special solutions for the protection of consumers of gaseous fuels in connection with the situation on the gas market. Pursuant to the principle provided for in this Act, it was made compulsory for all sellers to apply the prices and fee rates resulting from the PGNiG OD (Retail Trading) tariff, with effect from 1 January to 31 December 2022, treating them as maximum. The above act necessitated the company to apply for compensation for the difference in rates between the PGNiG OD tariff and the tariff currently in force for the company. On the other hand, on 15 December 2022, the Act on Special Protection of Certain Consumers of Gaseous Fuels 2023 came into force. This act introduces changes in relation to the one in force in 2022, including an expanded catalogue of customers subject to it, prices of gaseous fuel in 2023 were frozen at PLN 200.17/MWh and distribution rates were set at the level in force in 2022. The above act makes it necessary for gas companies to apply to the President of the ERO for changes to the companies' tariffs and for gas companies to apply for compensation for the difference in rates between the frozen price for gaseous fuel and the tariff currently in force for the company. Similarly, this applies to distribution rates;
- Reduction of the VAT rate from January to March to 8% and then to 0%.

The results of future periods will be mainly influenced by the market price of natural gas, the level of new tariffs at UNIMOT System and Blue LNG. In the longer term, the UNIMOT Group will emphasise long-term trading using storage capacity. In addition, it is planned to expand the counterparty base with entities active in the European gas markets.

## ELECTRICITY



\* Data in thousand MWh

In the electricity segment, sales volumes in 2022 reached 2,546 GWh, drop by 19% against the corresponding period of the previous year.

Sales revenues from this segment amounted to PLN 457.2 million (up by 105% year on year), EBITDA amounted to PLN 25.5 million, and adjusted EBITDA reached nearly PLN 47 million. Net profit for 2022 was PLN 24.6 million.



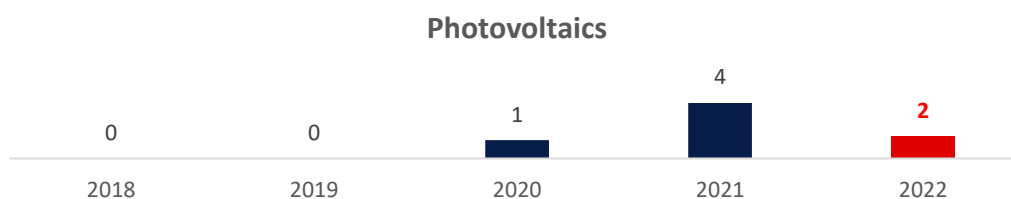
## ELECTRICITY

| <i>in PLN thousand</i>       | <b>01.01.2022<br/>31.12.2022</b> | <b>01.01.2021<br/>31.12.2021</b> | <b>% change</b> |
|------------------------------|----------------------------------|----------------------------------|-----------------|
| Sales volume [GWh]           | 2 546                            | 3 145                            | -19%            |
| Total revenue                | 457 184                          | 222 971                          | 105%            |
| EBITDA                       | 25 478                           | 13 950                           | 83%             |
| Adjusted EBITDA              | 46 978                           | 13 950                           | 237%            |
| Profit/(loss) for the period | 24 556                           | 16 244                           | 51%             |

The results achieved in 2022 in the electricity segment were mainly influenced by the following factors:

- An increase in the margin on the optimisation of forward/SPOT contracts as a result of the high volatility of electricity prices on European markets caused, among other things, by persistently high levels of coal and gas prices and high uncertainty in the supply of these raw materials to European markets;
- Closure at a loss of potentially risky contracts due to the risk of insolvency of certain counterparties;
- The large increase in PV installations in the system has resulted in a change in the valuation of the profile, which has translated into a negative result of PV contracts concluded at a fixed price;
- Successful implementation of the trading strategy adopted for Q4 2022 for electricity trading;
- In 2022, there was a realisation of profits from TRADEA's electricity transactions concluded in the previous year of PLN 21.5 million.

## PHOTOVOLTAICS



\* Data in thousand kWp

Segment revenues include the sale of photovoltaic installations under the AVIA Solar brand on the Polish market, an activity that has been running since the end of Q2 2020.

Since the launch of operations in this segment in May 2020, contracts have been signed with business customers. Sales revenue in 2022 reached PLN 7.8 million against PLN 14.8 million a year earlier. In 2022, the segment generated an EBITDA of PLN 1.4 million, compared with a loss of PLN (-) 8.7 million a year earlier. In 2022, the segment's net loss was PLN (-) 1.9 million.

## PHOTOVOLTAICS

| <i>in PLN thousand</i>       | <b>01.01.2022<br/>31.12.2022</b> | <b>01.01.2021<br/>31.12.2021</b> | <b>% change</b> |
|------------------------------|----------------------------------|----------------------------------|-----------------|
| Sales volume [KWp]           | 1 686                            | 4 249                            | -60%            |
| Total revenue                | 7 769                            | 14 756                           | -47%            |
| EBITDA                       | 1 397                            | (8 743)                          | -               |
| Adjusted EBITDA              | 1 397                            | (8 743)                          | -               |
| Profit/(loss) for the period | (1 870)                          | (7 998)                          | -               |

The results achieved in 2022 in the photovoltaic segment were mainly influenced by the following factors:

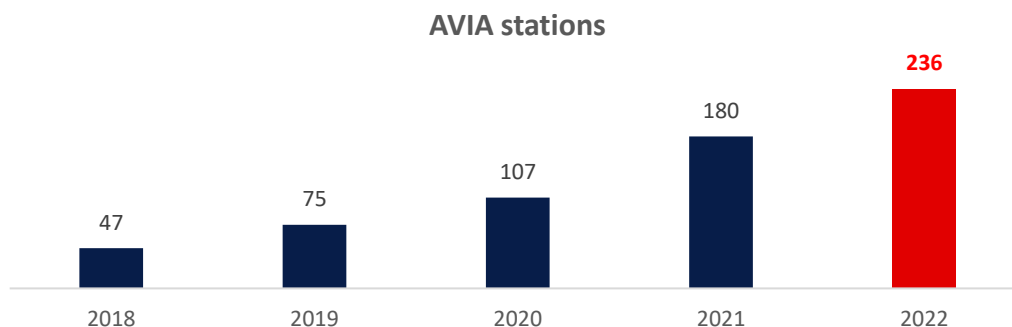
- Increased costs associated with building a team responsible for the implementation of photovoltaic installations above 50 kWp;
- Reduction in the realisation of installations below 50 kWp due to the strategy of transitioning to industrial realisations.

In line with the adopted strategy, the team operating in the photovoltaic segment within Unimot Energia i Gaz deals with the implementation of projects above 50 kWp, the development of own projects and activities aimed at building long-term value for the UNIMOT Group. As of the date of publication of the report, the Company's portfolio included contracts for large-scale projects (above 50 kWp) at the level of 4.2 MWp. At the same time, the Company is actively seeking new customers interested in industrial installations by expanding its product range. Significant price volatility in the electricity market has resulted in

increased interest in photovoltaic and energy storage solutions among business customers, resulting in an increase in the portfolio of active projects and the number of bids submitted. At the same time, the Group is taking steps to expand its offerings to include panels of non-Asian origin through cooperation with US panel manufacturer First Solar and increasing the capacity of the Polish photovoltaic modules production line located at the PZL factory to 45 MW per year. The UNIMOT Group sells these panels under the AVIA Solar brand.

## OTHER ACTIVITIES

### PETROL STATIONS



\* Data in thousand m<sup>3</sup>

Segment revenues include revenues from fuel sales at the Issuer's own stations and those received from franchisees of AVIA stations. EBITDA additionally includes a fixed fee for each litre of fuel sold at franchised stations (transferred from the DIESEL and BIO segment - wholesale fuel sales).

Thanks to the development of the chain, the Group recorded successive increases in fuel sales at stations and in 2022, recorded very good results in terms of volume sold. The AVIA chain stations operating within the Group sold 236 million m<sup>3</sup> of fuel in the period, an increase of 31% year-on-year.

Revenues in this segment increased by 134% y/y and in 2022 amounted to PLN 500.7 million. EBITDA reached the level of PLN 4.1 million and net loss of PLN 6.4 million.

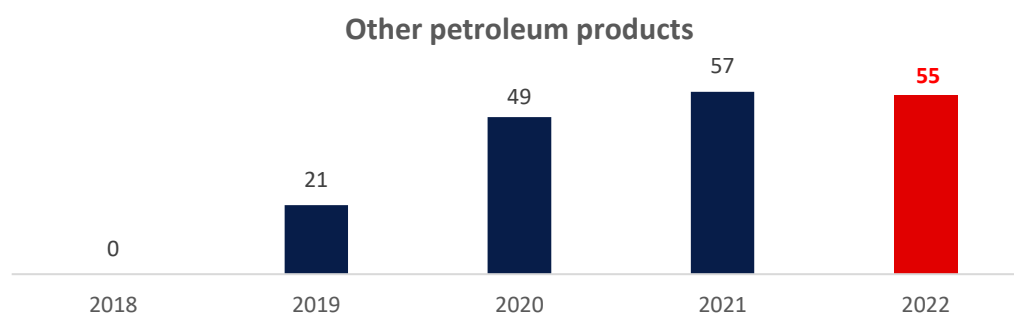
### PETROL STATIONS

| <i>in PLN thousand</i>        | 01.01.2022 | 01.01.2021 | % change |
|-------------------------------|------------|------------|----------|
|                               | 31.12.2022 | 31.12.2021 |          |
| Sales volume [m] <sup>3</sup> | 236 338    | 179 834    | 31%      |
| Total revenue                 | 500 707    | 214 235    | 134%     |
| EBITDA                        | 4 081      | 953        | 328%     |
| Adjusted EBITDA               | 4 081      | 953        | 328%     |
| Profit/(loss) for the period  | (6 412)    | (4 628)    | -        |

The results achieved in 2022 in the petrol station segment were mainly influenced by the following factors:

- Increase in maintenance costs for petrol stations due to increased charges for, among other things, the purchase of electricity and the commissioning of new facilities;
- Connection of a further 21 AVIA petrol stations in Poland in 2022 (at the end of 2022, the AVIA chain comprised 106 stations, including 72 franchised stations and 34 operated directly by the company);
- Exceeded sales volume of over 236 million litres of fuel at AVIA stations in 2022 and ambitions to maintain dynamic sales volume growth as the chain expands;
- Launch of further SPAR Express supermarkets at AVIA stations (a total of 30 SPAR supermarkets at AVIA stations at the end of 2022). Unimot regularly records sales growth of more than 20% at stations with SPAR shops and is preparing plans to further develop cooperation between the chains;
- Rapid changes in retail margins, pressure on retail prices from domestic concerns due to holiday price promotions;
- Launch of the AVIA Card fleet card for business customers in March 2022. Target of at least 20% share of fleet programme sales in total station volume.

## OTHER PETROLEUM PRODUCTS



\* Data in thousand tonnes

The segment includes sales of asphalt products and engine oils and lubricants under the AVIA brand. Businesses came to the UNIMOT Group in the second half of 2019.

In 2022, the segment sold a total of 55.4 thousand tonnes of products. Revenues amounted to PLN 154.6 million, which was up by 45% against 2021. In the reported period, the segment generated a profit of PLN 3 million, while EBITDA amounted to PLN 1.9 million.

### OTHER PETROLEUM PRODUCTS

| <i>in PLN thousand</i>              | <b>01.01.2022</b> | <b>01.01.2021</b> | <b>% change</b> |
|-------------------------------------|-------------------|-------------------|-----------------|
|                                     | <b>31.12.2022</b> | <b>31.12.2021</b> |                 |
| Sales volume [T] of bitumen and oil | 55 404            | 56 678            | -2%             |
| Total revenue                       | 154 588           | 106 449           | 45%             |
| EBITDA                              | 1 888             | (1 216)           | -               |
| Adjusted EBITDA                     | 1 888             | (1 216)           | -               |
| Profit/(loss) for the period        | 3 011             | (1 359)           | -               |

The results achieved in 2022 in the petroleum products segment were mainly influenced by the following factors:

- Decrease in bitumen sales volumes due to prevailing market conditions;
- Lower oil sales volumes mainly related to the outbreak of war in Ukraine and also the consequences of successive lockdowns implemented in China resulting in a lack of access to storage facilities and the inability to use the port of Shanghai.

## 6.2. DESCRIPTION OF FACTORS AND EVENTS, INCLUDING UNUSUAL ONES, HAVING A SIGNIFICANT IMPACT ON FINANCIAL RESULTS

### 6.2.1. REORGANISATION OF THE GROUP

In 2022, a significant reorganisation process initiated by resolutions of the Management Board of Unimot S.A. of 11 May 2022, No. 1/05/2022, on amending resolution No. 1/8/2019 of 6 August 2019, on the separation of the Organised Business Part of the Enterprise, and No. 2/05/2022, on giving directional consent to the implementation of intra-organisational measures, was completed in the Unimot Group.

On the basis of the directional decisions expressed in the aforementioned resolutions, it was decided in the internal structure of Unimot S.A. to separate an organisational unit, the subject of whose operations will be the fuel trading, excluding the segment related to fuel trading within the developed chain of petrol stations under the AVIA brand and the segment related to natural gas trading, constituting an Organised Part of the Company's enterprise (hereinafter referred to as the "OPE", the operations conducted by OPE hereinafter referred to as the "OPE operations"). The OPE constitutes an organisationally and financially separated set of tangible and intangible assets, including liabilities, within the existing enterprise of Unimot S.A. intended for the performance of specific economic tasks, which at the same time could constitute an independent enterprise performing these tasks independently.

The OPE has been organisationally separated in the structure of Unimot S.A. by separating divisions/areas and employees from the organisational structure in order to perform economic tasks, within the scope of the OPE's object of activity.

The OPE was also separated financially - a situation was created in which, through the proper recording of business events, it was possible to allocate revenues and costs as well as receivables and liabilities to the OPE by separating the accounts in the Company's books.

The OPE was subject to functional separation, within the framework of which rights to movables, including equipment, in particular equipment used in the OPE Business, and fixed assets were assigned to it, all rights arising from contracts with the OPE's contractors, know-how and business secrets, documents related to the conduct of the OPE Business, administrative decisions and provisions, administrative decisions and provisions, permits, approvals, licenses and any other individual administrative acts related to the operation of the OPE Business, the rights under insurance policies covering the insurance of the assets forming part of the OPE Business as well as the rights and obligations towards the employees (arising from their employment contracts or civil law contracts) employed in the IPP Business.

The OPE was separated in such a way that it could function as an independent enterprise and the assets were assigned to it in such a way as to constitute a properly related economic unit contributing to the revenue of the OPE, which, through its employees using the assigned assets, was able to organise and carry out the economic activities mentioned above on its own. The spin-off described above was made with the intention of contributing the OPE to a subsidiary company - Unimot Paliwa Sp. z o.o. (already conducting fuel trading activities to a limited extent) and dedicated within the Group to this area of activity. Unimot S.A., after transferring the fuel business to the subsidiary, was to focus on performing a holding function for the remaining Group companies, concentrating its activities on managing the Group, in connection with the connection with the relocation of all businesses (defined as individual fuel types or energy carriers) to subsidiaries.

The relocation of fuel trading operations to a subsidiary brought the following benefits to the Group, among others:

- Reducing and optimising costs in this business segment - incurring only the segment's necessary costs, no costs not belonging to the business segment in the company.
- Greater organisational efficiency of the commercial activities carried out in this business segment - human resources with greater transparency of tasks and responsibilities, remunerated and motivated to strictly defined tasks and performance of a single segment, no dispersion of attention, commitment and activity between segments in a single company, eliminating the need to assess the validity of such a division.
- Easier acquisition of bank financing (essential for fuel and energy trading activities) for operators with homogeneous trading activities in terms of fuel or energy carrier types.
- Lower costs of obtaining and using bank financing as a result of greater reliability of results, transparency of collateral and orderly use of financing within individual companies.
- Greater opportunities for growth by increasing the scale of the business through the realisation of acquisitions of similar entities, IPPs or customer portfolios in the same business segment and funding opportunities from sources other than the banking sector, e.g. structural funds, industry funds, bonds in the market for a particular business segment.

For the Parent Entity Unimot S.A. (as well as for the Group as a whole), the transfer of OPE to Unimot Paliwa sp. z o.o. and Unimot S.A.'s focus on its holding function instead brought the following benefits:

- Organising the ownership structure - locating individual business segments in individual subsidiaries.
- Optimisation of operating costs in the Group - relocation of all operating costs of businesses to subsidiaries (difficult to assess the reasonableness of the level of operating costs serving several business segments together), elimination of costs that do not generate value for these segments, delegation to subsidiaries of the decision on the form of acquisition of service costs (employment contract, activity, external supplier).
- Reduction of management costs (the holding company acts as a service centre: human resources, accounting, controlling, treasury, legal department) - use of economies of scale (the sum of all business segments) to obtain the best conditions from external providers of these services or the most effective use of own resources in the holding company - no independent determination of the scope of the and therefore the costs of these services by individual business segments, which is not optimal (cost/effectiveness parameters vary depending on the approach of the respective segment).
- Transparent management model from the holding company level - uniformity of communication and its accessibility to all business segments and their managers and requirements for the application of corporate governance in force in the Group, homogeneity of the system of qualitative and quantitative assessments and of the performance of business objectives based on established KPIs.

- Controlling transparency - standardised reporting of business segments across subsidiaries, ability to compare key data between business segments and also with other (non-Group) participants/operators in the segment (including domestic and foreign), ability to refer to key publicly available indicators for the industry or segment.
- Arrangement of the responsibilities of key managers as Members of the Management Board of individual companies constituting business segments - greater responsibility for them in accordance with the Code of Commercial Partnerships and Companies than with the most detailed division of responsibilities in a single company containing multiple business segments.
- Flexible opportunities to attract a partner/investor to separate business segments, each of which may target a different participation scenario (including a target scenario that may be different from the initial one), with a different timeframe and level of investment - the possibility to run multiple scenarios for each business in parallel. Ease of investment or divestment depending on needs, market opportunities or business opportunities.

On 19 May 2022, Unimot S.A. received individual tax law interpretations confirming that the separated set of tangible and intangible components assigned to the OPE constitutes an organised part of an enterprise within the meaning of Article 4a(4) of the CIT Act and an organised part of an enterprise within the meaning of Article 2(27e) of the VAT Act, with the consequence that the contribution of the components in question to Unimot Paliwa sp. z o.o. was excluded from the scope of taxation with these taxes. On 30 May 2022, the company also received a tax interpretation regarding PCC tax, in which the tax authority confirmed that the in-kind contribution would be tax-neutral under PCC.

On 29 June 2022, at the Ordinary General Meeting of Shareholders, the shareholders of Unimot S.A. approved the reorganisation measures by adopting resolutions on the approval of the sale by Unimot S.A. of an organised part of its enterprise to its subsidiary Unimot Paliwa sp. z o.o. by way of a contribution in kind (in-kind contribution) to cover the shares in the increased share capital of Unimot Paliwa sp. z o.o. and the Ordinary General Meeting of Shareholders authorised the Management Board to conclude an appropriate agreement for the transfer of the OPE and to perform all related actions. The Ordinary General Meeting of Shareholders of Unimot S.A. also adopted a resolution on a significant change in the Company's business focus (from the previously predominant fuel trading business to holding activities) and on an amendment to the Articles of Association with regard to the Company's business focus (subject to the effective transfer of the OPE to Unimot Paliwa sp. z o.o.).

On 1 August 2022, the Extraordinary Meeting of Shareholders of Unimot Paliwa sp. z o.o. adopted a resolution to increase the share capital of that company from PLN 1,500,000 (one million five hundred thousand zlotys) to PLN 327,350,000, i.e. by PLN 325,850,000, through the creation of new, equal and indivisible, non-preference shares in the number of 3,258,500 with a nominal value of PLN 100.00 (one hundred zlotys) each. All the newly created shares, i.e. 3,258,500 shares of PLN 100.00 (one hundred zlotys) each, were intended to be acquired by Unimot S.A. and were covered by a contribution in kind - in the form of OPE.

On the same date, i.e. 1 August 2022, Unimot S.A. and Unimot Paliwa sp. z o.o. entered into an agreement to transfer the OPE to Unimot Paliwa sp. z o.o.. The transfer of ownership of the OPE from Unimot S.A. to Unimot Paliwa sp. z o.o. took place upon the conclusion of the Agreement, i.e. on 1 August 2022. Unimot S.A. received 3,258,500 newly created shares in the share capital of Unimot Paliwa sp. z o.o. in consideration of the non-cash contribution (contribution in kind) in the form of OPE.

The value of OPE was determined on the basis of a valuation prepared on 1 August 2022 by a company under the name Deloitte Advisory spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw.

The reorganisation process was approved by the competent registry court (National Court Register) through the registration of the in-kind contribution on 17 August 2022.

### 6.2.2. SITUATION IN THE EAST

On 24 February 2022, the armed aggression of the Russian Federation against Ukraine began, which is having a strong negative impact on the global economic and social situation previously weakened by the effects of the covid-19 pandemic. The conflict in Ukraine remains one of the key factors shaping macroeconomic conditions in Poland and worldwide. It affects the rate of economic growth, the level of fuel consumption, interest rates, currency quotations and the intensity of changes in product and raw material prices. The consequences of the outbreak of war are disrupted or disrupted supply chains, increased prices of raw materials, commodities and energy, restrictions on trade related to, inter alia, the introduction of successive sanctions packages imposed on Russia and increased geopolitical risks in the Central and Eastern European region. The conflict in Ukraine has a direct or indirect impact on the conduct of business by companies in Poland and thus also affects the operations of the Unimot Group through, inter alia, changes in terms and directions of supply, prices and availability of raw materials. The

intensity of the impact on the Group's operations and financial results, to a significant extent, will depend on the further course of the war and the imposition of further sanctions on Russia and Belarus.

The Unimot Group continuously monitors the political and economic steps taken by the government administration, as well as the international community, and analyses their impact on its business. The Group is prepared for various scenarios in the fuel market and adapts to all national and international sanctions.

With regard to diesel, the Unimot Group has taken decisive steps to become independent of purchasing this fuel from the East. Currently, the Group uses a number of fuel suppliers, the vast majority of which come from abroad. In addition, as of 15 April 2022, the Unimot CG has a leased deep-water fuel terminal Gulfhavn (Denmark) with a total capacity of 127,000 m<sup>3</sup>, which allows for the offloading of diesel from the largest tankers arriving from directions other than Russia and the onward transportation of fuel to Poland and other ports in the Baltic Sea. As of 31 December 2022, the Unimot CG had made three diesel deliveries using the Danish terminal - two from Saudi Arabia and one from India. The terminal's transshipment capacity allows it to fully meet Poland's diesel oil import needs (not only the volumes currently handled by Unimot) and creates additional trading opportunities. The Unimot Group became involved in meeting the fuel needs of the Ukrainian economy and population immediately after the outbreak of the war and has been continuously supplying diesel to the territory of Ukraine.

In terms of LPG supply sources, the Unimot Group has worked intensively to switch its LPG purchasing logistics from the east to the west. LPG is imported from Sweden, the UK, the Netherlands and Norway, among others. The change in the direction of imports entails the need to organise new transport solutions. Given the infrastructural and logistical constraints, the Unimot Group identifies challenges in storing gas from new suppliers. As in the case of diesel, the Unimot Group supplies LPG to customers from Ukraine.

The Unimot CG trades, sells and distributes natural gas using its own infrastructure (gas network, LNG regasification stations), external infrastructure, on the Polish Power Exchange and with foreign suppliers. The terms of supply, due to the high diversification of sources in the Unimot CG, did not change and were still based on concluded long-term contracts and market offers. The general international situation significantly affected fuel prices on global markets. However, a stabilisation of natural gas prices is currently observed, which allows the adopted strategies and assumptions to be implemented in an uninterrupted manner. Lower stock market prices translate into lower capital intensity of the business which has a positive impact on the CG's exposure management.

Prior to the outbreak of war on Ukrainian territory, the Unimot Group dissolved the AVIA petrol station chain, which comprised 14 facilities. The armed conflict had a direct impact on their operation. It was the reason for the temporary exclusion of some stations from customer service and fuel sales. The stations faced interruptions in fuel and electricity supply and required repairs after the military action. At the end of 2022, 13 AVIA petrol stations were operational in Ukraine.

### **6.2.3. IMPACT OF THE SARS CORONAVIRUS CoV-2 PANDEMIC ON THE OPERATIONS AND FINANCIAL SITUATION OF THE CAPITAL GROUP**

The Management Board of UNIMOT S.A. is analysing, on an ongoing basis, information on the spread of the SARS-CoV-2 coronavirus in the world, particularly in Poland and the region. Based on the currently available information, the Management Board of UNIMOT S.A. does not see any threat to the continuation of the supply of essential products to customers, i.e. diesel fuel, biofuels, LPG, natural gas, electricity and other petroleum products. The impact of the COVID-19 pandemic, in terms of business conducted, was negligible in 2022. The introduction of vaccines and the change in regulations to replace the state of epidemic with a state of epidemiological emergency, while relaxing restrictions, caused the public to adopt this situation. It can be seen that, from an economic point of view, the problem of the virus is no longer crucial in contrast to the beginning of the pandemic period (2020 and partly 2021).

## **6.3. DESCRIPTION OF SIGNIFICANT RISKS AND THREATS**

### **RISKS IN THE UNIMOT GROUP'S OPERATIONS**

Risk management in the UNIMOT Group is carried out at the operational level within the Group's various business segments by the managers/supervisors and by the boards of directors of the subsidiaries, and at the strategic level of the Group, by the Management Board. The policy adopted is to manage continuous risks "at source" through the substantive units. This allows significant business risks to be managed efficiently and optimally from the Group's point of view. In turn, risk monitoring is carried out through regular operational meetings where the most significant risks for the Group are discussed. The potential impact of these risks on the Group's operations is determined and the necessary mitigating actions are identified. Assessment

of the adequacy and effectiveness of the solutions adopted is carried out by the Internal Auditor. Comprehensive supervision of the management of the identified risk categories is exercised by the Supervisory Board.

During the reporting period, risks in the following most significant risk categories were identified and managed in the Group:

- Risks associated with the loss of human health and life (risks of this nature are unacceptable in the Group and are managed and mitigated as a priority within the individual risk groups).
- Operational risks that may affect the Group's business continuity.
- Risks in the area of strategic activities and development investments.
- Regulatory and legal risks.
- Financial risks.
- Environmental risks.
- Social risks.
- Corporate governance risks.

An extraordinary factor that affects the Group's operations in the area of the various risk categories listed above is the ongoing war in Ukraine. Management continuously monitors the changing market conditions related to the implementation of the existing sanctions imposed on Russia and Belarus, as well as the draft and new sanctions regulations and their implementation. It also assesses their impact on the Group's operations on an ongoing basis, particularly in the area of its ability to secure and secure sources of supply and transport (i.e. supply chain assurance). The impact of the armed conflict in Ukraine on the Group's operations is further described in section 6.2.2 of this report.

The risk factors and threats described in the table below are the most significant for the reporting period presented, which does not mean that other factors affecting the Group's business are not identified. Additional risk factors which are not known or which are not currently considered material may also have a negative impact on the Group's operations, results and financial position in the future.

Changes in the materiality of individual risk factors in the Group's operations may be influenced in particular by the realisation in 2023 of acquisitions important for the Group's development related to the acquisition of 90% of shares in Olavion sp. z o.o. and 100% of shares in Lotos Terminale S.A.. Should changes in the materiality of the risks listed arise, the Company's Management Board will update the identified risk factors on an ongoing basis. As part of this report, in section 6.4, the Company presents significant factors for the development of the Group that may affect its operations in future periods.

Below is a table listing the most significant risks identified in the Group, together with a description, risk response and assessment of the level of these risks in terms of their possible impact on the Issuer and the Group.

The issuer assesses risks, categorising them as low, medium, high or critical.

| RISK                            | DESCRIPTION   | RISK RESPONSE   | LEVEL RISKS |
|---------------------------------|---|---|-------------|
| <b>OPERATIONAL RISKS</b>        |   |   |             |
| <b>RISK OF PRICE VOLATILITY</b> | <p><b>In the liquid and gaseous fuels segment:</b><br/>           Fuel price volatility is influenced by the macroeconomic situation, which has an impact on fuel supply and demand. However, political issues and decisions to increase or decrease global fuel stocks and production are an important element influencing the behaviour of commodity prices. In particular, recent years (COVID-19 pandemic) or the ongoing armed conflict in Ukraine and the related economic sanctions imposed on Russia and Belarus have an impact on, inter alia, fuel demand, refinery margins and costs associated with changing fuel suppliers and direction of supply. Changes in the prices of petroleum products and natural gas on global markets, affect the Polish market, so sales of goods may generate a loss or excess profit. The development of fuel prices may also affect the increase in costs from storage and maintenance of compulsory reserves.</p> | <ul style="list-style-type: none"> <li>• conducting an on-going analysis of the market and prices of fuels and CO<sup>2</sup> allowances to respond to changes accordingly;</li> <li>• the use of hedging transactions to hedge purchases and sales, using futures contracts; in the electricity segment, simultaneous monitoring of deposit hedging on the Energy Commodity Exchange and with the Transmission Network Operator;</li> <li>• in the case of fast-moving goods, transferring price formulas to the customer and setting buying and selling prices in the shortest possible time interval;</li> <li>• in electricity trading - using index-linked price formulae, particularly to the short-term market (Day-Ahead and/or Intraday type), while at the same time limiting the margins on these products.</li> </ul> | HIGH        |

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|  | <p><b>In the electricity segment:</b></p> <p>Fluctuations and uncertainties in the prices of key energy and derivative products that shape the price of electricity (e.g. CO2, fuels - gas, coal) also affect price volatility in the electricity segment. These factors may also affect the margins earned by the Issuer's subsidiary in this business area.</p>   |   |         |
| <b>RISK OF AN INCREASE IN OPERATING COSTS (INFLATION RISK)</b> | <p>Fluctuations in the prices of raw materials and energy carriers caused by the conflict in Ukraine, increases in the prices of materials and services, including transport and warehousing services, as well as higher wage pressures and increases in employment costs may have a significant negative impact on the Group's results.</p>  | <ul style="list-style-type: none"> <li>• pursuing a sustainable cost policy;</li> <li>• performing ongoing market analysis and budgeting, taking into account forecasts of macroeconomic developments;</li> <li>• shaping product prices in line with the market situation and increases in operating costs.</li> </ul>   | HIGH    |
| <b>RISK OF DISRUPTION IN THE SUPPLY CHAIN</b>                  | <p>The ongoing armed conflict in Ukraine and the resulting economic sanctions imposed on Russia and Belarus, as well as the effects of the economic crisis caused by the COVID-19 pandemic, have an impact on the reduction of sources of supply of liquid and gaseous fuels from eastern directions, as well as high demand for fuels from non-sanctioned directions. The geopolitical situation described above also affects supply chain disruptions in the transport and logistics area related to the need to divert supplies. Incurring higher fuel transport and handling costs, as well as additional expenditures on own means of transport, are factors that also influence the Group's pricing policy. Disruptions throughout the supply chain may reduce volumes or increase the cost of obtaining goods and delivering them to customers, and consequently reduce the Group's financial performance.</p> | <ul style="list-style-type: none"> <li>• diversification of the Company's sources of supply of liquid and gaseous fuels (in the case of liquid fuels: Saudi Arabia, India, USA, in the case of gaseous fuels: from Polish and Western European suppliers);</li> <li>• organising the sales and purchasing process in accordance with the market situation, while applying the required internal procedures for document verification;</li> <li>• purchase of additional fuel tankers to strengthen the logistics base;</li> <li>• investment in the purchase of shares in Olavion sp. z o.o., in order to make the Group partially independent of external rail transport companies and to reduce the associated costs building strong and lasting relationships with new and existing suppliers, in order to be able to purchase fuels in larger volumes in the future and to be partially independent of wagon leasers;</li> <li>• the conclusion of a preliminary agreement for the acquisition of terminals as part of the acquisition of assets from Lotos Terminale S.A., which will have the effect of partially decoupling the Group from external terminals and depots and reducing associated costs;</li> <li>• diversifying the Company's sources of revenue, taking into account renewable energy sources as well as new planned investments in the area of logistics centres and bitumen, in order to reduce the share of diesel and gas in revenue.</li> <li>• conclusion of a lease agreement for the transshipment terminal at Gulfhavn in Denmark, enabling goods to be delivered from western directions</li> </ul> | AVERAGE |
| <b>RISK OF DEPENDENCE ON EXTERNAL TERMINALS AND BASES</b>      | <p>The Company uses external terminals and transshipment bases, the selection of which is determined by location, including optimisation of transport costs</p>   | <ul style="list-style-type: none"> <li>• taking steps to diversify bases and terminals;</li> <li>• acquisition of own bases and terminals as part of the Lotos</li> </ul>   | HIGH    |



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|   | to the Company's customers. Termination or non-renewal of cooperation agreements with these operators could result in reduced sales volumes and increased transport costs.  | Terminale S.A. share sale transaction.   |         |
| <b>RISK OF FAILURE OF STORAGE, LOGISTICS AND TRANSPORT INFRASTRUCTURE</b> | <p>The business of storing, handling and transporting liquid and gaseous fuels is associated with the risk of failure of the equipment and infrastructure used for this purpose, i.e. gas bottling plants, stations, pipelines, storage facilities, as well as means of transport and tank cars. From the date of acquisition of the Lotos Terminale S.A. assets, this risk also applies to the terminals and depots acquired as part of the transaction. With regard to means of transport, the risk of failure of locomotives belonging to Olavion sp. z o.o. should also be taken into account. The failure of these equipment and infrastructure carries a high risk of explosion and ignition, which poses a threat to human health and life, as well as destruction of or damage to property. Such situations expose the Group to loss of reputation and trust, particularly from contractors, investors or the local community, as well as to liability for damages. To the extent that the Group uses external fuel terminals and depots, the failure of this infrastructure may also disrupt the Group's continuity of fuel supply and sales until it is rectified, or even temporarily reduce the volumes of fuel sold.</p> | <ul style="list-style-type: none"> <li>• implementation and strict adherence to procedures related to working with flammable substances;</li> <li>• the development of documents identifying the hazard and determining the risk of explosion, as well as appropriate safety instructions;</li> <li>• the appropriate location of the Company's bottling plant in the open countryside;</li> <li>• maintaining equipment and technical infrastructure in good technical condition;</li> <li>• carrying out regular inspections of the infrastructure;</li> <li>• monitoring and a system of sensors to minimise the risk of explosion;</li> <li>• implementing appropriate staff training programmes and emergency response instructions;</li> <li>• employing experienced and properly trained staff (including drivers);</li> <li>• using the services and external infrastructure of reputable entities with the relevant permits, licences and market experience, applying security standards;</li> <li>• for transport additionally: basing transport on our own modern transport fleet which meets the highest safety standards;</li> <li>• for gas networks in addition: selection of suitable materials and execution of works in accordance with the requirements of the regulatory authorities, use of safety installations;</li> <li>• have adequate property and liability insurance.</li> </ul> | AVERAGE |
| <b>RISK OF A SEVERE ECONOMIC DOWNTURN</b>                                 | <p>A further increase in inflation and the possibility of a deepening macroeconomic crisis may lead to an economic slowdown and even recession on global markets, which will have a direct impact on the deterioration of the economic situation in Poland and Europe. The economic slowdown may lead to a decrease in demand for goods, including fuels. In such an event, consumer needs will be met primarily from goods available on the domestic market, which will increase competition in the market for fuel imports and sales. A reduction in the import gap and a reduction in the demand for goods, could lead to a significant reduction in the Group's turnover volume, as well as its revenues derived from sales and fuels. If this risk materialises, the Group's financial performance would be adversely affected.</p>  | <ul style="list-style-type: none"> <li>• diversification of revenue sources, including fuel storage and handling based on assets acquired in connection with the sale of Lotos Terminale S.A. shares.</li> <li>• conducting sales on the domestic market through its own chain of AVIA stations;</li> <li>• competing in the market not only on price, but also by offering attractive terms of cooperation to customers, including by granting trade credits to trusted and regular customers;</li> <li>• the development of fuel markets abroad;</li> <li>• strengthening trading activities abroad.</li> </ul>  | HIGH    |

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| <p><b>RISK OF A GREY AREA</b></p>   | <p>The existence of a grey market in the liquid fuels segment reduces competitiveness in the market and reduces demand for the products of the Company and its subsidiaries. The appearance of dishonest counterparties in the supply chain raises risks for the Company's and the Group's operations also in the legal area, exposing the Group to liability in terms of VAT refunds and charges related to the participation in the chain of dishonest suppliers involved in the practice of extorting this tax. Following the ban on the supply of certain products of Russian and Belarusian origin, the grey market also concerns the non-compliant marketing of prohibited products. Despite the application of strict verification procedures, the risk of purchasing goods from dishonest suppliers, including those breaking VAT regulations or the embargo, cannot be ruled out.</p>                    | <ul style="list-style-type: none"> <li>the application of appropriate procedures and the verification of the Company's and its subsidiaries' counterparties in terms of the origin of the goods, as well as the risks associated with the involvement of the Issuer or Group entities in unfair market practices related, inter alia, to VAT fraud or violations of applicable embargoes;</li> <li>taking into account the possible impact of additional costs related to concession fees or hedging the risk of joint and several VAT in business operations and financial projections.</li> </ul>  | <p>AVERAGE</p> |
| <p><b>RISK OF INCREASED COMPETITION</b></p>   | <p>In view of the monopolistic nature of the fuel market in Poland, the impact of the emergence of new multinationals on the Polish market should be taken into account, including in connection with the implementation of the European Commission's remedies concerning the conditions of the merger between PKN Orlen S.A. and Grupa Lotos S.A., as well as the possibility of the emergence of similar companies in the future. Increased competition in the market may affect the pricing of products offered by the Group. Entities operating in the same market as the Company and its subsidiaries are also looking for new sources of supply and use the same infrastructure related to the supply of goods - a high supply of goods and the use of a common warehouse and logistics infrastructure, with a reduction in their availability, may reduce turnover by the Company or its subsidiaries.</p> | <ul style="list-style-type: none"> <li>applying a policy of competing not only on price, but on the ability to ensure timely and continuous supply;</li> <li>building direct and lasting relationships with individual and wholesale customers;</li> <li>pursuing a secure but attractive policy of granting trade credit to customers;</li> <li>building its own AVIA chain and developing the brand in Poland, including with partners in Poland and abroad;</li> <li>building competitive advantage through the acquisition of Lotos Terminale</li> </ul>   | <p>HIGH</p>    |
| <p><b>STRATEGIC AND INVESTMENT RISKS</b></p>  |   |  |                |
| <p><b>RISKS ASSOCIATED WITH THE LOTOS TERMINALE S.A. ASSET ACQUISITION TRANSACTION.</b></p> | <p>The finalisation of the acquisition of 100% of the shares in Lotos Terminale S.A. will cause the Group to grow by leaps and bounds, both in business and financial terms, but also in terms of human resources and employees. Efficient management and organisational measures will be required to effectively manage the new assets, human resources and finances in the new business areas, including consolidation at both accounting and operational levels. During the initial organisational phase and through the period of the Group's adjustment to the new conditions, there is a risk of reduced business efficiency and agility, which may affect the achievement of lower than expected financial results. The finalising of the transaction will also result in the entry into force of loan agreements and collateral, which will increase the Group's</p>                                      | <ul style="list-style-type: none"> <li>Enforcing that the seller properly prepares the assets for acquisition in terms of: IT resources, personnel and TSA/SLAs;</li> <li>involvement of experienced management and specialists in asset integration and process optimisation;</li> <li>a proactive approach to customers and business areas - enabling a rapid response to change;</li> <li>preparation of incentive, cross-selling and up-selling programmes that can increase business efficiency and profitability</li> <li>management of covenants and liquidity ratios at Issuer and Group level to ensure that ratios are at appropriate levels before</li> </ul> | <p>AVERAGE</p> |

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|  | liabilities and reduce free working capital, including for new investments.  | further significant Group commitments are made;   |         |
| <b>RISK OF INVESTMENT (ACQUISITION) FAILURE</b>            | As part of the implementation of the Group's strategy, the Company invests in acquisitions of shares of entities operating in the same markets or in complementary markets. The Group takes steps to prepare for the anticipated financial and economic effects, including in connection with the acquisition of the assets of Lotos Terminale S.A. and Olavion sp. z o.o.. The Group may also invest in projects with risks due to their early stage of development. Failure of the investment may result in lower than expected returns or necessitate write-downs of loans or acquired shares, which may have a direct impact on the Issuer's result. | <ul style="list-style-type: none"> <li>conducting due diligence on the assets or projects being acquired;</li> <li>security of contracts concluded with partners in order to reduce the risk of financial failure of investments in the form of contractual penalties, the right to withdraw from concluded contracts or the option to exit under certain conditions;</li> <li>support from experienced external advisors and experts;</li> <li>diversification of projects from the Group's various activities, including the distribution of funds from the pool earmarked for investment among the various projects.</li> </ul>  | AVERAGE |
| <b>LEGAL AND REGULATORY RISKS</b>                          |  |   |         |
| <b>RISK OF INSTABILITY OF THE LEGAL AND TAX SYSTEM</b>     | The Polish legal and tax system is characterised by high volatility of regulations, including in the area of the fuel market, as well as changes in tax law affecting the Group's operations (VAT, excise tax, fuel surcharge, tributes and taxes of a solidarity nature). Changes in legislation may impede the Group's operations by requiring it to incur additional costs to adapt its activities to the changes or to incur higher tax burdens or costs to comply with new legal requirements. The impact of new legislation coming into force could significantly affect the Group's financial results and even change its dividend policy.        | <ul style="list-style-type: none"> <li>advice from experienced tax firms and legal advisers in the areas most important to the Group's business;</li> <li>monitoring changes in legislation relevant to the Group's business and taking steps in advance to adapt the Group's operations to these changes;</li> <li>participation in industry organisations involved in consultations on draft fuel market regulations;</li> <li>staff participation in training courses and webinars covering tax legislation.</li> </ul>  | HIGH    |
| <b>RISK OF REVOCATION, EXPIRY OR BREACH OF THE LICENCE</b> | The Company and Group companies operate on the basis of concessions granted by the President of the Energy Regulatory Authority and are therefore exposed to the risk of the revocation, expiry or breach of fuel trading concessions or the imposition of a financial penalty due to a breach of the Energy Law. This risk may arise in particular in cases of breaches of security or fair-trading rules or other conditions of the licences issued.   | <ul style="list-style-type: none"> <li>selection of managers and advisors with experience in the activities covered by the concessions held by the Company and its subsidiaries;</li> <li>monitoring the validity of customers' concessions on the ERO website;</li> <li>monitoring the Company's and its subsidiaries' compliance with the terms of the concessions granted.</li> <li>staff participation in training courses and webinars covering concession regulations;</li> <li>a dedicated internal procedure in place to regulate the defined responsibilities of employees in terms of taking care to maintain the necessary collateral established for the concessions granted by the ERO.</li> </ul> | HIGH    |
| <b>THE RISK OF LEGAL REGULATION OF ENERGY PRICES</b>       | In the Group's electricity and natural gas sales business area, the Company identifies risks arising from the introduction of legislation by the   | <ul style="list-style-type: none"> <li>assessment of the impact of the introduced legislation on the Company - Cooperation with experienced law firms and</li> </ul>  | AVERAGE |

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|  | <p>legislator restricting electricity and natural gas prices. In 2023, in terms of electricity, the Law of 27.10.2022 on emergency measures to limit the level of electricity prices and support for certain consumers in 2023 applies. And in the field of natural gas, the law of 15.12.2022 on special protection of certain consumers of gaseous fuels in 2023 in connection with the gas market situation applies. There are also proposed legal solutions related to the imposition of additional burdens on energy companies in the form of a solidarity contribution. The introduced restrictions or additional burdens may have an impact on lower margins of energy sold and the Group's lower financial results in this segment.</p>  | <p>advisors specialising in energy law</p> <ul style="list-style-type: none"> <li>• monitoring possible amendments and taking measures that can minimise the negative impact of regulations on the Group's operations.</li> </ul>  |         |
| <b>RISKS ASSOCIATED WITH THE OBLIGATION TO PROVIDE NIT AND NWR</b> | <p>The Group, while trading in liquid fuels and liquid biofuels, is obliged to ensure a minimum share of biocomponents and other renewable fuels in the total volume of liquid fuels and liquid biofuels sold, disposed of or otherwise consumed for its own use in a given year, in accordance with a specified NIT (National Indicative Target) factor. The Group is also obliged to ensure an appropriate level of NRT (National Reduction Target) relating to the reduction of lifecycle greenhouse gas emissions of fuels per unit of energy. There is a hypothetical risk of failing to meet the legally required biofuel levels, which could result in the Group being fined.</p>   | <ul style="list-style-type: none"> <li>• pursuing an appropriate fuel purchasing policy, taking into account the emission performance and biocomponent content of the products purchased;</li> <li>• on-going monitoring of the implementation of the NIT and NRT and the legislation determining the manner and amount of the coefficients set;</li> <li>• joint settlement with other NRT entities;</li> <li>• monitoring and expanding the product range of biocomponents used for the implementation of NIT and NRT;</li> <li>• establishing cooperation with new suppliers of biocomponents.</li> </ul> | LOW     |
| <b>TRANSFER PRICING RISK</b>                                       | <p>In the course of the Group's activities, transactions are carried out that allow the Group to conduct its business in an efficient manner, using the competences and assets belonging to the individual Group companies. With regard to the performance of transactions with related entities, specific tax regulations apply, which regulate the necessary terms and conditions of related party transactions, including those relating to the prices used in such transactions ("transfer prices") and other material terms and conditions, i.e. documentation requirements. Due to the ambiguity of the regulations, there is a potential risk that the adopted transfer pricing documentation may be challenged by the tax authorities or tax inspection authorities, which may impose higher than expected tax liabilities on the Company or its subsidiaries.</p> | <ul style="list-style-type: none"> <li>• cooperation with experienced law firms and advisors in the creation of transfer pricing documentation;</li> <li>• organising the Group's activities in an efficient and optimal way from the point of view of the need for transactions between related entities;</li> <li>• the application of arm's length conditions in transactions with related entities and the proper documentation of these transactions.</li> </ul>  | HIGH    |
| <b>FINANCIAL RISKS</b>   |  |  |         |
| <b>INTEREST RATE RISK</b>  | <p>As a result of the Group's use of third-party sources, including bank loans and leases, to finance its operations based on floating interest rates, the Group is exposed to the risk of changes in interest rates, resulting in a possible increase in debt servicing costs and a deterioration in the financial efficiency of projects, as well</p>  | <ul style="list-style-type: none"> <li>• controlling interest rate risk through a system of limits relating to the maximum potential loss from changes in interest rates, in effect translating the risk into the final price of the products.</li> </ul>  | AVERAGE |

|                       |   |   |         |
|-----------------------|---|---|---------|
|                       | as a reduction in the availability of third-party financing for day-to-day operations, investments and hedging transactions.  |   |         |
| <b>LIQUIDITY RISK</b> | Due to the use of external bank financing and the involvement of significant working capital in the trade of liquid and gaseous fuels, the Group is exposed to the risk of disruption or loss of financial liquidity. This risk also arises from the commitment of free funds to the Group's investment activities and, in the future, the acquisition of 100% of the shares in Lotos Terminale S.A.  | <ul style="list-style-type: none"> <li>ongoing monitoring of debt ratios and bank covenants;</li> <li>adjusting the volume of investments and dividend payments in line with the needs for access to working capital;</li> <li>increasing the scale of operations through the acquisition of significant new assets as part of the acquisition of shares in Lotos Terminale S.A., the use of which will make it possible to generate financial resources adequate to the credit burden;</li> <li>taking action to optimise costs;</li> <li>efficient management of working capital, restrictive policy of granting buyer limits, inter alia through the use of short payment terms;</li> <li>optimisation of goods procurement, rapid turnover of product inventories.</li> </ul>           | AVERAGE |
| <b>CURRENCY RISK</b>  | By making purchases (fuel imports) and sales (fuel exports) in different currencies (euro, US dollar), the Group is exposed to currency risk. The volatility of the exchange rates of these currencies, occurring with intensification, due to the global political and economic situation, may translate negatively into the margins achieved and therefore the Group's financial results.   | <ul style="list-style-type: none"> <li>the application of a currency risk hedging procedure to minimise the risk of fluctuations in exchange rates from the point of purchase of commercial goods to the point of sale in cases where purchases and sales are made in different currencies;</li> <li>risk hedging through natural balancing of currency positions, i.e. pursuing a closed currency position against a single currency, implying a state of equilibrium between the volume of all inflows and outflows;</li> <li>the use of currency risk hedging instruments (mainly forwards and currency swaps), which are reflected in actual transactions and provide a hedge of the rates for calculating trading margins.</li> </ul>  | AVERAGE |
| <b>CREDIT RISK</b>    | The Group's trading activities offer some of its counterparties the possibility of using trade credit, in accordance with the established procedure for granting such limits. In view of the above, it cannot be ruled out that there may be cases of extended time for the repayment of receivables or the need to make allowances for bad debts from counterparties, which may have an insignificant impact on the Group's financial results. | <ul style="list-style-type: none"> <li>assessing and monitoring the financial health of counterparties;</li> <li>the application of a system for the granting of trade limits in accordance with the established procedure involving verification of the creditworthiness of counterparties prior to the start of commercial cooperation;</li> <li>the use of prepayment for new counterparties and those not meeting the conditions for the granting of a trade limit;</li> <li>continuous monitoring of receivables by a dedicated team operating within the Company/Group structures;</li> <li>the use of transaction collateral and working with insurers to insure receivables;</li> <li>use of business intelligence services and law firms specialising in debt recovery.</li> </ul> | AVERAGE |

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| <b>RISK OF THE IMPACT OF DIFFERENCES IN THE VALUATION OF COMPULSORY RESERVES OF LIQUID FUELS AND GAS ON FINANCIAL RESULTS</b> | <p>The Company and its subsidiary, Unimot Paliwa, are or will be obliged, in connection with their operations, to maintain compulsory reserves of crude oil and other liquid and gaseous fuels. The valuation of inventories is affected by the difference between the commodity price - spot at which the Group can sell the commodity (i.e. the price at which the inventory is valued) and the futures price - forward (i.e. the price at which financial transactions hedging the commodity price are valued). The spot and forward prices can differ significantly distorting the valuation performed during the life of these transactions.</p> <p>Differences in inventory valuation resulting from the above mechanism for determining the price of stored fuel and the price in the futures contract may periodically affect the development of its accounting results and thus misjudge the efficiency of the Group's operations.</p>  | <ul style="list-style-type: none"> <li>• hedging fuel purchases with appropriate hedging transactions, using futures contracts;</li> <li>• the use of adjusted EBITDA to enable proper assessment of the Group's activities, including by investors and financial institutions;</li> </ul>   | <p>AVERAGE</p> |
| <b>ENVIRONMENTAL RISKS</b>  |  |  |                |
| <b>RISK OF NON-ADAPTATION OF ACTIVITIES TO EU CLIMATE POLICY</b>  | <p>The EU climate policy, followed by national economic policy, is geared towards the goal of reducing the carbon footprint of transport. This can be done by replacing conventional propulsion with internal combustion engines, alternative units powered by hydrogen, electricity, liquefied natural gas (LNG) and compressed natural gas (CNG). Consequently, in view of the long-term decline in demand for the products that dominate the UNIMOT Group's revenues today, this risk could potentially have the effect of reducing diesel sales levels, as well as increasing competition in the market and reducing margins. The reduction of diesel engines in transport will also entail the need for the Group to adapt in the long term to new market conditions, including the preparation of filling stations for the sale of new types of fuel (e.g. electric vehicle charging stations, hydrogen refuelling capabilities, etc.). This will require incremental additional capital expenditure over the long term. The Group's exposure to this risk is lower than that of manufacturing companies in the industry, due to the absence of the highly capital-intensive expenditure required to replace these assets.</p> | <ul style="list-style-type: none"> <li>• conducting market analysis and monitoring legislative developments;</li> <li>• basing revenues from fuel sales on a flexible business model;</li> <li>• continuing the UNIMOT Group's strategy of diversifying into renewable energy sources, including the development of the AVIA Solar brand;</li> <li>• investing in biogas, LNG, CNG production technology;</li> </ul> | <p>HIGH</p>    |
| <b>RISK OF REDUCED FUNDING FOR FOSSIL FUEL ACTIVITIES</b>   | <p>The introduction of solutions provided for by the EU systematics (so-called taxonomy) will translate into difficulties in financing activities that do not qualify as sustainable in the sense of the systematics. In particular, it may mean difficulties in obtaining financing for activities for entities operating in areas related to fossil fuels, including hard coal, or reduced availability of financing from some financial institutions. At the same time, the consequence of the entry into</p>   | <ul style="list-style-type: none"> <li>• Monitor legislative changes and market practice;</li> <li>• Transparent ESG information policy and reporting;</li> <li>• Gradual diversification of the UNIMOT Group's activities, including towards RES opportunity to obtain favourable financing conditions)...;</li> <li>• conducting coal trading activities in a way that does not affect the</li> </ul>              | <p>HIGH</p>    |

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|   | <p>force of these solutions will be the possibility of obtaining favourable financing conditions for investments in low-carbon areas of activity in which the UNIMOT Group is already present (e.g. photovoltaics) or those towards which it will move by modernising the managed fuel distribution and sales network towards low-carbon transport.</p>   | <p>assessment of the Group's ability to obtain bank financing;</p> <ul style="list-style-type: none"> <li>• Constant contact with financial institutions regarding risks associated with potential funding reductions and taking corrective action.</li> </ul>   |                |
| <p><b>RISK OF ENVIRONMENTAL POLLUTION IN THE EVENT OF INCIDENTS</b></p> | <p>The Group's activities in the area of storage, handling and transport of liquid and gaseous fuels involve the risk of leakage, emission, explosion or ignition. This may materialise as a result of fortuitous events such as an accident at a gas bottling plant, which is a high-explosion risk facility entered in the relevant governor's register, or as a result of a pipeline or gas installation leak. The risk of a leak, spill or explosion also applies to the terminal and storage facilities acquired as part of the Lotos Terminale S.A. acquisition. There is also a risk of leakage of petroleum substances during transport - both by road and by rail. Such incidents - if they occur - could lead to local environmental contamination and damage to biodiversity that is difficult to repair. In connection with the transaction for the acquisition of the Lotos Group's fuel terminals and bitumen production facilities, an increase in risk will result from an increase in the scale of operations and bitumen production activities.</p> | <ul style="list-style-type: none"> <li>• implementation and strict adherence to procedures related to working with flammable substances;</li> <li>• the development of documents identifying the hazard and determining the risk of explosion, as well as appropriate safety instructions;</li> <li>• appropriate location of the bottling plant in an open area;</li> <li>• maintaining equipment and technical infrastructure in good technical condition;</li> <li>• carrying out regular inspections of the infrastructure;</li> <li>• monitoring and a system of sensors to minimise the risk of explosion;</li> <li>• implementing appropriate staff training programmes and emergency response instructions;</li> <li>• employing experienced and properly trained staff (including drivers);</li> <li>• for transport additionally: basing transport on our own modern transport fleet which meets the highest safety standards;</li> <li>• for gas networks in addition: selection of suitable materials and execution of works in accordance with the requirements of the regulatory authorities, use of safety installations;</li> <li>• working with specialist environmental and health consultancies to manage these risks,</li> <li>• having adequate liability and property insurance, transferring part of the risk to insurers.</li> </ul> | <p>AVERAGE</p> |

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| <p><b>RISK OF ENVIRONMENTAL POLLUTION AS A RESULT OF ACCIDENTS</b></p> | <p>The Group's activities in the area of storage, handling and transport of liquid and gaseous fuels involve a risk of explosion or ignition. This may materialise as a result of an accident at a gas bottling plant, which is a high-explosion risk facility entered in the relevant register of the provincial governor, or as a result of a pipeline or gas installation leak. There is also a risk of leakage of an oil-based substance or gas during transport. Such events - if they occur - can lead to local environmental contamination and damage that is difficult to repair.</p> | <ul style="list-style-type: none"> <li>• implementation and strict adherence to procedures related to working with flammable substances;</li> <li>• the development of documents identifying the hazard and determining the risk of explosion, as well as appropriate safety instructions;</li> <li>• appropriate location of the bottling plant in an open area;</li> <li>• maintaining equipment and technical infrastructure in good technical condition;</li> <li>• carrying out regular inspections of the infrastructure;</li> <li>• monitoring and a system of sensors to minimise the risk of explosion;</li> <li>• implementing appropriate staff training programmes and emergency response instructions;</li> <li>• employing experienced and properly trained staff (including drivers);</li> <li>• for transport additionally: basing transport on our own modern transport fleet which meets the highest safety standards;</li> <li>• for gas networks in addition: selection of suitable materials and execution of works in accordance with the requirements of the regulatory authorities, use of safety installations;</li> <li>• have adequate property and liability insurance.</li> </ul> | <p>AVERAGE</p> |
| <p><b>SOCIAL RISKS</b></p>   |   |  |                |
| <p><b>RISK OF LOSING KEY MANAGEMENT PERSONNEL</b></p>                  | <p>The Group's market success depends to a large extent on the competence and experience of those in managerial roles. Qualified personnel are particularly important in the fuel industry, where experience and established business relationships allow the business to operate efficiently and effectively. The loss of key management personnel and the difficulty of replacing them quickly can reduce the efficiency of the business.</p>   | <ul style="list-style-type: none"> <li>• building and maintaining long-term good relationships with key managers and employees;</li> <li>• analysing the market for employment and offering attractive terms of employment;</li> <li>• running a bonus scheme for board members;</li> <li>• team building and focus on substitutability within the team;</li> <li>• building a consistent and positive corporate image;</li> </ul>   | <p>AVERAGE</p> |
| <p><b>THE RISK OF NOT BEING ABLE TO ATTRACT QUALIFIED STAFF</b></p>    | <p>The situation on the labour market related to unemployment, which has been low for several years, and the persistence of the so-called "employee market" affect the demand for qualified employees higher than supply also in the industry in which the Company operates. Such a state of affairs may result in difficulty in attracting qualified people and, consequently, hinder the Group's growth.</p>  | <ul style="list-style-type: none"> <li>• offering competitive working conditions and remuneration;</li> <li>• nurturing good relations with employees;</li> <li>• developing an organisational culture focused on feedback and employee engagement;</li> <li>• providing staff development for ongoing projects;</li> </ul>  | <p>AVERAGE</p> |
| <p><b>RISK OF OCCUPATIONAL ACCIDENTS (OSH)</b></p>                     | <p>The Group's employees and those working on behalf of companies cooperating with the Group, carrying out work related to the storage, handling and</p>  | <ul style="list-style-type: none"> <li>• ensuring safe working conditions;</li> <li>• control of the working environment;</li> <li>• employee training in the area of health and safety;</li> </ul>  | <p>AVERAGE</p> |



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|  | <p>transport of liquid and gaseous fuels, as well as those carrying out the installation of photovoltaic (PV) panels, are exposed to the risk of occupational accidents. This risk can be increased by routine and by ignoring internal and external regulations. Moderate and severe occupational accidents resulting in loss of health or human life are an unacceptable risk in the UNIMOT Group - they may give rise to negative consequences for the Group in the area of liability for damages, as well as causing loss of reputation and trust on the part of contractors, investors or employees.</p> | <ul style="list-style-type: none"> <li>• carrying out training instructions before allowing employees to work in a specific position;</li> <li>• building risk awareness, including by providing information on the occupational risk factors associated with specific jobs;</li> <li>• building the right habits among employees.</li> </ul>   |         |
| <b>RISK OF PERSONAL DATA LEAKAGE</b>               | <p>As a result of unintentional or deliberate actions by employees or third parties, unauthorised disclosure or access to personal data processed by the Group could potentially occur. As part of its operational processes, the Group has standardised procedures in place to manage the risks associated with the potential occurrence of breaches in data processing processes, including data leakage.</p>   | <ul style="list-style-type: none"> <li>• implementation of standardised procedures related to personal data processing processes, including procedures defining the handling of a personal data breach;</li> <li>• implementation of technical solutions guaranteeing, among other things, the integrity and traceability of all data processing;</li> <li>• improving staff knowledge through regular training;</li> <li>• periodic audits of the technical and organisational solutions used.</li> </ul>  | LOW     |
| <b>RISK OF CYBER ATTACK</b>                        | <p>Cyber risk is no longer just a technological problem, the digitisation of more and more business processes, including the spread of remote forms of contact, together with the increase in threats from criminal groups and the use of attacks on IT systems by entities hostile to Poland in order to destabilise the socio-economic system, make companies exposed to an increasing risk of data destruction and theft or other similar threats</p>  | <ul style="list-style-type: none"> <li>• providing optimal hardware solutions from a security point of view;</li> <li>• building user (employee) awareness, raising awareness of danger symptoms, developing good user habits;</li> <li>• The UNIMOT Group's compliance with the requirements of the General Data Protection Regulation (GDPR);</li> <li>• systematic evaluation of the assessment of the risk of loss of confidentiality, integrity or availability of information assets;</li> <li>• strict adherence to and application of the rules arising from, inter alia: Security Policy, Backup Policy;</li> <li>• adaptation to the requirements of, among others, the National Cyber Security System Act;</li> <li>• preparing for the implementation of ISO 27001;</li> <li>• monitoring legislative developments;</li> <li>• established acceptance path and internal regulations for the access granting process;</li> <li>• training on regulations to prevent money laundering and terrorist financing.</li> </ul> | HIGH    |
| <b>CORPORATE GOVERNANCE RISKS</b>                  |   |   |         |
| <b>RISK OF INADEQUATE ORGANISATIONAL STRUCTURE</b> | <p>The company operates as part of the Group, conducting business in various business segments. In connection with the acquisition of the assets of Lotos Terminale S.A. Group will commence</p>  | <ul style="list-style-type: none"> <li>• involvement of experienced management and specialists in asset integration and process optimisation;</li> </ul>  | AVERAGE |

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|  | <p>operations in new business areas, which requires reorganisation and consolidation of existing and new activities. The adoption of an inappropriate organisational structure within the Group may result in delays in the implementation of business processes, limitations in internal and external communication, duplication of tasks performed or their implementation in isolation from business processes. An inappropriate organisation of the Group may also reduce the efficiency of operations or lengthen decision-making processes, which may hinder the Group's growth.</p>   | <ul style="list-style-type: none"> <li>• Implementing internal regulations and procedures that allow the Group to operate efficiently and effectively as an organisation;</li> <li>• process improvement and optimisation aimed at achieving cost synergies and building a business-efficient organisation;</li> <li>• analysing market trends with a view to applying the solutions most appropriate to the Group's level of development;</li> <li>• adapting the structure to current requirements and market practices in the financial, operational and legal/regulatory areas.</li> </ul>   |                |
| <p><b>INTERNAL REGULATION EFFECTIVENESS RISK</b></p> | <p>Due to the Group's growth and the numerous regulatory requirements associated with the Group's fuel and capital market activities, numerous internal procedures and regulations need to be implemented and applied to ensure consistent and effective management of the Group. Due to the dynamic development of the Group and the changing regulatory and legal environment, there is a risk of inconsistency of regulations with applicable laws, with other internal regulations and procedures, as well as inadequacy of regulations in relation to market practices. The above situations may reduce the Group's operating efficiency and increase the legal risk of its business.</p>   | <ul style="list-style-type: none"> <li>• Implementing internal regulations and procedures that allow the Group to operate efficiently and effectively as an organisation;</li> <li>• ongoing monitoring of the legislation applicable to Group companies and adaptation of regulations and procedures to new legislation;</li> <li>• analysing market trends with a view to applying the solutions most appropriate to the Group's level of development;</li> <li>• the operation of Internal Audit in the Company, whose task is to detect and assess potential risks that may arise within the Company's operations and to examine and evaluate the adequacy, effectiveness and efficiency of the management control systems;</li> <li>• examination by the Internal Auditor of the compliance and effectiveness of the Group's processes with internal regulations</li> <li>• training to raise staff awareness of key responsibilities set out in internal regulations.</li> </ul> | <p>AVERAGE</p> |
| <p><b>REPUTATIONAL RISK</b></p>                      | <p>If the risks described in this report materialise, the image of the Group and the Board Members may be damaged. A damaged reputation of the Board Members or key managers may translate into a loss of confidence in the Company, including from the local community, which may express opposition to the Group's activities in areas with environmental risks, among others. The loss of reputation may also affect the perception of the Group on the capital market and thus the share price. In particular, the following factors could affect the Company's image: infrastructure failure and environmental pollution, work accident, disclosure of company secrets imposition of a fine by a regulatory authority, communication of an unethical marketing message.</p> | <ul style="list-style-type: none"> <li>• managing in a continuous process the risks described in this report;</li> <li>• Adoption of a "Media Contact Policy" in the form of a resolution of the Management Board setting out the rules for external communication;</li> <li>• employing an experienced PR Manager to manage the external communications area;</li> <li>• the use of professional media monitoring tools to control all publications and messages about the Company in real time;</li> <li>• building good relations with the media and the local community and investors;</li> <li>• rapid analysis of the situation and reaction and response to articles;</li> </ul>  | <p>AVERAGE</p> |

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|                                       |   | <ul style="list-style-type: none"> <li>training of new employees in communication principles, including communication on social media.</li> </ul>  |     |
| <b>RISK OF CORRUPTION AND BRIBERY</b> | <p>Corruption and bribery are among the key problems of the modern economy, handicapping it and making it inefficient. At the Group level, it could lead on the one hand to decisions that are suboptimal from the point of view of the company's interests, and on the other hand expose the company to reputational damage and painful sanctions.</p> | <ul style="list-style-type: none"> <li>implementation and application of the Anti-Corruption Programme, which provides the basis for establishing and supporting preventive and educational solutions against corrupt behaviour;</li> <li>exercise of supervision by the Company's Management Board over the implementation of the Anti-Corruption Programme.</li> </ul> | LOW |

#### 6.4. CHARACTERISTICS OF EXTERNAL AND INTERNAL FACTORS SIGNIFICANT FOR THE DEVELOPMENT OF UNIMOT S.A. AND THE CAPITAL GROUP

In addition to the risk factors described in section 6.3 within the Group's ongoing operations during the reporting period under review, the Group identifies future material risks that may affect the Group's long-term financial performance in the following key areas of the Company's and Group's operations:

**GEOPOLITICS** - risks arising from changing geopolitical factors and phenomena (e.g. European Union climate policy, divergence of interests, armed conflict in Ukraine), resulting in limited access to and supply of raw materials, as well as significant price volatility in the fuel and electricity markets and supply chain disruptions.

**MACROECONOMY** - the risk arising from changes in the economic situation, resulting in fluctuations in macroeconomic indicators and prices of raw materials and fuels affecting the Group's operations, including changes in exchange rates, interest rates. Changes may also lead to an economic slowdown or even recession in global markets and thus in the domestic market (economic changes that may affect the deterioration of financial indicators of Group companies).

**LEGAL AND REGULATORY** - Risks related to changes in the legal system and uncertainties in the regulatory environment, including in relation to unexpected changes, inter alia, in tax burdens, the imposition of additional financial and non-financial obligations on fuel and energy market operators, and regulatory changes arising from environmental requirements affecting the Group.

**STRATEGY** - risk of not achieving the anticipated efficiencies and synergies from the acquisitions completed in early 2023. Risk of impact and the need for the Group to adapt to operations in new business areas.

**COMPETITION** - the risk of distortions in competition due to the existence of the grey market (non-compliance by dishonest contractors with concession, VAT or embargo regulations), as well as the risk of the effects of increased competition on the market due to the implementation of the European Commission's remedies implemented in connection with the merger of PKN Orlen S.A. and Grupa Lotos S.A.

**SOCIAL PREFERENCES** - risks arising from the expected further evolution of social preferences towards caring for the environment, conducting sustainable operations and social responsibility, in terms of mass customer expectations, evaluation of employer attractiveness and public opinion that may affect the Group.

**SECURITY** - risk arising from the negative impact of, inter alia, the geopolitical situation on both the physical security and cyber security of the Group's operations;

**Within the above main categories of risks that may affect the Issuer and its Group in the near term, the following factors in particular should be borne in mind:**

- **Level of interest rates** - The Group uses external sources of financing (mainly loans and borrowings in Polish zloty and also in US dollars and euros), the cost of which depends on the level of interest rates. After several years of relatively low interest rates, they started to rise steadily in the second quarter of 2021, which has a negative impact on debt service costs. Unfortunately, high domestic and global inflation will have an impact on further increases in interest rates.
- **Exchange rate levels** - The Group sells to domestic and foreign markets, while fuel purchases are mostly made abroad and settled in foreign currencies. The main currencies, for export transactions, are EUR and USD. For acquisitions, the currencies

of payment are: USD, EUR and PLN. The impact of exchange rates on the Group's operations is offset by the hedging instruments used.

- **Raw material price levels** - the Group's business model is predominantly based on the purchase of liquid and gaseous fuels abroad or in Poland, their distribution and subsequent sale. The lack of price stability of liquid and gaseous fuels at home and abroad has a significant impact on the margins achieved and, consequently, on the Group's results. In addition, a sharp increase in the prices of energy carriers may result in a decrease in consumption, which may translate into a worsening of the Group's financial situation. Changes in energy commodity prices are dictated by several key factors. The first category of factors includes the interrelationship of raw materials with each other, as, for example, changes in natural gas prices are highly dependent on crude oil prices. Then there is the impact of the value of the exchange rates in which these raw materials are denominated in the markets. The exchange rate determines the level of the cost of purchasing imported raw materials and, consequently, their price on the domestic market. The last group includes a number of geopolitical factors such as armed and political conflicts or economic crises in commodity-rich regions<sup>1</sup>.
- **The amount of the land premium** (the difference between the price on the local market and the price at the ports of delivery of fuel to the country) for diesel - the dominant product in the Group's sales structure. In practice, the level of the land premium is determined by the level of margins realised by domestic petrochemical companies in the production and trading segments. The amount of the onshore premium determines the area of the trade margin realisable by UNIMOT less the costs of logistics (transport costs, handling, quality testing), costs of renting fuel depot capacity, costs of receivables insurance (in connection with the trade security policy adopted by the Group), as well as the costs of fulfilling the NIT obligation.
- **Grey market in fuel trading** - unfair practices of some entities relate to the sale of fuels without paying due fees and taxes and in violation of applicable regulations and laws. This results in a decrease in competitiveness and a reduction in demand for products offered by UNIMOT and its subsidiaries, which may adversely affect the financial results achieved. The Group, with its many years of experience in the market, is aware of all the constraints and risks associated with the grey market. The Group takes into account the possible impact of additional costs related to concession fees or hedging the risk of joint and several VAT in its business operations and financial forecasts. The transport package enacted in 2017, making it compulsory to digitally record the carriage of goods, including liquid fuels, enabling them to be recorded and monitored using satellite systems, together with the fuel package enacted in 2016, in the Group's view, have significantly reduced the grey market in fuel trading. Looking ahead to 2023. The Group assumes that the current situation will continue.
- **Logistics** - meeting the needs of customers depends to a large extent on: the logistical capacity of the supply of fuels by sea, their distribution by rail and road, and the storage infrastructure for petroleum products. It should be assumed that the exclusion of fuel supplies from Russia will be permanent and therefore special attention should be paid to the appropriate development of infrastructure.
- **Market competition** - the change in market and competitive conditions associated with the implementation of the European Commission's remedies implemented in connection with the merger of PKN Orlen S.A and Grupa Lotos S.A. has resulted in the emergence of new players on the Polish market, i.e. Saudi Aramco and MOL, who will pursue their business strategies that may affect the local fuel business.
- **The costs of implementing the National Indicative Target, the National Reduction Target, the EFE that fuel producers and importers are obliged to bear, which affect the Issuer Group's operations:**
  - NIT (National Indicative Target) - the need to achieve, in a given year, a minimum share of bio-components and other renewable fuels in the total volume of liquid fuels and liquid biofuels sold, disposed of or otherwise consumed for own use. This results in the need to use logistics and storage infrastructure to carry out the required blending (physical blending of fuel with bio-components). These activities are performed as a service by fuel depot operators used by the Issuer. The costs of performing NIT and the costs of fuel blending services, affect the achieved sales margin, which has a direct impact on the Group's results.

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<sup>1</sup> Cire.pl - Geopolitical and macroeconomic determinants of petrol price increases

- NRT (National Reduction Target) - the need to fulfil the obligation to reduce the average CO<sup>2</sup> emissions of transport fuels introduced into the national market. In practice, this means the advisability of using lower-emission bio-components, concluding contracts with importers of lower-emission fuels (CNG, LNG and LPG) and purchasing so-called UER, i.e. allowances resulting from emission reductions in the extraction of energy resources, which also has an impact on the prices of fuels offered and the margin realised on them.
- EFE (energy efficiency) - the need to meet a final energy saving target. Obligated entities include companies selling electricity, district heat and gaseous fuels to end users. From mid-2021, fuel entities marketing liquid fuels have this obligation. The obligation can be fulfilled by: completing an energy efficiency improvement project at the end user, completing a programme of non-refundable subsidies to co-finance energy efficiency improvement projects or obtaining/purchasing white certificates, which they will present to the President of the Energy Regulatory Office for redemption.

## 6.5. EVENTS AFTER THE REPORTING DATE

The following events took place as part of the acquisition of 100% of the shares in Lotos Terminale S.A. after 31 December 2022:

- On 31 January 2023, UNIMOT S.A. and its subsidiary, UNIMOT Investments sp. z o.o. - signed an agreement with PKN ORLEN S.A. and Lotos Terminale S.A. on excise duty security. The agreement determines the detailed procedure and timetable for the replacement of the existing excise tax security referred to in the Excise Tax Act of 6 December 2008 (i.e. Journal of Laws of 2022, item 143, as amended), submitted to the Head of the Second Tax Office in Bielsko-Biala to cover excise tax liabilities and fuel charges of Lotos Terminale with a new excise tax security that would be in force after the acquisition of Lotos Terminale shares by UNIMOT Investments. Under the Memorandum of Understanding, UNIMOT S.A. and UNIMOT Investments undertook to cover any potential damage to PKN ORLEN related to the realisation of the existing collateral and resulting from circumstances after the acquisition of Lotos Terminale shares by the UNIMOT Group. The performance of the above-mentioned obligation is secured by a blank promissory note issued by UNIMOT S.A. for the benefit of PKN ORLEN together with a promissory note declaration, which, in the event of the occurrence of the above-mentioned damage, may be filled up to the amount constituting its equivalent, but not more than up to the amount of PLN 136.8 million.
- On 3 February 2023, UNIMOT Investments sp. z o.o. entered into a conditional Promised Agreement with PKN ORLEN for the acquisition of 100% of the shares in Lotos Terminale S.A. ("Promised Agreement"). The conclusion of the Promised Agreement took place in connection with the fulfilment of all agreed conditions of the preliminary agreement concluded on 12 January 2022, which enabled the conclusion of the Promised Agreement. Pursuant to the Promised Agreement, the parties undertook to conclude the final agreement for the sale of 100% of shares in Lotos Terminale S.A. subject to the conditions set out in the Promised Agreement, i.e. related to with the non-exercise of the pre-emptive right by the authorised bodies.
- On 14 March 2023, The Management Board of Unimot S.A. entered into an insurance guarantee agreement with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. (the "Guarantor") in order to secure the payment of excise tax and fuel charges by Lotos Terminale effective after the acquisition by the Issuer's subsidiary, i.e. Unimot Investments sp. z o.o.. The amount of the guarantee is PLN 150 million and the guarantee period is a maximum of 12 months. The beneficiary of the guarantee is the Head of the 2nd Tax Office in Bielsko-Biala. Along with the aforementioned agreement, UNIMOT S.A. issued for the benefit of the Guarantor a blank promissory note with a promissory note declaration in order to secure recourse claims under the guarantee.
- On 7 April 2023, UNIMOT Investments entered into a final agreement with PKN Orlen S.A. for the transfer of 100% of Lotos Terminale shares by PKN Orlen to UNIMOT Investments. Unimot Investments paid to PKN Orlen a part of the agreed sale price of Lotos Terminale shares and refinanced Lotos Terminale S.A.'s liability to the bank in the total amount of PLN 366.4 million. The remaining part of the sale price, including that resulting from the agreed mechanism of the earn-out mechanism, as well as the reimbursement of capital expenditures related to the implementation of the investment in the fuel terminal in Szczecin will take place at later dates agreed between the parties. The payment of the sale price was made from the own contribution made to Unimot Investments by UNIMOT S.A. in the amount of PLN 118.6 million and the use of a part of the loan granted to Unimot Investments by a consortium of banks.

The following events took place as part of the investment in fuel logistics:

- UNIMOT announced the conclusion on 9 January 2023 of a preliminary conditional agreement for the sale of 100% of the shares in Olavion sp. z o.o. (the "Preliminary Agreement") from two individuals, including the majority shareholder (the "Seller") and seven executives (the "Executives"). Pursuant to the Preliminary Agreement, the parties have agreed to enter into Promissory Agreements for the sale of a total of 100% of the shares in Olavion. The first agreement will be concluded with the Sellers and will concern 90% of the shares in Olavion, the other agreements will be concluded with the Management Team and will concern 10% of the shares in Olavion. The conclusion of the Promised Agreements is subject to the fulfilment of conditions, including in particular: the approval of the President of the Office of Competition and Consumer Protection, the conclusion of a long-term transportation agreement between UNIMOT Paliwa sp. z o.o. and Olavion, as well as the non-occurrence, until the date of the conclusion of the Promised Agreements, of negative events related to the encumbrance of the shares, as well as the taking of adverse actions resulting in changes in the economic and financial situation of Olavion. A deadline of 30 June 2023 was set for the fulfilment of the above conditions precedent. Additional conditions for the conclusion of the Promised Agreements with the Management Team include the maintenance of the current composition of Olavion's management board and the team of key managers, and the preparation of Olavion's financial statements for 2023 and 2024. Accordingly, it was agreed that the deadline for the acquisition of 10% of the shares from the Management Team would be no later than 7 July 2025. In connection with the Promised Agreement on 7 March 2023, UNIMOT S.A. entered into an agreement to acquire 90% of the shares in Olavion from the Sellers. UNIMOT's total financial exposure to the acquired stake in Olavion including, inter alia, an adjustment for the estimated value of net debt and differences in working capital amounted to PLN 24.2 million.
- On 21 February 2023, the UNIMOT Group concluded a contract for the purchase of new rail tankers for the transport of fuel or diesel. The total value of the Agreements concluded on this subject with the same counterparty, following the publication of current report No. 44/2022 of 30 September 2022, amounts to a total of EUR 19,425,000, i.e. PLN 92,208,532.50 converted at the average exchange rate of the National Bank of Poland applicable on the date of conclusion of the Agreement (the "Agreements"). As a result of the conclusion of the Agreements, Wagons with a capacity of approximately 10,000 cubic metres have been acquired and will be delivered gradually until 15 July 2023. To date, tankers (including the Wagons referred to above) with a total capacity of over 18 thousand m<sup>3</sup> have been purchased. The purchased Wagons are a significant addition to the Issuer Group's logistics base and will primarily be used by the Issuer Group and, where possible, will be made available to external parties. The development of the Issuer's own rail resources will allow the Issuer Group to make its operations more flexible and increase the efficiency of liquid fuels trading.

In addition, the following events took place in supplementing the value chain:

- On 5 April 2023, UNIMOT concluded a preliminary conditional sale agreement, under which it undertook to acquire 80% of the shares in a company intended for logistics and trading activities in the energy raw materials industry from two natural persons. The subject of the transaction will be the acquisition of shares in P2T sp. z o.o., to which a separate part of P2 Trading sp. z o.o.'s enterprise will be contributed, and its activities will include trading in energy raw materials, including biomass and coal, purchase of sea and land freight, as well as supervision of deliveries at sea and land border crossings. The conclusion of the final agreement is subject to the fulfilment of conditions precedent, including in particular: obtaining the consent of the President of the Office of Competition and Consumer Protection, fulfilment of a number of conditions related to the preparation of the company to carry out established operations, registration of agreed amendments to the company's memorandum of association in the National Court Register, as well as the non-occurrence, in the period until the date of conclusion of the final agreement, of negative events related to the encumbrance of shares, as well as taking unfavourable actions resulting in changes in the economic and financial situation of the company. A deadline was set for the fulfilment of the above conditions precedent by 30 September 2023 at the latest. Pursuant to the preliminary agreement, for the acquisition of 80% of the shares UNIMOT will be obliged to pay the basic price and an additional price determined under the earn-out mechanism through the payment of a share of the profit generated in the years 2023-2024.

## 7. FINANCIAL POSITION OF THE GROUP

### 7.1. PRINCIPLES FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union ("EU IFRSs"). At the date this report was authorised for issue, given the ongoing process of IFRS implementation in the European Union, the IFRSs applicable to these financial statements do not differ from EU IFRSs.

The consolidated financial statements have been prepared on a historical cost basis, with the exception of derivative financial instruments, diesel and natural gas inventories measured at fair value through profit or loss.

The consolidated financial statements of the Group to which the Company belongs as a subsidiary are prepared by Unimot Express Sp. z o.o. with its registered office in Warsaw, Al. Jeruzolimskie 142A, 02-305 Warsaw.

The consolidated financial statements as of and for the period ended 31 December 2022 have been prepared on the assumption that the Unimot Group will continue as a going concern in the foreseeable future. As of the date of these consolidated financial statements, there are no circumstances indicating a threat to the Unimot Group's going concern.

## 7.2. CONSOLIDATED STATEMENTS OF TOTAL REVENUES

| <i>in PLN thousand</i>                                  | <b>01.01.2022</b> | <b>01.01.2021</b> | <b>01.01.2020</b> | <b>01.01.2019</b> | <b>01.01.2018</b> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2020</b> | <b>31.12.2019</b> | <b>31.12.2018</b> |
| Sales revenue   | 13 369 364        | 8 193 013         | 4 819 488         | 4 464 943         | 3 367 462         |
| Profits/(losses) on financial instruments hedging sales | 15 518            | 14 203            | (49 494)          | (4 760)           | 3 532             |
| Cost of products, goods and materials sold              | (12 430 677)      | (7 840 977)       | (4 520 473)       | (4 223 815)       | (3 249 095)       |
| <b>Gross profit on sales</b>                            | <b>954 205</b>    | <b>366 239</b>    | <b>249 521</b>    | <b>236 368</b>    | <b>121 899</b>    |
| Other operating revenue                                 | 4 402             | 2 262             | 3 049             | 2 204             | 2 871             |
| Selling costs   | (367 403)         | (211 734)         | (162 899)         | (128 150)         | (93 937)          |
| Overheads   | (97 368)          | (48 901)          | (30 678)          | (26 063)          | (23 431)          |
| Other net profits/(losses)                              | 2 416             | 18                | 21                | 927               | 464               |
| Other operating expenses                                | (10 878)          | (3 474)           | (9 759)           | (1 779)           | (7 139)           |
| <b>Operating profit/(loss)</b>                          | <b>485 374</b>    | <b>104 410</b>    | <b>49 255</b>     | <b>83 507</b>     | <b>727</b>        |
| Financial revenue                                       | 819               | 695               | 903               | 405               | 8 011             |
| Financial costs   | (21 969)          | (8 752)           | (6 426)           | (9 201)           | (8 959)           |
| <b>Net financial revenue/(expenses)</b>                 | <b>(21 150)</b>   | <b>(8 057)</b>    | <b>(5 523)</b>    | <b>(8 796)</b>    | <b>(948)</b>      |
| Share of net result of affiliated                       | -                 | -                 | -                 | -                 | -                 |
| <b>Profit/(loss) before tax</b>                         | <b>464 224</b>    | <b>96 353</b>     | <b>43 732</b>     | <b>74 711</b>     | <b>(221)</b>      |
| Income tax  | (90 327)          | (20 392)          | (8 997)           | (14 788)          | (2 919)           |
| <b>Net profit/(loss) for the financial period</b>       | <b>373 897</b>    | <b>75 961</b>     | <b>34 735</b>     | <b>59 923</b>     | <b>(3 140)</b>    |

In 2022, the Group generated sales revenue of PLN 13,369,364 thousand, which was higher by PLN 5,176,351 thousand or 63% than this achieved in the corresponding period of 2021.

The following factors contributed to the increase in sales revenue during the period:

- higher by PLN 4 536 422 thousand, i.e. 64%, revenues from liquid fuels trading;
- higher by PLN 52,572 thousand, i.e. 10%, revenues from gas fuel trading;
- higher revenues from energy trading by PLN 234,213 thousand, i.e. 105%.

The cost of goods and materials sold 2022 increased by PLN 4,016,322 thousand, or 59%, against the same period in 2021, mainly due to the general increase in turnover and the variable prices of purchased goods and materials.

In 2022, the Group achieved a gross profit on sales of PLN 464,224 thousand, which is up by PLN 367,871 thousand against the same period of 2021.

A consequence of the increase in turnover and in the prices of goods and materials was a significant increase in other costs by type, discussed below, as well as an increase in operating and financing costs.

### Costs by type

| <i>[in PLN thousand]</i>                           | <b>01.01.2022</b> | <b>01.01.2021</b> | <b>01.01.2020</b> | <b>01.01.2019</b> | <b>01.01.2018</b> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2020</b> | <b>31.12.2019</b> | <b>31.12.2018</b> |
| Depreciation of fixed assets and intangible assets | (5 370)           | (4 085)           | (3 082)           | (3 266)           | (5 533)           |
| Amortisation of right-of-use asset                 | (11 115)          | (8 600)           | (5 943)           | (3 176)           | -                 |
| Consumption of materials and energy                | (13 479)          | (12 542)          | (6 203)           | (2 792)           | (3 281)           |
| Third-party services                               | (317 052)         | (192 412)         | (142 514)         | (108 667)         | (84 218)          |
| Taxes and charges                                  | (8 982)           | (4 819)           | (2 481)           | (1 991)           | (2 238)           |
| Salaries   | (91 049)          | (26 533)          | (20 475)          | (13 274)          | (14 088)          |
| Social security and other benefits                 | (5 368)           | (3 564)           | (2 772)           | (2 655)           | (3 207)           |
| Other costs by type                                | (22 456)          | (18 447)          | (8 968)           | (9 314)           | (8 009)           |
| <b>Total costs by type</b>                         | <b>(474 871)</b>  | <b>(271 002)</b>  | <b>(192 438)</b>  | <b>(145 135)</b>  | <b>(120 574)</b>  |

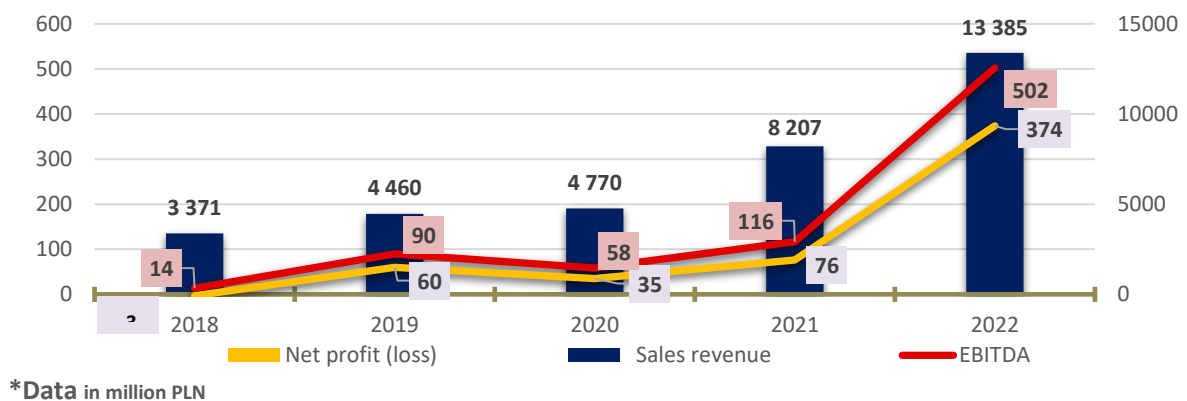
In 2022, costs by type increased by 75% against 2021, amounting to PLN 203,869 thousand.

Third-party services increased by 65% and were higher by PLN 124 640 thousand against the same period of the previous year. This item includes primarily the costs of services related to transport, warehousing, logistic services, legal services, representative and consultancy contracts. The recorded increase in this item is assessed as stable and inextricably linked to the increase in overall sales revenue.

Salaries and wages in the Unimot Group increased by 243% and were higher by PLN 64,516 thousand against the same period of the previous year. This item consists of increased remuneration costs related to servicing the reorganisation processes carried out in the Group in the period under review. A consequence of the increase in remuneration is an increase in employee benefits covering mainly social insurance, as well as expenses related to health care and employee training.

Employee benefits increased by approximately 51% and were higher by PLN 1,804 thousand against 2021.

### 7.3. BASIC FINANCIAL AND ECONOMIC DIMENSIONS OF THE CG



| [in PLN thousand]. | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | 01.01.2020<br>31.12.2020 | 01.01.2019<br>31.12.2019 | 01.01.2018<br>31.12.2018 |
|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| EBIT *             | 485 978                  | 103 734                  | 49 255                   | 83 507                   | 727                      |
| EBITDA **          | 502 463                  | 116 419                  | 58 293                   | 89 949                   | 13 519                   |
| GROSS RESULT       | 464 224                  | 96 353                   | 43 732                   | 74 711                   | (221) (221)              |
| NET RESULT         | 373 897                  | 75 961                   | 34 735                   | 59 923                   | (3 140)                  |

\* EBIT --> defined as Earnings Before Interest and Taxes.

\*\* EBITDA --> defined as Earnings Before Interest, Taxes, Depreciation and Amortisation.

In terms of EBITDA value in 2022, the CG recorded a result of PLN 502,463 thousand, which is up by 386,044 thousand against 2021.

The pre-tax result in 2022 amounted to PLN 464,224 thousand and was higher by PLN 367,871 thousand against the same period in 2021.

The net result in 2022 amounted to PLN 373 897 thousand and was higher by PLN 297 936 thousand against the same period in 2021.

#### RESULTS - adjusted

| [in PLN thousand]   | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | 01.01.2020<br>31.12.2020 | 01.01.2019<br>31.12.2019 | 01.01.2018<br>31.12.2018 |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Adjusted EBITDA     | 513 663                  | 70 596                   | 87 195                   | 63 712                   | 31 454                   |
| Adjusted NET RESULT | 385 098                  | 30 138                   | 63 637                   | 33 686                   | 14 795                   |

The YTD results in 2022 were adjusted by **PLN 11,201thousand** as a result of:



- adjustments of the impact of accounting valuations and cost transfers over time related to the turnover of diesel and biofuels: (-)PLN 9 179 thousand,
- the realisation of profits from electricity market transactions concluded last year by TRADEA in the amount of: (+)PLN 21,500 thousand,
- time shifts of non-recurring costs and revenues related to the corporate functions of the CG operations: (-)PLN 1,120 thousand.

In the fourth quarter, the results were adjusted for the impact of time shifts of cost related to the turnover of diesel and biofuels and accounting valuations of operating inventories: (+)PLN 5,342 thousand.

The 2021 results were adjusted for the following factors:

- Impact of valuation of inventories of liquid and gaseous fuels and other energy products: (-)PLN 22 795 thousand.
- Time shifts in costs and revenues related to liquid fuels trading: (-)PLN 6,628 thousand.
- Write-downs on investments (value of shares and loans and receivables to Avia Ukraine and Green Electricity) for a total amount of: (+) PLN 5100 thousand.
- Impact of valuations of closed forward transactions in TRADEA recognised in the 2021 result, the cash effect of which will be realised in 2022 in the amount of: (-)PLN 21 500 thousand.
- The aforementioned events with a total positive impact of (-) PLN 45,823 thousand on the accounting results in 2021. are further described in sec. 2.4 of the Management Board's Report for 2021.

#### 7.4. ANNUAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| [in PLN thousand]                    | 31.12.2022       | 31.12.2021       | 31.12.2020     | 31.12.2019     | 31.12.2018     |
|--------------------------------------|------------------|------------------|----------------|----------------|----------------|
| <b>Fixed assets</b>                  |                  |                  |                |                |                |
| Tangible fixed assets                | 101 838          | 45 965           | 35 834         | 33 377         | 45 825         |
| Right to use assets                  | 105 230          | 69 856           | 54 278         | 12 119         | -              |
| Intangible assets                    | 19 331           | 21 233           | 21 714         | 18 578         | 18 636         |
| Other financial assets               | 260              | 260              | 260            | 2 916          | 391            |
| Long-term receivables                | 6 675            | 30 500           | 13 247         | 2 224          | 3 753          |
| Derivative financial instruments     | 7 835            | -                | 5 233          | -              | 987            |
| Assets from contracts with customers | 8 586            | 7 739            | 9 899          | 9 184          | 5 252          |
| Deferred tax assets                  | 19 319           | 12 163           | 8 267          | 1 995          | 1 916          |
| <b>Total fixed assets</b>            | <b>269 074</b>   | <b>187 716</b>   | <b>148 732</b> | <b>80 393</b>  | <b>76 760</b>  |
| <b>Current assets</b>                |                  |                  |                |                |                |
| Inventories                          | 257 175          | 325 215          | 166 695        | 239 258        | 190 500        |
| Assets from contracts with customers | 3 094            | 2 128            | 1 322          | 1 162          | 2 945          |
| Trade and other receivables          | 728 757          | 513 303          | 332 671        | 306 314        | 246 487        |
| Other financial assets               | 72 315           | 68 076           | 194            | 3 537          | 141            |
| Derivative financial instruments     | 7 820            | 27 517           | 14 885         | 12 123         | 33 190         |
| Income tax receivables               | 5 951            | 11 573           | -              | -              | -              |
| Cash and cash equivalents            | 312 463          | 79 092           | 116 063        | 38 836         | 47 015         |
| Other current assets                 | 8 628            | 16 668           | 9 773          | 5 497          | 6 247          |
| <b>Total current assets</b>          | <b>1 396 203</b> | <b>1 043 572</b> | <b>641 603</b> | <b>606 727</b> | <b>526 525</b> |
| <b>TOTAL ASSETS</b>                  | <b>1 665 277</b> | <b>1 231 288</b> | <b>790 335</b> | <b>687 120</b> | <b>603 285</b> |

As of 31 December 2022, the balance sheet figures have increased significantly against the previous year. Total assets against the figures as of 31.12.2021 increased by 35%, representing PLN 433,989 thousand.

The value of fixed assets as of 31 December 2022 increased by 43% against the figures as of 31.12.2021, representing PLN 81,358 thousand. This total consists of an increase in the right to use assets. In 2022, the Group entered into new lease agreements in the amount of PLN 49,573 thousand, comprising rights to use means of transport and rights to use assets under long-term lease agreements.

Tangible fixed assets increased by 122%, representing an increase of PLN 55 873 000. This item consists mainly of expenditure on modernising and adapting leased and own petrol stations, computer equipment, equipment and means of transport to the Avia brand.

A significant change occurred in long-term receivables, which decreased by 78 per cent, or PLN (-) 23,825 thousand. This item included receivables on account of a deposit relating to excise duty security and performance bond. As a consequence of the transfer of a part of the contracts related to the OPE, the forms of security changed and the value on the item in question decreased.

The value of current assets at the end of 2022 increased by PLN 352,631 thousand or 34% relative to 2021. The biggest changes occurred on the side of trade receivables and other receivables, they increased by 42% or PLN 215,454 thousand.

This item includes trade receivables, receivables from the budget, advances for supplies and services and other receivables. The increase in receivables at 31 December 2022 is due to an increase in turnover.

The value of inventories decreased by 21% at the end of 2022, representing PLN 68 040 thousand. The decrease in the value of inventories is due to the sale of a portion of the compulsory reserve relating to diesel trading, which is a consequence of organisational changes in the Group.

Cash and cash equivalents increased by 295% on the figures as of 31.12.2021, representing PLN 233,371 thousand. The increase in cash at 31.12.2022 is due to an increase in turnover.

Other current assets decreased by (-) 48%, representing PLN 8,040 thousand. This item includes mainly prepaid expenses, the decrease in value is a consequence of the end of the settlement cycle for some items.

| [in PLN thousand].   | 31.12.2022       | 31.12.2021       | 31.12.2020     | 31.12.2019     | 31.12.2018     |
|--|------------------|------------------|----------------|----------------|----------------|
| <b>LIABILITIES</b>   |                  |                  |                |                |                |
| <b>Equity</b>  |                  |                  |                |                |                |
| Share capital  | 8 198            | 8 198            | 8 198          | 8 198          | 8 198          |
| Other capital  | 306 922          | 234 946          | 218 816        | 181 140        | 174 437        |
| Foreign exchange differences on conversion of foreign currencies | (56)             | 82               | 16             | (127)          | -              |
| Retained earnings and current year result                        | 388 940          | 82 923           | 38 950         | 57 725         | 4 841          |
| <b>Equity of shareholders of the Parent Entity</b>               | <b>704 074</b>   | <b>326 149</b>   | <b>265 980</b> | <b>246 936</b> | <b>187 476</b> |
| Non-controlling interests  | (280)            | (274)            | (99)           | -              | 5 769          |
| <b>Total equity</b>  | <b>703 794</b>   | <b>325 875</b>   | <b>265 881</b> | <b>246 936</b> | <b>193 245</b> |
| <b>Long-term liabilities</b>                                     |                  |                  |                |                |                |
| Loans, borrowings, leases and other debt instruments liabilities | 96 332           | 65 078           | 48 996         | 13 094         | 10 004         |
| Employee benefit liabilities                                     | 282              | 219              | 256            | 185            | 167            |
| Derivative financial instruments                                 | -                | 24 944           | 3 438          | 5 648          | 3 457          |
| Deferred tax liability   | -                | 2 056            | -              | 2 078          | 51             |
| <b>Total long-term liabilities</b>                               | <b>96 614</b>    | <b>92 297</b>    | <b>52 690</b>  | <b>21 005</b>  | <b>13 679</b>  |
| <b>Short-term liabilities</b>                                    |                  |                  |                |                |                |
| Overdraft facilities   | 206 754          | 336 563          | 172 440        | 205 350        | 215 232        |
| Loans, borrowings, leases and other debt instruments liabilities | 11 300           | 8 829            | 9 401          | 4 867          | 3 573          |
| Derivative financial instruments                                 | 16 356           | 58 685           | 17 700         | 2 421          | 8 365          |
| Employee benefit liabilities                                     | 1 290            | 753              | 539            | 435            | 485            |
| Income tax liabilities   | 23 144           | -                | 2 621          | 1 500          | 1 112          |
| Reserves   | -                | -                | -              | -              | 830            |
| Liabilities from contracts with customers                        | 73 429           | 9 492            | 4 130          | 3 070          | 13 390         |
| Trade and other liabilities                                      | 532 596          | 398 794          | 264 933        | 201 536        | 153 374        |
| <b>Total short-term liabilities</b>                              | <b>864 869</b>   | <b>813 116</b>   | <b>471 764</b> | <b>419 179</b> | <b>396 361</b> |
| <b>Total liabilities</b>   | <b>961 483</b>   | <b>905 413</b>   | <b>524 454</b> | <b>440 184</b> | <b>410 040</b> |
| <b>TOTAL LIABILITIES</b>   | <b>1 665 277</b> | <b>1 231 288</b> | <b>790 335</b> | <b>687 120</b> | <b>603 285</b> |

Shareholders' equity as of 31 December 2022 increased by 116% compared to published as of 31 December 2021, representing PLN 377,919 thousand. The main contributors to the increase in equity were profit earned and profits carried forward from previous years.

The highest increase was recorded under the heading: Retained earnings and current year result, which increased by 369% amounting to PLN 377 925 thousand.

Other capital increased by 31%, amounting to PLN 71,976 thousand. This item comprises, inter alia, profits carried forward.

Shareholders' equity at 31 December 2022 represented 42% of total assets and was 16 p.p. higher against the figures at 31 December 2021.

Long-term liabilities increased by 16% or PLN 14 863 thousand. The highest increase in this section was recorded in the item of liabilities due to loans, borrowings, leases and debt instruments, which increased by 42% against the data as of 31 December 2021. The items of liabilities are presented in detail in the notes to the consolidated financial statements prepared as of 31 December 2022.

Derivative financial instruments decreased by 94%, representing PLN 13,544 thousand. This position consists of concluded futures contracts.

Short-term liabilities increased by 29% or PLN 236 466 000. The highest increase in this section was recorded in the Liabilities from contracts with customers item, which increased by 1936% or PLN 183,743 thousand.

Liabilities from contracts with customers include prepaid remuneration received for services not yet performed by the Group, e.g. prepaid subscription and commercial fees for energy distribution, services performed through the use of prepaid gas meters, contracts related to the purchase of liquid and gaseous fuels. The increase in customer contract liabilities is due to increased purchase contracts from the Unimot Group counterparties.

Short-term trade liabilities increased by 24.3% or PLN 96,869 thousand. This increase is due to the overall increase in turnover and volumes in the CG.

Short-term liabilities from loans, leases and debt instruments increased by 30%, amounting to PLN 2,635 thousand.

Liabilities from derivative financial instruments decreased by 93%, amounting to PLN 54 887 thousand.

The change in the valuation of financial instruments (futures contracts) as of 30.09.2022 against 31.12.2021 was due to a significant change in the quotation of petroleum products on international markets. The increase in prices on the one hand influences a positive valuation of diesel inventories, and on the other a negative valuation of futures contracts concluded at lower price levels. The negative valuation of futures contracts is recorded on the liabilities side, while the positive valuation is reflected on the assets side, the whole appropriately split into short-term and long-term parts.

## 7.5. RATIO AND COMPARATIVE ANALYSIS OF THE GROUP

The Group's ratio assessment presented below is based on the consolidated financial statements for Q3 2022 and the comparative period.

### Liquidity

The following indicators were used to assess liquidity:

- **Current ratio - the ratio of current assets to short-term liabilities.** A ratio indicating the Group's ability to repay its current short-term liabilities in the medium term, i.e. after liquidating its inventory holdings, short-term financial assets, collecting short-term receivables and use of cash.
- **Quick ratio - the ratio of current assets less inventories to short-term liabilities.** A ratio indicating the Group's ability to repay its current short-term liabilities in the short term, i.e. after liquidation of short-term financial assets, collection of short-term receivables and use of cash in bank accounts.
- **Cash liquidity ratio - the ratio of cash to short-term liabilities.** A ratio indicating the Group's ability to immediately repay its current short-term liabilities in the short term, i.e. using only the cash held in its bank accounts.

| LIQUIDITY RATIOS      | 31.12.2022 | 31.12.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 |
|-----------------------|------------|------------|------------|------------|------------|
| Current ratio         | 1,6        | 1,3        | 1,4        | 1,4        | 1,3        |
| Quick liquidity ratio | 1,3        | 0,9        | 1,0        | 0,9        | 0,8        |
| Cash liquidity ratio  | 0,4        | 0,1        | 0,2        | 0,1        | 0,1        |

All the liquidity ratios obtained in 2022 are higher than those shown at the end of 2021. The increase and the amount of the ratios achieved in 2022 demonstrate the improvement in liquidity and financial stability of the UNIMOT Group.

### Profitability

The profitability analysis is presented on the basis of a group of indicators that allow the Group to assess the effectiveness of its sales activities and the impact of individual cost groups on its financial result:

- **Profit rate on sales** - profitability on sales determines the effectiveness of the sales activities carried out, i.e. it allows us to determine the proportion of revenue remaining in the company to cover its operating costs - after taking into account the direct costs of sales. Similarly, this indicator allows us to determine the impact on the Group's result of the direct costs of sales made by it.
- **Gross profitability** - determines the efficiency of the Group's operations, i.e. it allows us to assess the portion of revenue remaining in the Group to cover tax, after taking into account the costs of financial activities and extraordinary events. Similarly, when interpreted in conjunction with the above profitability ratios, this indicator makes it possible to assess what proportion of the result is built up not by operating activities but by its financial activities or the impact of extraordinary events.
- **Net profitability** - determines the percentage of the Group's revenue that represents its net result, i.e. after covering all the costs of its operations: sales, operating, financial and payment of taxes.
- **ROE** - return on equity: the ratio of net profit to shareholders' equity during the financial year. The indicator allows investors to assess the effectiveness of the use of capital entrusted to the Group. It represents the percentage of funds generated by the Group (net profit) that can be paid out as dividends to the capital contributed by investors plus the portion of funds generated by the Group in previous years (equity).
- **ROA** - return on total assets: the ratio of net profit to assets during the financial year. The ratio allows investors to assess the efficiency of the Group's use of all its assets.

| PROFITABILITY INDICATORS | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | 01.01.2020<br>31.12.2020 | 01.01.2019<br>31.12.2019 | 01.01.2018<br>31.12.2018 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| ROA                      | 22%                      | 6%                       | 4%                       | 9%                       | -1%                      |
| ROE                      | 53%                      | 23%                      | 13%                      | 24%                      | -2%                      |

The achieved return on assets of 22% at the end of 2022 is by 16 p.p. higher against the result obtained in the corresponding period. The return on equity ratio at the end of 2022 is by 30 p.p. higher against the result in 2021.

| PROFITABILITY INDICATORS | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | 01.01.2020<br>31.12.2020 | 01.01.2019<br>31.12.2019 | 01.01.2018<br>31.12.2018 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| RATE OF PROFIT ON SALES  | 7,1%                     | 4,5%                     | 5,2%                     | 5,3%                     | 3,6%                     |
| EBIT PROFITABILITY       | 3,6%                     | 1,3%                     | 1,0%                     | 1,9%                     | 0,0%                     |
| EBITDA PROFITABILITY     | 3,8%                     | 1,0%                     | 1,2%                     | 2,0%                     | 0,0%                     |
| NET PROFITABILITY        | 2,8%                     | 0,9%                     | 0,7%                     | 1,3%                     | -0,1%                    |

The profitability ratios achieved in 2022 at all levels analysed are significantly higher than those achieved in 2021 and are due to higher profit.

#### **Efficiency of operations**

The following indicators were used to assess performance:

- **Receivables turnover (in days): Ratio** of trade receivables at the end of the financial year to net sales revenue x 360 days. The ratio represents the average period, defined in days, after which receivables are collected from invoices issued by the Group. In general, the aim should be to minimise this ratio.
- **Short-term liabilities turnover (in days): Ratio** of short-term liabilities to suppliers at the end of the financial year to net sales revenue x 360 days. The ratio represents the average period defined in days, after which the Group's liabilities are repaid. Efforts should be made to maximise this ratio.
- **Inventory turnover (in days): Ratio** of average inventory at the end of the financial year to net sales revenue x 360 days. The ratio represents the average period, defined in days, over which the Group holds inventories before selling them. For reasons of efficiency, efforts should be made to minimise this ratio.

| PERFORMANCE INDICATORS                                       | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | 01.01.2020<br>31.12.2020 | 01.01.2019<br>31.12.2019 | 01.01.2018<br>31.12.2018 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Turnover of trade receivables (in days)                      | 20                       | 23                       | 25                       | 25                       | 26                       |
| Turnover of trade liabilities (in days)                      | 14                       | 17                       | 20                       | 16                       | 16                       |
| Inventory turnover (in days)                                 | 7                        | 14                       | 13                       | 19                       | 20                       |
| Inventory turnover (in days) adjusted for compulsory reserve | 7                        | 4                        | 3                        | 7                        | 13                       |

The turnover rate of trade receivables in 2022 was 20 days, meaning that the average waiting time for receivables was reduced by 3 days. The liabilities turnover time was reduced by 3 days against 2021. The inventory turnover ratio in 2022 was reduced by 7 days, which is mainly due to a reduction in the value of inventories at the end of Q3 2022. The inventory turnover cycle adjusted for the value of compulsory reserve increased by 3 days in relation to 2021.

| Cash to Cash  | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | 01.01.2020<br>31.12.2020 | 01.01.2019<br>31.12.2019 | 01.01.2018<br>31.12.2018 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| inventory cycle + receivables cycle - liabilities                   | 13                       | 20 days                  | 18 days                  | 28 days                  | 30 days                  |
| Adjusted for the value of the compulsory reserve, the cash cycle is | 13                       | 10 days                  | 8 days                   | 21 days                  | 17 days                  |

The cash cycle at the end of 2022 was 13 days, seven days shorter against the result in the corresponding period of 2021. The cash cycle adjusted for the value of compulsory reserve at the end of 2022 was extended by 3 days against 2021. In the corresponding period of 2021, the cycle was 10 days.

#### **Debt assessment**

The Group's degree of indebtedness was assessed based on the following indicators:

- **Asset coverage ratio:** the ratio of total equity to total assets. The ratio indicates the extent to which the Group's assets are covered by the equity it holds.
- **Overall debt ratio:** the ratio of total liabilities to total assets. The ratio indicates to what extent the Group's assets have been financed by its debt.

| DEBT RATIOS  | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | 01.01.2020<br>31.12.2020 | 01.01.2019<br>31.12.2019 | 01.01.2018<br>31.12.2018 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total debt ratio   | 58%                      | 74%                      | 66%                      | 64%                      | 68%                      |
| Asset coverage ratio   | 42%                      | 27%                      | 34%                      | 36%                      | 32%                      |
| Equity to fixed assets ratio                                 | 262%                     | 174%                     | 179%                     | 307%                     | 252%                     |
| Total debt ratio adjusted for the loan to compulsory reserve | 58%                      | 66%                      | 56%                      | 52%                      | 62%                      |

The total debt ratio at the end of 2022 is by 16 p.p. lower against the ratio calculated at the end of 2021, indicating that the exposure to external financing sources has decreased. The asset coverage ratio is by 15 p.p. higher against that shown at the end of 2021. The resulting equity to fixed assets ratio indicates that the capital raised is 2.6 times higher than the fixed assets held. The total debt ratio adjusted for the loan to compulsory reserve is by 8 p.p. lower than that shown at the end of 2021.

#### **7.6. MANAGEMENT OF THE GROUP'S FINANCIAL RESOURCES**

The Group manages financial resources both at the individual company level and at the consolidated level.

The management process is directed towards taking measures to ensure stable and efficient financing of operations.

#### **CHARACTERISTIC OF THE STRUCTURE OF ASSETS AND LIABILITIES WITH REGARD TO LIQUIDITY**

The Group is guided in its liquidity management by the following principles:

- ensuring stable and diversified funding from external institutions,
- allocating financial surpluses to the repayment of interest-bearing debt or effectively investing them in safe instruments,
- credit limits for business partners,

- the collection of receivables in accordance with their due dates, possibly issuing interest notes,
- effective management of other elements of working capital.

| Specification                                  | 31.12.2022     | 31.12.2021       | 31.12.2020     | 31.12.2019   | 31.12.2018      |
|--|----------------|------------------|----------------|--------------|-----------------|
| Net cash flows from operating activities       | 502 260        | (139 954)        | 150 621        | 23 946       | (29 200)        |
| Net cash flows from investing activities       | (105 675)      | (18 992)         | (7 669)        | (4 580)      | (1 090)         |
| Net cash flows from financing activities       | (38 251)       | (36 113)         | (30 556)       | (17 238)     | (27 317)        |
| <b>Net change in cash and cash equivalents</b> | <b>358 334</b> | <b>(195 059)</b> | <b>112 396</b> | <b>2 128</b> | <b>(57 607)</b> |

### Cash from operating activities

In 2022, positive net cash flows from operating activities in the amount of PLN 502,260 thousand were achieved thanks to the positive cash inflows generated from operating activities, which were mainly influenced by the achieved profit before tax in the amount of PLN 464,224 thousand. a change in the balance of receivables and a change in the balance of inventories of PLN 68 040 000 thousand.

### Cash from investing activities

The value of cash used in investing activities in the reported year 2022 amounted to PLN 105,675 thousand. and was higher by PLN 86 683 thousand compared with the same period in 2021.

The main item of capital expenditure is an increase in the value of fixed assets as a result of the acquisition or transfer of rights of use in the amount of PLN 81,358 thousand.

### Cash from financing activities

Net cash flows from financing activities in 2022 amounted to (-) PLN 38,251 thousand against (-) PLN 36,113 thousand of cash flows at the end of 2021. The level of cash flows in the reported period takes into account repayments of borrowings, loans and lease liabilities of PLN 375,217 thousand and interest paid from financing activities of PLN 21,907 thousand.

As a result of the above-mentioned factors, the change in cash and cash equivalents amounted to PLN 358,334 thousand against a change of (-) PLN 195,059 thousand in 2021.

## 7.7. LIABILITIES FROM LOANS AND LEASES AND OVERDRAFTS

| Specification<br>in PLN thousand                                       | 31.12.2022     | 31.12.2021     |
|--|----------------|----------------|
| Credits and loans  | 348            | 3 617          |
| Lease liabilities  | 107 284        | 70 290         |
| Overdraft facilities   | 206 754        | 336 563        |
| <b>Total Liabilities from loans, borrowings, leases and overdrafts</b> | <b>314 386</b> | <b>410 470</b> |

As of 31 December 2022, the Group reported liabilities from loans, borrowings and leases of PLN 314 386 thousand, these liabilities decreased by 24% against 2021. Lease liabilities increased by 52% and are related to the conclusion of new agreements for the lease of petrol stations (presentation under IFRS 16) and the lease of means of transport for a total of PLN 49 573 thousand.

The amount of PLN 348 thousand represents a liability in respect of a line of credit provided by a personally related company. The specification of the overdraft facility is shown in the table below.

### Analysis of credit and loan agreements as of 31.12.2022

| in PLN thousand           |                 |                  |                 |  |                      |                                     |               |                                    |
|---------------------------|-----------------|------------------|-----------------|--|----------------------|-------------------------------------|---------------|------------------------------------|
| Name of financing company | Long-term part. | Short-term part. | Carrying amount | Rate %                                       | Currency of the loan | Type of liability                   | Date of award | Period of validity of the contract |
| BOŚ Bank S.A.             | -               | 27 067           | 27 067          | 3M<br>WIBOR/<br>EURIBOR/<br>SOFR<br>+ margin | PLN                  | Revolving credit/overdraft facility | 29.06.2021    | 28.06.2023                         |

|                      |          |                |                |   |                     |   |            |                                |
|----------------------|----------|----------------|----------------|---|---------------------|---|------------|--------------------------------|
| Bank Millennium S.A. | -        | -              | -              | 1M<br>WIBOR/<br>EURIBOR/<br>SOFR+<br>margin | PLN/<br>USD/<br>EUR | Umbrella loan /<br>overdraft facility           | 25.11.2019 | 19.02.2023                     |
| mBank S.A.           | -        | -              | -              | 1M<br>WIBOR+<br>margin                      | PLN                 | Overdraft facility                              | 29.12.2021 | 13.02.2024                     |
| mBank S.A.           | -        | 154 059        | 154 059        | SOFR+<br>margin                             | USD                 | Revolving<br>credit/overdraft<br>facility       | 07.07.2015 | 13.02.2024                     |
| BOŚ Factoring        | -        | 25 628         | 25 628         | 1M<br>WIBOR/<br>EURIBOR/<br>SOFR+<br>margin | PLN/<br>USD/<br>EUR | Reverse factoring line<br>agreement             | 15.11.2021 | 13.11.2023                     |
| PKO Factoring S.A.   | -        | -              | -              |   | PLN/<br>EUR         | Factoring limit<br>with and without<br>recourse | 22.06.2020 | for an<br>indefinite<br>period |
| <b>Total</b>         | <b>-</b> | <b>206 754</b> | <b>206 754</b> |   |                     |   |            |                                |

### Security for the loans and advances listed in the table

#### Umbrella overdraft agreement with Bank Millennium:

- a declaration of surrender to enforcement,
- pledge of cash,
- joint mortgage of up to PLN 3.4 million on real estate owned by Unimot Express Sp.z.o.o., together with assignment of rights under an insurance policy,
- joint mortgage of up to PLN 8.5 million on real estate owned by Unimot Express Sp.z.o.o, together with assignment of rights under an insurance policy,
- declaration of Unimot Express Sp.z.o.o. on submission to enforcement against property (real estate) up to PLN 8.5 million and PLN 3.45 million,
- registered and financial pledge on receivables,
- joint and several mortgages of up to PLN 16 million on real estate belonging to: Unimot S.A., located in Zawadzkie, Unimot Express Sp. z o.o., located in Częstochowa, 3B Torowa Street,
- mutual guarantees from Unimot S.A.; Unimot Paliwa Sp. z o.o.; Tradea Sp. z o.o. and UEIG Sp. z o.o.
- Registered and financial pledge on PLN, EUR, USD accounts - Unimot Paliwa,
- Registered pledge on account receivables - Unimot S.A.

#### Revolving credit/overdraft agreement with mBank:

- Surety from Unimot S.A. for PLN 52.5 million,
- registered pledge on inventory,
- assignment of receivables and claims,
- power of attorney over the account,
- blocking on bank accounts,
- assignment of rights to future indemnities under the Borrower's receivables insurance contract with Atradius, Hermes, KUKA,
- registered and financial pledges on receivables from bank accounts,
- declaration of surrender to enforcement.

#### Overdraft agreement with mBank:

- a cash deposit of PLN 1.1 million,
- declaration of surrender to enforcement,
- surety from Unimot S.A.

#### Revolving credit/overdraft agreement with BOŚ Bank S.A. covering two Group companies:

- power of attorney to dispose of accounts, with the exception of the account opened by the Bank to handle VAT under the split payment mechanism,
- a financial pledge with an offsetting clause on the rights to funds deposited on the BOŚ S.A. client's accounts, excluding the account opened by the Bank to handle VAT under the split payment mechanism,
- blank promissory note with declaration,
- PLG FGP BGK guarantee, up to PLN 88 million,
- declaration of surrender to enforcement,
- accession to the debt of Unimot S.A. by Unimot Paliwa sp. z o. o.

#### Factoring limit agreement with recourse and non-recourse concluded with PKO Factoring S.A.:

- tripartite agreement to the Receivables Insurance Policy concluded by the Client, Factor and Compagnie Francaise D'Assurance Pour Le Commerce Extérieur S.A. Branch in Poland.

#### Reverse factoring facility agreement with BOŚ Factoring

- promissory note with declaration,
- power of attorney for funds,
- financial pledge of cash,
- LGF FGP BGK guarantee of up to PLN 29.5 million,
- accession to the debt of Unimot S.A. by Unimot Paliwa sp. z o.o. ,
- declaration of surrender to enforcement.

The margin on borrowings and other debt instruments depends on the variable interest rate to which it relates. A range analysis of the margin is presented below:

- WIBOR 1M - margin between 1.1% and 1.2%
- WIBOR 3M - margin of 1.4%
- USD LIBOR 1M - margin between 1.35% and 1.8%
- EURIBOR 1M - margin between 1.3% and 1.5%
- SOFR ON - margin of 1.4%

#### Analysis of leases as of 31.12.2022:

##### Schedule of repayment of lease liabilities

| in PLN thousand | Lease payments | Interest      | Capital        | Lease payments | Interest      | Capital       |
|-----------------|----------------|---------------|----------------|----------------|---------------|---------------|
|                 | 31.12.2022     |               |                | 31.12.2021     |               |               |
| Up to one year  | 16 515         | 5 563         | 10 952         | 10 575         | 3 186         | 7 389         |
| 1 to 5 years    | 50 794         | 16 255        | 34 539         | 30 443         | 10 190        | 20 253        |
| Over 5 years    | 78 312         | 16 519        | 61 793         | 55 237         | 12 589        | 42 648        |
| <b>Total</b>    | <b>145 621</b> | <b>38 337</b> | <b>107 284</b> | <b>96 255</b>  | <b>25 965</b> | <b>70 290</b> |

Lease liabilities increased by 53% against 2021.

## 7.8. LOANS AND BORROWINGS GRANTED

#### Group loans granted in 2022:

As of 31.12.2022, the item Loans granted includes:

- the balance of the loan granted to the Company U.C. Energy Ltd. (personally related to Unimot S.A.) - amount of PLN 185 thousand (accrued interest remaining to be paid as of the balance sheet date),
- the balance of educational loans for people in higher education as part of cooperation with the IVY Poland Foundation - an amount of PLN 19 thousand.

As of 31.12.2021, the item Loans granted includes:



- the balance of the loan granted to the Company U.C. Energy Ltd. (personally related to Unimot S.A.) - amount of PLN 5,082 thousand.
- the balance of educational loans for people in higher education as part of cooperation with the IVY Poland Foundation - an amount of PLN 65 thousand.

## 7.9. SURETIES, LOANS AND GUARANTEES GIVEN

| <i>in thousands PLN/EUR/USD</i>                                   | As of 31.12.2022 |               |              | As of 31.12.2021 |               |
|---|------------------|---------------|--------------|------------------|---------------|
|   | PLN              | EUR           | USD          | PLN              | EUR           |
| <b>Parent Entity's own contingent liabilities</b>                 | <b>356</b>       | <b>3 500</b>  | <b>-</b>     | <b>37 259</b>    | <b>9 200</b>  |
| insurance guarantees provided as security for excise duty         | -                | -             | -            | 17 350           | -             |
| performance bonds and trade limits                                | 356              | 3 500         | -            | 19 909           | 9 200         |
| <b>Contingent liabilities relating to associated undertakings</b> | <b>79 127</b>    | <b>25 000</b> | <b>3 600</b> | <b>27 229</b>    | <b>2 500</b>  |
| insurance guarantees provided as security for excise duty         | 27 100           | -             | -            | -                | -             |
| guarantees given as concession security                           | 27 000           | -             | -            | 17 000           | -             |
| performance bonds and trade limits                                | 18 943           | 14 000        | -            | 2 744            | 2 500         |
| performance bonds and trade limits                                | 6 083            | 11 000        | 3 600        | 7 485            | -             |
| <b>Summary</b>  | <b>79 483</b>    | <b>28 500</b> | <b>3 600</b> | <b>64 488</b>    | <b>11 700</b> |

The amount of guarantees relating to Unimot S.A.'s and its subsidiaries' liabilities to third parties issued in the course of ongoing operations as of 31 December 2022 and 31 December 2021 amounted to PLN 0.4 million and EUR 3.5 million and PLN 37.3 million and EUR 9.2 million, respectively. These mainly related to: civil guarantees related to performance bonds and trade limits. (In the comparable year, they also related to public-law guarantees arising from regulations).

In addition, companies in the Unimot Group provided insurance guarantees as security for public-law liabilities, performance bonds and guarantees for the proper performance of contracts and trade limits, and sureties for the proper performance of contracts and trade limits in amounts totalling PLN 79.1 million, EUR 25 million and USD 3.6 million as of 31 December 2022, (For comparison, as of 31.12.2021: PLN 27.2 million and EUR 2.5 million).

In addition, Unimot S.A. signed a guarantee in the amount of PLN 6 million for the future liabilities of its subsidiary Unimot Investments sp. z o.o. which may arise as a result of the agreement concluded for the acquisition of a part of the assets from PKN Orlen SA. This item is not included in the table above.

The increase in the value of guarantees provided is mainly due to the change in the forms of security for trade limits and the reorganisation within the Group.

On 01.12.2022, an agreement concerning the expansion of the fuel terminal in Szczecin was concluded between Unimot S.A. and Unimot Investment Sp. z o.o. and PKN Orlen S.A. and Lotos Terminale S.A.. Under the Agreement, Unimot S.A. and Unimot Investments have provided a joint and several surety for the payment by Lotos Terminale to PKN Orlen of the amount of settlement of expenditures and incidental receivables agreed in the Agreement, up to a maximum amount of PLN 78 million. The surety will come into effect subject to the completion of the transaction for the acquisition by the Unimot Group of 100% of the shares in Lotos Terminale and will remain in force until 31 December 2032.

## 7.10. CURRENT AND FORESEEN FINANCIAL POSITION OF THE UNIMOT CG

The Unimot Group does not publish financial forecasts for future years; additionally, the Issuer's Management Board decided not to publish a forecast of consolidated adjusted EBITDA for 2022, having regard to external market factors beyond the Company's control, related to the high volatility and uncertainty of the fuel market situation caused by the ongoing armed conflict in Ukraine and the economic effects of sanctions on Russia and Belarus imposed in connection with this event. In addition, the inability to estimate and publicise the forecast for 2022 is due to the difficult-to-predict impact on this year's Group results of the planned acquisition of the Lotos Terminale assets.

## 7.11. TRANSACTIONS WITH RELATED ENTITIES

In the current reporting period, transactions concluded in the Unimot Group with related entities concerned typical commercial transactions and business operations, carried out on an arm's-length basis.

No individual transactions between the Group and related entities were identified that were significant due to their unusual scope and value, with the exception of the one described below. These transactions mainly related to the purchase of materials and services for day-to-day operations: trading in liquid and gaseous fuels, trading in electricity, rental services.

In the third quarter of FY2022, the Unimot Group completed the significant reorganisation process of the spin-off of the Company's Organised Business Unit further discussed in section 6.2.1 of this report.

In 2022 and 2021, all of the Group's transactions with related entities were at arm's length and were of a typical nature and concluded in the normal course of business.

In 2022 and 2021, the UNIMOT Group carried out transactions with related entities:

- Unimot Express Sp. z o.o. (parent entity)
- Zemadon Limited (related entity of Unimot Express Sp. z o.o.).
- Ammerviel Limited (related entity of Unimot Express Sp. z o.o.).
- Unimot Truck Sp. z o.o. (related entity of Unimot Express Sp. z o.o.)
- PZL Sędziszów Sp. z o.o. (related party of Unimot Express Sp. z o.o.)
- GO & BIOGAS Sp. z o.o. (personally related entity of Unimot S.A.).
- U.C. Energy Ltd. (personally related entity of Unimot S.A.).

#### 7.12. DIFFERENCES BETWEEN THE FINANCIAL RESULTS REPORTED IN THE ANNUAL REPORT AND THE PREVIOUSLY PUBLISHED FORECASTS FOR 2021

The company did not publish forecasts.

#### 7.13. SIGNIFICANT OFF-BALANCE SHEET ITEMS

There are no significant off-balance sheet items on the Unimot Group's books, except for the contingent liabilities disclosed in the report.

## 8. FINANCIAL SITUATION OF THE ISSUER UNIMOT S.A.

### 8.1. PRINCIPLES FOR THE PREPARATION OF THE STANDALONE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU IFRS"). At the date this report was authorised for issue, given the ongoing process of IFRS implementation in the European Union, the IFRSs applicable to these financial statements do not differ from EU IFRSs. EU IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis, except for derivative financial instruments measured at fair value through profit or loss. The Company also prepares consolidated financial statements of the Unimot Group. The consolidated financial statements of the Group to which the Company belongs as a subsidiary are prepared by Unimot Express sp. z o.o. with its registered office in Warsaw, Al. Jerozolimskie 142A, 02-305 Warsaw.

The financial statements as of and for the financial year ended 31 December 2022 have been prepared on the assumption that the Company will continue in business for the foreseeable future.

The Company is the Parent Entity in the UNIMOT Capital Group. As of the date of preparation of these financial statements, the Management Board of Unimot S.A. does not identify any circumstances indicating a threat to the continuation of operations in the next reporting period either by the Company or by the UNIMOT Capital Group.

The functional currency of the Company and the presentation currency of these financial statements is the Polish zloty (PLN). Data in the financial statements is presented in Polish zloty, rounded off to the nearest whole thousand, unless specifically stated otherwise.

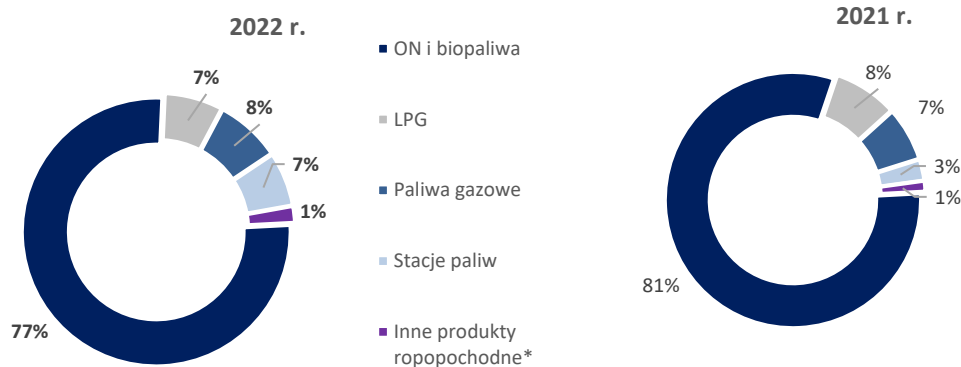
### 8.2. THE ISSUER'S PRINCIPAL PRODUCTS, GOODS AND SERVICES

**Standalone sales revenues and their structure by product group:**

| <i>in PLN thousand</i> | <b>01.01.2022<br/>31.12.2022</b> | <b>Structure in<br/>revenue %</b> | <b>01.01.2021<br/>31.12.2021</b> | <b>structure in<br/>revenue %</b> |
|------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| Diesel and biofuels    | 5 887 388                        | 77%                               | 6 442 603                        | 81%                               |
| LPG                    | 538 067                          | 7%                                | 645 338                          | 8%                                |
| Gaseous fuels          | 603 429                          | 8%                                | 543 159                          | 7%                                |

|                           |                  |             |                  |             |
|---------------------------|------------------|-------------|------------------|-------------|
| Petrol stations           | 500 706          | 7%          | 213 307          | 3%          |
| Other petroleum products* | 153 333          | 1%          | 107 793          | 1%          |
| <b>Total</b>              | <b>7 682 923</b> | <b>100%</b> | <b>7 952 200</b> | <b>100%</b> |

\*including oil,



#### Unit volumes by product group:

| in m3/T/GWh              | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | Changes % |
|--------------------------|--------------------------|--------------------------|-----------|
| Diesel and biofuels [m3] | 985 605                  | 1 583 850                | 62%       |
| LPG [T].                 | 188 999                  | 221 445                  | 85%       |
| Gaseous fuels [GWh]      | 236 338                  | 2 373                    | 9959%     |
| Petrol stations [m3]     | 236 338                  | 179 834                  | 131%      |
| <b>Total</b>             | <b>1 647 281</b>         | <b>1 987 502</b>         |           |

### 8.3. FACTORS AND UNTYPICAL EVENTS AFFECTING THE ISSUER'S PERFORMANCE

| in PLN thousand | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | Changes % |
|-----------------|--------------------------|--------------------------|-----------|
| EBIT *          | 127 540                  | 94 522                   | 35%       |
| EBITDA **       | 140 336                  | 104 136                  | 35%       |
| GROSS RESULT    | 143 961                  | 89 333                   | 61%       |
| NET RESULT      | 117 288                  | 72 046                   | 63%       |

\* EBIT --> defined as Earnings Before Interest and Taxes.

\*\* EBITDA --> defined as Earnings Before Interest, Taxes, Depreciation and Amortisation.

In 2022, the Issuer achieved a pre-tax result of PLN 143,961 thousand, which was by 61% higher against the corresponding period of the previous year, a difference of PLN 54,628 thousand.

The net result amounted to PLN 117,288 thousand and was higher against the net result for the year 2021 by PLN 45 242 thousand, an increase of 63%.

The EBITDA result in 2022 was by PLN 36,200 thousand higher against 2021.

#### RESULTS - adjusted

| in PLN thousand     | 01.01.2022<br>31.12. 2022 | 01.01.2021<br>31.12.2021 |
|---------------------|---------------------------|--------------------------|
| Adjusted EBITDA     | 130 036                   | 79 785                   |
| Adjusted net result | 106 988                   | 47 695                   |

The YTD results in 2022 were adjusted by an amount of (-) PLN 10,300 thousand as a result:

adjustments of the impact of accounting valuations and time shifts of cost related to the turnover of diesel and biofuels: (-) PLN 10 300 thousand.

#### 8.4. STANDALONE STATEMENTS OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE REVENUE

| <i>in PLN thousand</i>   | <b>01.01.2022<br/>31.12.2022</b> | <b>01.01.2021<br/>31.12.2021</b> | <b>Changes %</b> |
|--|----------------------------------|----------------------------------|------------------|
| Sales revenue from continuing and discontinued operations          | 7 646 096                        | 7 937 997                        | (4%)             |
| Profits/(losses) on financial instruments relating to fuel trading | 36 827                           | 14 203                           | 159%             |
| Cost of goods, services and materials sold                         | (7 278 678)                      | (7 628 227)                      | (5%)             |
| <b>Gross profit/(loss) on sales</b>                                | <b>404 245</b>                   | <b>323 973</b>                   | <b>25%</b>       |
| Other operating revenue  | 13 562                           | 5 359                            | 153%             |
| Selling, overheads costs   | (243 049)                        | (192 821)                        | 26%              |
| Other net profits/(losses)   | (425)                            | (189)                            | 125%             |
| Other operating expenses   | (20 118)                         | (3 124)                          | 544%             |
| <b>Operating profit/(loss)</b>                                     | <b>154 215</b>                   | <b>97 107</b>                    | <b>59%</b>       |
| Financial revenue  | 9 158                            | 903                              | 914%             |
| Financial costs  | (19 412)                         | (8 677)                          | 124%             |
| <b>Net financial revenue/(expenses)</b>                            | <b>(10 254)</b>                  | <b>(7 774)</b>                   | <b>32%</b>       |
| <b>Profit/(loss) before tax</b>                                    | <b>143 961</b>                   | <b>89 333</b>                    | <b>61%</b>       |
| Income tax   | (26 673)                         | (17 287)                         | 54%              |
| <b>Net profit/(loss) for the financial year</b>                    | <b>117 288</b>                   | <b>72 046</b>                    | <b>63%</b>       |

In 2022, the Issuer generated sales revenues of PLN 7,682,923 thousand, which were lower by (-) PLN 269,277 thousand, i.e. (-) 4%, against the revenues generated in the corresponding period of 2021.

The costs of goods, services and materials sold were 2022 lower by (-) PLN 349,549 thousand, i.e. (-) 5% than the costs incurred in the corresponding period of 2021.

The decrease in revenue and costs in 2022 was influenced by organisational changes related to the transfer of the organised part of the enterprise to Unimot Paliwa sp. z o.o. on 1 August 2022.

Despite the decrease in revenue, the Issuer recorded a gross profit on sales higher by PLN 80 272 thousand, compared with the corresponding period (an increase of 25%).

The net result for the reporting period amounted to PLN 117,288 thousand, higher by 63% against 2021.

#### STRUCTURE OF COSTS BY TYPE

| <i>in PLN thousand</i>                             | <b>01.01.2022<br/>31.12.2022</b> | <b>01.01.2021<br/>31.12.2021</b> | <b>Changes %</b> |
|--|----------------------------------|----------------------------------|------------------|
| Depreciation of fixed assets and intangible assets | (2 170)                          | (290)                            | 648%             |
| Depreciation of right-of-use asset                 | (9 169)                          | (5 855)                          | 57%              |
| Consumption of materials and energy                | (4 747)                          | (2 202)                          | 116%             |
| Third-party services                               | (31 249)                         | (24 112)                         | 30%              |
| Taxes and charges                                  | (998)                            | (699)                            | 43%              |
| Salaries   | (30 247)                         | (14 375)                         | 110%             |
| Social security and other benefits                 | (3 138)                          | (1 756)                          | 79%              |
| Other costs by type                                | (13 338)                         | (11 057)                         | 21%              |
| <b>Total costs by type</b>                         | <b>(95 055)</b>                  | <b>(60 346)</b>                  | <b>58%</b>       |

In 2022, costs classified by type increased by PLN 34,709 thousand against 2021, an increase of 58%. The increase in all volumes of costs classified by type was significantly influenced by planned organisational changes in the Group related to the transfer of the organised part of the Unimot S.A. enterprise to Unimot Paliwa sp. z o.o.

Salaries at Unimot S.A. increased by PLN 15,872 thousand and were 110% higher against last year. A consequence of the increase in remuneration costs is an increase in employee benefits comprising mainly social security, as well as expenses related to health care and employee training.

Employee benefits increased by PLN 1 382 000 and were 79% higher against the previous year.

Third-party services increased by PLN 7,137 thousand, an increase of 30% against 2021. This item mainly includes costs for services related to transport, warehousing, logistics, legal services, representative and consultancy contracts.

In 2022, the cost of material and energy consumption was by 116% higher against the corresponding period of the previous year.

#### 8.5. ANNUAL STANDALONE STATEMENTS OF FINANCIAL POSITION

| <i>in PLN thousand</i>               | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>Changes %</b> |
|--------------------------------------|-------------------|-------------------|------------------|
| <b>FIXED ASSETS</b>                  |                   |                   |                  |
| Tangible fixed assets                | 41 716            | 22 638            | 84%              |
| Right to use assets                  | 91 274            | 67 243            | 36%              |
| Intangible assets                    | 1 266             | 14 301            | (91%)            |
| Investments in subsidiaries          | 210 145           | 52 497            | 300%             |
| Other financial assets               | 260               | 260               | 0%               |
| Derivative financial instruments     | 7 835             | 0                 |                  |
| Long-term receivables                | 1 026             | 30 500            | (97%)            |
| Assets from contracts with customers | 8 562             | 6 639             | 29%              |
| Deferred tax assets                  | 11 504            | 10 794            | 7%               |
| <b>TOTAL FIXED ASSETS</b>            | <b>373 588</b>    | <b>204 872</b>    | <b>82%</b>       |
| <b>CURRENT ASSETS</b>                |                   |                   |                  |
| Inventories                          | 20 742            | 318 721           | (93%)            |
| Assets from contracts with customers | 3 094             | 2 128             | 45%              |
| Trade and other receivables          | 112 018           | 491 441           | (77%)            |
| Other financial assets               | 126 109           | 41 364            | 205%             |
| Derivative financial instruments     | 794               | 27 517            | (97%)            |
| Income tax receivables               | 5 872             | 11 529            | (49%)            |
| Cash and cash equivalents            | 67 348            | 40 121            | 68%              |
| Other current assets                 | 2 363             | 7 045             | (66%)            |
| <b>TOTAL CURRENT ASSETS</b>          | <b>338 339</b>    | <b>939 866</b>    | <b>(64%)</b>     |
| <b>TOTAL ASSETS</b>                  | <b>711 927</b>    | <b>1 144 738</b>  | <b>(38%)</b>     |

The increase in the value of fixed assets and right to use assets at the end of 2022 against the figures for the same date in 2021 is related to the commissioning of the new Avia stations, investments in renewable energy and the purchase of transport vehicles. These values increased by 84% and 36% respectively in 2022.

The increase in investment in subsidiaries of more than 300% is primarily related to the acquisition of shares in Unimot Paliwa sp. z o.o..

Long-term receivables decreased by more than 97% against the figures as of 31.12.2021, a difference of approximately PLN 29 thousand. This decrease is related to organisational changes, where receivables from deposits and due performance and trade limits were transferred as OPE to Unimot Paliwa sp. z o.o..

Also, the decreases in current assets on the inventory, trade receivables and income tax receivables side are related to the organisational change in the Company described above.

The threefold increase in other financial assets relates to short-term investments in the form of loans to subsidiaries and security deposits for future transactions.

Current assets at the end of 2022 decreased by 64% representing PLN 601 526 thousand. On the other hand, total assets in 2022 decreased by 38% representing PLN 432,811 thousand.

| <i>in PLN thousand</i>                       | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>Changes %</b> |
|--|-------------------|-------------------|------------------|
| <b>EQUITY</b>                                |                   |                   |                  |
| Share capital                                | 8 198             | 8 198             | 0%               |
| Other capital                                | 306 991           | 234 946           | 31%              |
| Retained earnings and current year result    | 117 732           | 72 490            | 62%              |
| <b>TOTAL EQUITY</b>                          | <b>432 921</b>    | <b>315 634</b>    | <b>37%</b>       |
| <b>LONG-TERM LIABILITIES</b>                 |                   |                   |                  |
| Loans and other debt instruments liabilities | 86 677            | 61 333            | 41%              |
| Employee benefit liabilities                 | 92                | 219               | (58%)            |
| Derivative financial instruments             | -                 | 19 751            | (100%)           |
| <b>TOTAL LONG-TERM LIABILITIES</b>           | <b>86 769</b>     | <b>81 303</b>     | <b>7%</b>        |
| <b>SHORT-TERM LIABILITIES</b>                |                   |                   |                  |

|  |                |                  |              |
|--|----------------|------------------|--------------|
| Overdraft facilities                         | 52 695         | 333 621          | (84%)        |
| Loans and other debt instruments liabilities | 8 869          | 6 606            | 34%          |
| Derivative financial instruments             | 13 268         | 58 685           | (77%)        |
| Employee benefit liabilities                 | 746            | 753              | (1%)         |
| Liabilities from contracts with customers    | 342            | 9 336            | (96%)        |
| Trade and other liabilities                  | 116 317        | 338 800          | (66%)        |
| <b>TOTAL SHORT-TERM LIABILITIES</b>          | <b>192 237</b> | <b>747 801</b>   | <b>(74%)</b> |
| <b>LIABILITIES IN TOTAL</b>                  | <b>279 006</b> | <b>829 104</b>   | <b>(66%)</b> |
| <b>TOTAL LIABILITIES</b>                     | <b>711 927</b> | <b>1 144 738</b> | <b>(38%)</b> |

Equity as of 31 December 2022 increased by 37% against 2021, an increase of PLN 117,287 thousand.

The increase in capital was influenced by the positive financial result of the previous year and the profit generated in 2022.

On the other hand, a 41% increase in long-term liabilities from loans and other debt instruments was driven by an increase in liabilities from concluded leasing contracts.

Short-term liabilities decreased by 74%, amounting to PLN 555,564 thousand.

The change in liabilities (down 66%) is related to the transfer of the organised part of the enterprise (OPE) in exchange for the acquisition of shares in Unimot Paliwa sp. z o.o., which was carried out on 1 August 2022. As a result, in 2022 we see a reduction of 84% in overdrafts, 96% in customer contract liabilities and 77% in derivative financial instruments in short-term liabilities and the complete absence of this item in 2022 in the long-term liabilities group.

## 8.6. THE INDEX AND COMPARATIVE ANALYSIS OF THE ISSUER

The Group's ratio assessment presented below is based on the 2022 consolidated financial statements and the comparative period.

### Liquidity

The following indicators were used to assess liquidity:

- **Current ratio - the ratio of current assets to short-term liabilities.** A ratio indicating the Group's ability to repay its current short-term liabilities in the medium term, i.e. after liquidating its inventory holdings, short-term financial assets, collecting short-term receivables and using cash.
- **Quick ratio - the ratio of current assets less inventories to short-term liabilities.** A ratio indicating the Group's ability to repay its current short-term liabilities in the short term, i.e. after liquidation of short-term financial assets, collection of short-term receivables and use of cash in bank accounts.
- **Cash liquidity ratio - the ratio of cash to short-term liabilities.** A ratio indicating the Group's ability to immediately repay its current short-term liabilities in the short term, i.e. using only the cash held in its bank accounts.

| LIQUIDITY RATIOS      | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | Changes  |
|-----------------------|--------------------------|--------------------------|----------|
| Current ratio         | 1,8                      | 1,3                      | 0.5 p.p. |
| Quick liquidity ratio | 1,7                      | 0,8                      | 0.9 p.p. |
| Cash liquidity ratio  | 0,4                      | 0,1                      | 0.3 p.p. |

The current ratio at the end of 2022 was 1.8 and is by 0.5 p.p. higher against the previous year 2021. The increase on the quick ratio was 1.7 and was by 0.9 p.p. higher against 2021, the cash ratio at the end of 2022 was by 0.3 p.p. higher against 2021.

### Profitability

The analysis of profitability is presented on the basis of a group of indicators allowing the Group to assess the effectiveness of its sales activities and the impact of individual cost groups on its financial result:

- **Profit rate on sales** - profitability on sales determines the effectiveness of the sales activities carried out, i.e. it allows us to determine the proportion of revenue remaining in the company to cover its operating costs - after taking into account the direct costs of sales. Similarly, this indicator allows us to determine the impact on the Group's result of the direct costs of sales made by it.
- **Gross profitability** - determines the efficiency of the Group's operations, i.e. it allows us to assess the portion of revenue remaining in the Group to cover tax, after taking into account the costs of financial activities and extraordinary events.

Similarly, when interpreted in conjunction with the above profitability ratios, this indicator makes it possible to assess what proportion of the result is built up not by operating activities but by its financial activities or the impact of extraordinary events.

- **Net profitability** - determines the percentage of the Group's revenue that represents its net result, i.e. after covering all the costs of its operations: sales, operating, financial and payment of taxes.
- **ROE** - return on equity: the ratio of net profit to average equity during the financial year. The indicator allows investors to assess the effectiveness of the use of capital entrusted to the Group. It represents the percentage of funds generated by the Group (net profit) that can be paid out as dividends to the capital contributed by investors plus the portion of funds generated by the Group in previous years (equity).
- **ROA** - return on total assets: the ratio of net profit to average assets during the financial year. The ratio allows investors to assess the efficiency of the Group's use of all its assets.

| PROFITABILITY INDICATORS | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | Changes   |
|--------------------------|--------------------------|--------------------------|-----------|
| ROA                      | 16,5%                    | 6,3%                     | 10.2 p.p. |
| ROE                      | 27,1%                    | 22,8%                    | 4.3 p.p.  |

In 2022, the Issuer recorded significant increases in profitability ratios: ROA reached 16.5% (an increase of more than 10 p.p. against 2021), while ROE reached 27.1%, an increase of 4.3 p.p. against the previous accounting period. The resulting ratios report an improvement in the efficiency of the company's management, as well as an improvement in the ability to use the capital employed to make a profit.

| PROFITABILITY INDICATORS | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | Changes  |
|--------------------------|--------------------------|--------------------------|----------|
| RATE OF PROFIT ON SALES  | 5,3%                     | 4,1%                     | 1.2 p.p. |
| PROFITABILITY EBIT       | 1,7%                     | 1,2%                     | 0.5 p.p. |
| EBITDA PROFITABILITY     | 1,8%                     | 1,3%                     | 0.5 p.p. |
| NET PROFITABILITY        | 1,5%                     | 0,9%                     | 0.6 p.p. |

The profitability rates obtained in 2022 were higher than those achieved in 2021.

### Performance

The following indicators were used to assess performance:

- **Receivables turnover (in days): Ratio** of trade receivables at the end of the financial year to net sales revenue x 360 days. The ratio represents the average period, defined in days, after which receivables are collected from invoices issued by the Group. In general, the aim should be to minimise this ratio.
- **Short-term liabilities turnover (in days): Ratio** of short-term liabilities to suppliers at the end of the financial year to net sales revenue x 360 days. The ratio represents the average period defined in days, after which the Group's liabilities are repaid. Efforts should be made to maximise this ratio.
- **Inventory turnover (in days): Ratio** of average inventory at the end of the financial year to net sales revenue x 360 days. The ratio represents the average period, defined in days, over which the Group holds inventories before selling them. For reasons of efficiency, efforts should be made to minimise this ratio.

| PERFORMANCE INDICATORS                                       | 01.01.2022<br>31.12.2022 | 01.01.2021<br>31.12.2021 | Changes<br>(days) |
|--|--------------------------|--------------------------|-------------------|
| Turnover of trade receivables (in days)                      | 5                        | 22                       | (17)              |
| Turnover of trade liabilities (in days)                      | 5                        | 15                       | (10)              |
| Inventory turnover (in days)                                 | 1                        | 14                       | (13)              |
| Inventory turnover (in days) adjusted for compulsory reserve | 1                        | 8                        | (7)               |

The receivables turnover ratio calculated in days was 5 days at the end of 2022 (in 2021 - 22 days), which indicates an improvement in the company's receivables management, as the average receipt of sales receivables is shorter (by 17 days) than in 2021.

A similar situation applies to the liabilities turnover ratio, which was 5 days in 2022 against 15 days in 2021, meaning that liabilities were settled in 10 days less time than in 2021. The inventory turnover ratio in the current reporting year 2022 was 1 day (adjusted for the compulsory reserve was also 1 day), a decrease of 13 days (7 days adjusted) against its level in 2021. The

decrease in the value of this indicator is related to the absence of the obligation to maintain a compulsory reserve for fuels. Following organisational changes, this inventory is maintained only on natural gas. The reason for the shortening of the receivables and liabilities turnover ratios is the change in the organisational structure related to the transfer of OPE from Unimot S.A. to Unimot Paliwa sp. z o.o.

| Cash to Cash  | 01.01.2022 | 01.01.2021 |
|---|------------|------------|
|   | 31.12.2022 | 31.12.2021 |
| inventory cycle + receivables cycle - liabilities cycle.            | 1 days     | 21         |
| Adjusted for the value of the compulsory reserve, the cash cycle is | 1 days     | 15         |

The cash cycle at the end of 2022 was 1 day, 20 days shorter than in the corresponding period.

The cash cycle adjusted for the value of compulsory reserve at the end of 2022 was 14 days shorter than in 2021.

### Debt assessment

The Group's degree of indebtedness was assessed based on the following indicators:

- **Asset coverage ratio:** the ratio of total equity to total assets. The ratio indicates the extent to which the Group's assets are covered by the equity it holds.
- **Overall debt ratio:** the ratio of total liabilities to total assets. The ratio indicates to what extent the Group's assets have been financed by its debt.

| DEBT RATIOS   | 01.01.2022 | 01.01.2021 | Changes   |
|---|------------|------------|-----------|
|   | 31.12.2022 | 31.12.2021 |           |
| Total debt ratio  | 40%        | 72%        | (32) p.p. |
| Asset coverage ratio  | 61%        | 28%        | 33 p.p.   |
| Equity to fixed assets ratio                                  | 116%       | 154%       | (38) p.p. |
| Total debt ratio adjusted for the loan to compulsory reserves | 40%        | 65%        | (25) p.p. |

Debt ratios in 2022 showed decreases against 2021 (with the exception of the asset coverage ratio). The total debt ratio in 2022 was 40%, a decrease of 32 p.p. against the previous year. This change is related to the transfer of a significant part of the financing to Unimot Fuels. The equity to fixed assets ratio reached 116%, a decrease of 38 p.p. against 2021. The recommended size of this ratio in the literature should oscillate around 100%, meaning that the Issuer's equity value covers fixed assets.

The asset coverage ratio recorded an increase of 33 p.p. and reached a value of 61%, which means that the portion of the company's assets that is financed by equity has increased.

## 8.7. BORROWINGS

### Analysis of credit and loan agreements as of 31.12.2022 in PLN thousand

| Name of financing company    | Long-term part | Short-term part | Carrying amount | Currency of the loan/loans | Type of commitment                        | Date of award | Duration of contract     |
|------------------------------|----------------|-----------------|-----------------|----------------------------|---|---------------|--------------------------|
| Bank Ochrony Środowiska S.A. | -              | 27 067          | 27 067          | PLN                        | Revolving credit/overdraft facility       | 29.06.2021    | 28.06.2023               |
| Bank Millenium S.A.          | -              | -               | -               | PLN/USD/EUR                | Umbrella overdraft facility               | 25.11.2019    | 19.02.2023               |
| PKO Faktoring S.A.           | -              | -               | -               | PLN/EUR                    | Factoring limit with and without recourse | 22.06.2020    | for an indefinite period |
| BOŚ Faktoring                | -              | 25 628          | 25 628          | PLN/USD/EUR                | Reverse factoring line agreement          | 15.11.2021    | 13.11.2023               |
| Unimot Paliwa sp. z o.o.     | -              | -               | -               | PLN/EUR/USD                | Loan agreement within the limit           | 24.05.2022    | for an indefinite period |



|                 |   |               |               |         |                                 |            |                          |
|-----------------|---|---------------|---------------|---------|---------------------------------|------------|--------------------------|
| U.C. Energy Ltd | - | -             | -             | EUR/USD | Loan agreement within the limit | 01.03.2015 | for an indefinite period |
| <b>Total</b>    | - | <b>52 695</b> | <b>52 695</b> |         |                                 |            |                          |

As of 31.12.2022, the Parent Entity had an agreement for a revolving credit facility with Bank Ochrony Środowiska to finance its current business needs. The repayment date was set at 28.06.2023.

In addition, the Parent Entity entered into a reverse factoring line agreement with BOŚ Faktoring S.A., the subject of which is the provision of factoring services on terms and conditions set out in detail in the agreement. The bank granted a financial limit in PLN, USD and EUR.

The margin on borrowings and other debt instruments depends on the variable interest rate to which it relates. A range analysis of the margin is presented below:

**Credits:**

- WIBOR 1M - margin between 1.0% and 1.2%,
- WIBOR 3M - margin of 1.4%,
- USD LIBOR 1M - margin in the range of 1.35% - 1.8%,
- EURIBOR 1M - margin between 1.3% and 1.5%,
- SOFR ON - margin of 1.4%.

**Loans:**

- WIBOR 3M - margin of 3.75%,
- EURIBOR 3M - margin between 3.75% and 5%,
- SOFR 3M - a margin of 3.75%.

**Collaterals:**

**Revolving credit/overdraft agreement with BOŚ Bank S.A.:**

- power of attorney to dispose of accounts, with the exception of the account opened by the Bank to handle VAT under the split payment mechanism,
- a financial pledge with an offsetting clause on the rights to cash deposited on the BOŚ S.A. client's accounts, with the exception of the account opened by the Bank to handle VAT under the split payment mechanism,
- blank promissory note with declaration,
- PLG FGP BGK guarantee of up to 80% of the loan amount, i.e. PLN 88 million,
- declaration of surrender to enforcement.
- accession to the debt of Unimot S.A. by Unimot Paliwa sp. z o.o.

**Umbrella overdraft agreement with Bank Millennium:**

- declaration of surrender to enforcement,
- joint mortgage of up to PLN 3.4 million on real estate owned by Unimot Express sp. z o.o., together with assignment of rights under an insurance policy,
- joint mortgage of up to PLN 8.5 million on real estate owned by Unimot Express sp. z o.o, together with assignment of rights under an insurance policy,
- declaration of Unimot Express sp. z.o.o. on submission to enforcement against property (real estate) up to PLN 8.5 million and PLN 3.45 million,
- registered and financial pledge on receivables,
- joint and several mortgages of up to PLN 16 million on real estate belonging to: Unimot S.A., located in Zawadzkie, Unimot Express sp. z o.o., located in Częstochowa, 3B Torowa Street,
- mutual guarantees from Unimot S.A., Unimot Paliwa sp. z o.o.; Tradea sp. z o.o. and UEIG sp. z o.o.
- financial pledge of cash.

**Factoring limit agreement with recourse and non-recourse concluded with PKO Factoring S.A.:**

- tripartite agreement to the Receivables Insurance Policy concluded by the Customer, the Factor and Compagnie Francaise D'Assurance Pour Le Commerce Exterieur S.A. Branch in Poland.

#### Reverse factoring facility agreement with BOŚ Factoring

- promissory note with declaration,
- power of attorney for funds,
- financial pledge of cash,
- LGF FGP BGK guarantee of up to 29.5 million,
- Accession to Unimot S.A. debt by Unimot Paliwa sp. z o.o.,
- Declaration of submission to enforcement.

#### Analysis of leases as of 31.12.2022:

| Contract type                               | Long-term part | Short-term part | Carrying amount at 31.12.2022 | Currency | Type of liability | Date of award | Contract period to: |
|---|----------------|-----------------|-------------------------------|----------|-------------------|---------------|---------------------|
| Lease contracts for means of transport      | 1 121          | 985             | 2 106                         | PLN      | leasing           | 31.07.2020    | 31.12.2025          |
| Lease agreements for lease contracts        | 85 197         | 6 565           | 91 762                        | PLN      | leasing           | 24.11.2014    | 31.01.2042          |
| Lease agreements for photovoltaic equipment | 359            | 45              | 404                           | PLN      | leasing           | 19.10.2022    | 25.10.2029          |
| <b>Total</b>                                | <b>86 677</b>  | <b>7 595</b>    | <b>94 272</b>                 |          |                   |               |                     |

*\*Data in PLN thousand*

On 31 December 2022, the Parent Entity had financial liabilities under concluded leasing agreements in the amount of PLN 94,272 thousand. The subject of the leasing agreements were mainly agreements concerning the lease of office properties and petrol stations and lease agreements concerning means of transport. The value of lease liabilities relating to photovoltaic installations amounted to PLN 404 thousand.

#### 8.8. LOANS AND BORROWINGS GRANTED

##### Loans granted by Unimot S.A. in 2022:

- Unimot S.A. granted loans to Unimot Paliwa sp. z o.o. under a loan facility in the total amount of PLN 264,400 thousand, USD 40,000 thousand and EUR 13,750 thousand. The interest rate is WIBOR 3M / EURIBOR 3M / SOFR 3M + margin.

- Unimot S.A. granted a loan to Unimot Energia i Gaz sp. z o.o. in the amount of PLN 3,000 thousand. As of the balance sheet date, the loan was repaid. The interest rate is WIBOR 3M + margin.

- Unimot S.A. granted a loan to Operator Klastra Energii sp. z o.o. in the total amount of PLN 360 thousand. The borrower is obliged to repay the loan within one year of receipt, i.e. the amount of PLN 180 thousand by 04.07.2022 and the amount of PLN 180 thousand by 10.11.2023. As of the balance sheet date, PLN 360 thousand remained to be repaid. The margin indicated in the agreement is fixed.

- Unimot S.A. granted a loan to Unimot Investments sp. z o.o. in the amount of PLN 35 thousand. The lender is obliged to repay the loan within 5 years of its granting, i.e. by 7.01.2027 at the latest. The interest rate is WIBOR 3M + margin.

##### Loans granted before 2022 but still active:

- Unimot S.A. granted loans to Blue LNG Sp. z o.o. for a total of PLN 2 106 thousand. As of the balance sheet date, a total of PLN 406 thousand remains to be repaid. The lender is obliged to repay the debt by 31.12.2023.

- Unimot S.A. granted a loan to Unimot Ukraina sp. z o.o. in the amount of EUR 150 thousand. As of the balance sheet date, EUR 100 thousand remains to be repaid. The borrower is obliged to repay the loan in total by 10.08.2024.

In calculating the margins used in the loan agreements, particular consideration was given to the fact that the loans were granted without material collateral, without preparatory or other fees and commissions. Lenders in the unsecured lending market take into account the fact that there is no hard collateral by requiring a higher interest rate, which reflects the higher degree of risk incurred.

### 8.9. SURETIES AND GUARANTEES GRANTED

| <i>in thousands PLN/EUR/USD</i>  | As of 31.12.2022 |               |              | As of 31.12.2021 |               |
|--|------------------|---------------|--------------|------------------|---------------|
|  | PLN              | EUR           | USD          | PLN              | EUR           |
| <b>Parent Entity's own contingent liabilities</b>                                      | <b>356</b>       | <b>3 500</b>  | -            | <b>37 259</b>    | <b>9 200</b>  |
| insurance guarantees provided as security for excise duty                              | -                | -             | -            | 17 350           | -             |
| performance bonds and trade limits   | 356              | 3 500         | -            | 19 909           | 9 200         |
| <b>Contingent liabilities relating to related entities issued by the Parent Entity</b> | <b>65 127</b>    | <b>25 000</b> | <b>3 600</b> | <b>31 899</b>    | <b>2 500</b>  |
| sureties issued in respect of insurance guarantees given as security for excise duties | 13 100           | -             | -            | -                | -             |
| sureties issued for insurance guarantees lodged as concession security                 | 27 000           | -             | -            | 17 000           | -             |
| surety for performance bonds and trade limits  | 25 027           | 25 000        | 3 600        | 10 229           | -             |
| loan guarantees  | -                | -             | -            | 4 670            | 2 500         |
| <b>Summary</b>   | <b>65 483</b>    | <b>28 500</b> | <b>3 600</b> | <b>69 158</b>    | <b>11 700</b> |

The amount of guarantees relating to Unimot S.A.'s and its subsidiaries' liabilities to third parties issued in the course of current operations as of 31 December 2022 amounted to PLN 0.4 million and EUR 3.5 million and as of 31 December 2021 amounted to, respectively: PLN 37.3 million and EUR 9.2 million. In 2022, these related to performance bonds and trade limits (in the comparable year, they also related to regulatory public guarantees).

In addition, the Parent Entity provided sureties for insurance guarantees as collateral for public-law liabilities, guarantees for the due performance of contracts and trade limits and sureties for the due performance of contracts and trade limits in amounts totalling PLN 65.1 million, EUR 28.5 million and USD 3.6 million as of 31 December 2022. (For comparison, as of 31.12.2021: PLN 31.9 million and EUR 2.5 million).

Additionally, Unimot S.A. signed a guarantee in the amount of PLN 6 million for the future liabilities of its subsidiary Unimot Investments sp. z o.o. which may arise as a result of the concluded agreement for the acquisition of a part of the assets from PKN Orlen SA. This item is not included in the table above.

In addition, the following events occurred in the reporting period in connection with the transfer of OPE from Unimot S.A. to Unimot Paliwa sp. z o.o.:

- Unimot S.A., as the existing borrower, and Unimot Paliwa sp. z o.o., as the borrower, were required to submit a declaration of submission to enforcement up to USD 52.5 million;
- Unimot Paliwa entered into debt for Unimot S.A.'s liabilities under a loan agreement and reverse factoring with BOŚ Bank S.A.;
- Unimot Paliwa joined, as a further borrower and mutual guarantor, the umbrella agreement concluded with Millennium Bank S.A.

The increase in the value of guarantees provided is mainly due to the change in the forms of security for trade limits and the reorganisation within the Group.

### 8.10. CURRENT AND FORESEEN FINANCIAL POSITION OF THE ISSUER

The Unimot Capital Group does not publish financial forecasts for future years; additionally, the Issuer's Management Board decided not to publish a forecast of consolidated adjusted EBITDA for 2022, having regard to external market factors beyond

the Company's control, related to the high volatility and uncertainty of the fuel market situation caused by the ongoing armed conflict in Ukraine and the economic effects of sanctions on Russia and Belarus imposed in connection with this event. In addition, the inability to estimate and publicise the forecast for 2022 is due to the difficult-to-predict impact on this year's Group results of the planned acquisition of the Lotos Terminale assets.

#### **8.11. SIGNIFICANT OFF-BALANCE SHEET ITEMS**

There are no significant off-balance sheet items on Unimot S.A.'s books, except for the contingent liabilities disclosed in the report.

#### **8.12. INFORMATION ABOUT THE AUDIT FIRM**

The Issuer entered into an agreement for the audit of the standalone and consolidated financial statements on 5 June 2020 with the authorised entity PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw. The audit firm was selected by resolution of the Supervisory Board for the years 2020 - 2022.

The value of the contract for the audit of the Issuer's standalone and consolidated financial statements for the financial year ending 31 December 2022 is PLN 242,000 net (this amount additionally includes the review of the standalone and consolidated financial statements of the capital group in which the Issuer is the parent entity, verification of the financial statements in ESEF format and preparation of a remuneration report).

The value of the contract for the audit of the financial statements of the Issuer's subsidiaries for the financial year ending 31 December 2022 is PLN 40,500 net. The audit was carried out by the authorised entity Primefields Sp. z o.o., based in Katowice. In addition, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw, audited the financial statements at Unimot Paliwa sp. z o.o. for the year 2022 in connection with organisational changes involving the transfer of OPE Unimot Spółka Akcyjna to Unimot Paliwa sp. z o.o. and the need for the entity that performs the audit of the consolidated statements of Unimot Spółka Akcyjna to conduct the audit. The value of remuneration for the audit amounted to PLN 132,000 net.

The value of the contract for the audit of the standalone and consolidated financial statements of the Issuer for the financial year ending 31 December 2021 amounted to PLN 242,000 net (this amount includes the review of the interim standalone and consolidated statements as of 30 June 2021, verification of the financial statements in ESEF format and, in accordance with the annex signed on 24 February 2022, verification of the marking of the annual consolidated financial statements of the Employer for the financial periods from 1 January to 31 December 2021 and from 1 January to 31 December 2022, with XBRL tags in accordance with the ESEF regulation).

The value of the contract for the audit of the financial statements of the Issuer's subsidiaries for the financial year ending 31 December 2021 is PLN 50,000 net. The audit was carried out by the authorised entity Primefields Sp. z o.o., based in Katowice. The above entities have not provided attestation, tax or other advisory services to the Issuer or its subsidiaries.

## **9. CORPORATE GOVERNANCE STATEMENTS**

### **9.1. INDICATION OF THE CORPORATE GOVERNANCE STATEMENTS TO WHICH THE ISSUER IS SUBJECT AND WHERE THE TEXT OF THE STATEMENTS OF PRINCIPLES IS PUBLICLY AVAILABLE**

From 01.07.2021 until the date of publication of the report, the Issuer has been subject to the set of corporate governance principles adopted in the document "Best Practices of Companies Listed on the WSE 2021", introduced by Resolution No. 13/1834/2021 of the Exchange Supervisory Board of 29.03.2021 r. ("Best Practices 2021"). The new set of principles entered into force on 01.07.2021 and its full content is available on the website of the Warsaw Stock Exchange under the link : <https://www.gpw.pl/dobre-praktyki-2021>.

Information on the status of the Company's application of the principles contained in the "Best Practices 2021" was first published on 30.07.2021 in current report EBI 2/2021. The scope of application of the "Best Practices 2021", together with the content of this set of principles, are posted on the Issuer's website: [www.unimot.pl](http://www.unimot.pl) under the Investor Relations tab.

Investors can also view the Company's statements by comparing the Company's application of the principles to other issuers of securities listed on the WSE via the Best Practices Scanner: <https://www.gpw.pl/dpsn-skanner>.

The issuer has not chosen to apply another set of corporate governance principles.

## 9.2. INDICATION OF THE EXTENT TO WHICH THE ISSUER HAS DEPARTED FROM THE PROVISIONS OF THE SET OF CORPORATE GOVERNANCE PRINCIPLES, TOGETHER WITH AN EXPLANATION

In making its first declaration on the scope of application of the principles of "Best Practices 2021", the Company analysed the status of application of the previous "Best Practices for Companies Listed on the WSE 2016". After consultation with the representative of the Supervisory Board and the majority shareholder, the Company's Management Board assessed the possibility of declaring the application of the principles of "Best Practices 2021" and presented it to the General Meeting.

Taking this into account, the Company published EBI Report 2/2021 on 30 July 2021 regarding the status of the application of the "Best Practices 2021". On 24 August 2021, i.e. at the first possible meeting of the Supervisory Board, the set of "Best Practices 2021" was positively assessed and adopted for application by the Supervisory Board by means of a resolution, in accordance with the declaration made by the Company. The Company's Management Board presented a statement on the application of the principles of the "Best Practices 2021" at the general meeting. The confirmation of the application of the "Best Practices 2021" was adopted by Resolution No. 20 of the Ordinary General Meeting of Unimot S.A. on 29 June 2022.

### BEST PRACTICES 2021

In terms of the 'Best Practices 2021', the Issuer has made a declaration of non-application of eight principles. These principles are presented below together with an explanation of the reasons for the deviation from these principles.

***Principle No. 1.3.1 - The company also takes into account ESG topics in its business strategy, in particular including environmental issues with metrics and risks related to climate change and sustainability issues.***

The Company operates on the basis of a strategy adopted on 28 June 2018 for the period 2018-2023, which does not address the environmental issues set out in Principle 1.3.1 of the DPSN 2021. The Company has already started preparations to address ESG topics in its strategy, however, the period for strategy preparation and implementation is much longer than the time until the effective date of the new DPSN2021. Once the above issues have been developed, the Company will modify its current strategy or adopt an ESG strategy coordinated with the Company's current strategy.

***Principle 1.3.2 - In its business strategy, the company also takes into account ESG topics, in particular including social and labour issues, concerning, inter alia, measures taken and planned to ensure gender equality, sound working conditions, respect for employees' rights, dialogue with local communities, customer relations.***

The Company operates on the basis of a strategy adopted on 28 June 2018 for the period 2018-2023, which does not address social or labour issues, although the Company and its subsidiaries operate with respect for principles related to labour rights, ensuring sound working conditions and actively participating in local community initiatives. The Company has already started preparing to address ESG topics in its strategy, however, the time period for strategy preparation and implementation is much longer than the time until the effective date of the new DPSN2021. Once the above issues have been developed, the Company will modify its current strategy or adopt an ESG strategy coordinated with the Company's current strategy.

***Principle 1.4 - In order to ensure proper communication with stakeholders, with regard to the business strategy adopted, the company shall post on its website information on the assumptions of its strategy, measurable objectives, including in particular long-term objectives, planned activities and progress in its implementation, defined by metrics, financial and non-financial. Information on the ESG strategy should, inter alia:***

The Company operates on the basis of a strategy adopted on 28 June 2018 for the period 2018 - 2023, in which areas from the ESG theme are not included. The Company publishes on its website information on the assumptions of its strategy, measurable objectives, including in particular long-term objectives, and planned activities, and in each interim report and at meetings with investors it refers to the progress of the implementation of the strategy by means of the adopted financial metrics. However, the Company does not use non-financial metrics in assessing the implementation of its strategy and the published strategy does not cover ESG topics. The Company has already begun preparations to address ESG topics in its strategy, however, the time period for strategy preparation and implementation is significantly longer than the time until the effective date of the new DPSN2021. Once the above issues have been developed, the Company will modify its current strategy or adopt an ESG strategy coordinated with the Company's current strategy. Once the strategy in the ESG area is adopted, the Company intends to complete the description of the strategy on its website.

***1.4.1 - explain how climate change issues are taken into account in the decision-making processes of the company and its group entities, indicating the resulting risks;***

The company operates on the basis of the strategy adopted on 28 June 2018 for the period 2018 - 2023, which does not include areas from ESG topics, and therefore also does not explain how decision-making processes in the company and entities of the group take climate change issues into account. The company has already started to prepare to address ESG topics in its strategy, however, the period of preparation of the strategy and its implementation is much longer than the time until the effective date of the entry into force of the new DPSN2021. Once the above issues have been developed, the Company will modify its current strategy or adopt an ESG strategy coordinated with the Company's current strategy. Once the strategy in the ESG area is adopted, the Company intends to complete the description of the strategy on its website.

**1.4.2. - present the value of the pay equity ratio paid to its employees, calculated as the percentage difference between the average monthly pay (including bonuses, prizes and other allowances) of women and men for the last year, and present information on the actions taken to eliminate any inequalities in this respect, together with a presentation of the risks involved and the time horizon over which equality is planned to be achieved.**

The Company operates on the basis of the strategy adopted on 28 June 2018 for the period 2018 -2023, which does not address areas from the ESG theme and therefore also does not provide the value of the equal pay index and the other information required in this section. The Company has already started to prepare to address ESG topics in its strategy, however, the period of preparation of the strategy and its implementation is much longer than the time until the effective date of the new DPSN2021. Once the above issues have been developed, the Company will modify its current strategy or adopt an ESG strategy coordinated with the Company's current strategy. Once the strategy in the ESG area is adopted, the Company intends to complete the description of the strategy on its website.

**Principle 2.1 - The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy shall set out the objectives and criteria for diversity in areas such as gender, field of study, specialist knowledge, age and professional experience, among others, and indicate when and how the achievement of these objectives will be monitored. With regard to gender diversity, a condition for ensuring the diversity of the company's bodies is that the proportion of minorities in the respective body is no less than 30%.**

The Company does not have a diversity policy with respect to its management and supervisory boards. The Company's bodies, in selecting the members of its authorities, are guided by various criteria, primarily the field of education, specialised knowledge and professional experience, aiming to ensure diversity in the composition of the members of the authorities. In view of the fact that the fuel industry is traditionally not perceived as attractive for women in management or supervisory positions (as shown by market research) - it is difficult to apply the principle of gender diversity. In turn, due to the formal legal aspects of this business and the need for high qualifications and experience in management positions - also the application of the principle of age diversity is a visible challenge. The adoption of any policy enabling gender or age diversity requires the Company's activities to take into account a number of aspects, the definition of which requires appropriate analyses of the labour market. The Company does not rule out carrying them out in the future and preparing the diversity policy in question on the basis of them.

**Principle 2.2 - Those deciding on the election of the members of the company's management or supervisory boards should ensure the comprehensiveness of these bodies by selecting diversity in their composition, allowing, inter alia, for the achievement of a target minimum minority participation rate set at not less than 30%, in line with the objectives set out in the adopted diversity policy referred to in Principle 2.1.**

The Company does not have a diversity policy with respect to its management and supervisory boards. The Company's bodies, in selecting the members of its authorities, are guided by various criteria, primarily the field of education, specialised knowledge and professional experience, in an effort to ensure diversity in the composition of the members of the authorities. In view of the fact that the fuel industry is traditionally not perceived as attractive for women in management or supervisory positions (as shown by market research) - it is difficult to apply the principle of gender diversity. In turn, due to the formal legal aspects of this business and the need for high qualifications and experience in management positions - also the application of the principle of age diversity is an apparent challenge. The adoption of any policy enabling gender or age diversity requires the Company's activities to take into account a number of aspects, the definition of which requires appropriate analyses of the labour market. The Company does not rule out carrying them out in the future and preparing the diversity policy in question on the basis of them.

**Rule 2.11.6 - In addition to its activities under the law, once a year the supervisory board shall prepare and submit an annual report to the ordinary general meeting for approval. The report referred to above shall include at least ii information on the**

*degree of implementation of the diversity policy with regard to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.*

The company does not have a diversity policy.

In addition, **Rule 3.7** does not apply to the Company - no persons have been appointed in the subsidiaries to perform risk management, compliance and internal audit functions. These functions are performed by units and persons in the parent entity.

### **9.3. WITH REGARD TO THE STATEMENT ON THE "BEST PRACTICES 2021", THE ISSUER'S DESCRIPTION OF MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS APPLIED IN THE ISSUER'S COMPANY AND ITS SUBSIDIARIES IN RELATION TO THE PROCESS OF PREPARING FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS .**

Due to the size and nature of the business and the organisational structure, there are no dedicated internal control units within the Group in relation to the financial reporting process. The Group has the following internal control and risk management mechanisms appropriate to its size and operations:

- **Principles of supervision of the preparation of financial statements**

The Group applies uniform accounting policies in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU. The principles are mandatory for companies using IFRS for the preparation of their statutory financial statements and for the preparation of IFRS reporting packages for consolidation purposes. The accounting policies are updated in the event of changes in regulations or when significant events not previously recognised occur. The Management Board of the parent entity is responsible for the principles adopted.

- **Mechanism for managing and protecting information systems for financial recording and reporting**

The company maintains its accounts in an integrated IT system. The system ensures the division of competences, the consistency of the records of operations in the books and the control between the general ledger and subsidiary ledgers. It is possible to modify the functionality of the system in order to ensure the adequacy of the technical solutions to changing accounting principles and legal standards. The IT solutions adopted have solutions to ensure access control and protection against unauthorised interference. Rules for archiving financial and accounting data are also implemented.

Access to information systems containing financial data is restricted by giving special rights to authorised employees only within the scope of their assigned tasks.

- **Principles for verification and evaluation of reports**

Senior accounting staff are responsible for preparing the reporting packages to be consolidated. The reporting data of the subsidiaries are also analysed by the parent entity for deviations from comparable periods.

The Chief Accountant is responsible for the preparation of the separate and consolidated financial statements. An independent assessment of the fairness and accuracy of the financial statements and the financial statements of the consolidated companies is carried out by the statutory auditors.

The audit firm's selection policy ensures that its independence with respect to the Company and the Group is maintained. In accordance with the policy adopted by the Audit Committee on 11 December 2017 audit firm rotation mechanism is applied: the maximum uninterrupted duration of statutory audit engagements, carried out by the same audit firm or an audit firm affiliated to that audit firm or any member of the network operating in the European Union countries to which that audit firm belongs, must not exceed 5 years; after the maximum duration of the statutory audit engagement (5 years), neither the audit firm nor, where applicable, any member of the network of that audit firm operating within the European Union, shall undertake a statutory audit with the Company for a further 4 years.

The financial statements are prepared on the basis of data received from those responsible for the various departments in the Group and on the basis of accepted and verified accounting evidence. Accounting activities are subject to operational and management approval procedures.

The Chief Accountant is responsible for the correct keeping of the books of account under current legislation. Supervision of the correct keeping of the accounts is exercised by a member of the Management Board - the Vice-President for Financial

Affairs. The Chief Financial Officer also directly supervises the preparation of the financial statements, the completeness of the data and scope of its presentation.

The supervisory function in the Group with regard to the verification and evaluation of reports is fulfilled by the Audit Committee established within the Supervisory Board, which is composed of persons meeting the criteria required under the provisions of the Act of 11.05.2017 on statutory auditors, audit firms and public supervision (Journal of Laws 2017, item 1089). As part of its tasks, the Audit Committee monitors, inter alia, the auditor's independence, monitoring the effectiveness of internal control systems, reviewing the Company's interim and annual financial statements.

The Group has adopted a policy on the selection of the audit firm and on the provision of additional services by the audit firm.

The main assumptions of the audit firm selection policy and the policy for the provision of permitted non-audit services by the audit firm and associated persons take into account, inter alia:

- the ability to provide the full range of services in relation to the statutory audit referred to Article 2(1) of the Act on Statutory Auditors and to meet all requirements under the Act on Statutory Auditors,
- previous experience of the audit firm in auditing the accounts of entities with a similar business profile to the Company and statutory audit of public interest entities,
- the price proposed by the audit firm,
- the reputation of the audit firm, the professional experience and the qualifications of the key auditor,
- confirmation of the independence of the audit firm for the statutory audit at the stage of the Selection Procedure for its selection, in accordance with the Act on Statutory Auditors,
- the audit firm and its associated persons do not provide, directly or indirectly, to the Company and its associated companies, any prohibited non-audit services or auditing activities.

The semi-annual financial statements of the Issuer and the Group are reviewed and the annual statements are audited by an independent auditor. The members of the Audit Committee have direct contact with the Director of the Auditor's Office. The auditor, as part of its procedures, is obliged to report to or consult with the Audit Committee when necessary. Notwithstanding this, the Auditor prepares and submits a written report to the Audit Committee prior to the completion of the audit of the financial statements.

#### **Internal audit, corporate risk management and other controls**

The Company has an internal audit that covers all areas of the UNIMOT CG's business. The purpose of internal audit is to perform an independent and objective assessment of the business processes carried out by the UNIMOT CG in terms of the risk management controls implemented. Internal audit operates on the basis of the Audit Charter adopted by resolution of the Supervisory Board. It performs planned and ad hoc assurance and advisory audit tasks across the Group. Internal Audit supports the Group in achieving its objectives by providing Unimot S.A. bodies and management with information on and advice on the effectiveness of risk management. The results of the audits are reported to management and the Audit Committee. The Internal Auditor reports organisationally directly to the President of the Management Board of Unimot S.A. and functionally to the Supervisory Board and is independent in the performance of its tasks.

#### **9.4. INDICATION OF SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY SIGNIFICANT SHAREHOLDINGS AS OF 31.12.2021 AND AS OF THE DATE OF THE REPORT**

The shareholding structure of the Issuer as of the balance sheet date 31.12.2022 and as of the date of this report is set out in section 4 of this Report.

#### **9.5. AN INDICATION OF THE HOLDERS OF ANY SECURITIES WHICH CARRY SPECIAL CONTROL POWERS, TOGETHER WITH A DESCRIPTION OF THOSE POWERS**

Zemadon Ltd. holds 350,000 series B shares of the Issuer with voting preference such that there are two votes per share at the GSM, representing 4.27% in the share capital and entitling to 700,000 votes, i.e. 8.19% of the votes at the general meeting.



#### **9.6. AN INDICATION OF ANY RESTRICTIONS ON THE EXERCISE OF VOTING RIGHTS OR PROVISIONS WHEREBY, WITH THE COMPANY'S COOPERATION, THE CAPITAL RIGHTS ATTACHING TO THE SECURITIES ARE SEPARATED FROM THE HOLDING OF THE SECURITIES**

The Issuer's shares do not have any restrictions on the exercise of voting rights at the GMS. Restrictions may arise from generally applicable laws, inter alia, the Act on Offerings in the case of violations of the provisions on calls for shares and the Commercial Companies Code Article 6. The Articles of Association also do not provide for any personal rights separate from the holding of securities.

#### **9.7. INDICATION OF ANY RESTRICTIONS ON THE TRANSFER OF OWNERSHIP OF THE ISSUER'S SECURITIES**

There are no restrictions on the transfer of ownership of bearer shares.

The transferability of the registered **voting preference B Shares** is restricted pursuant to § 10 of the Company's Articles of Association. The pre-emptive right to acquire registered shares in the Company is vested in the other shareholders of registered shares in proportion to the number of registered shares held.

#### **9.8. DESCRIPTION OF THE RULES FOR AMENDING THE ISSUER'S STATUTES OR ARTICLES OF ASSOCIATION**

The Articles of Association are amended on the basis of the Commercial Companies Code. The amendment of the Articles of Association requires a resolution of the General Meeting and an entry in the register. A resolution to amend the Articles of Association shall be adopted by a three-quarters majority of votes. The amendment of the Articles of Association shall be reported by the Management Board to the Registry Court. The General Meeting may authorise the Supervisory Board to determine the consolidated text of the amended Articles of Association or to make other amendments of an editorial nature as specified in the Resolution of the General Meeting. Amendments to the Articles of Association shall be effective from the date of their entry in the Register of Entrepreneurs.

#### **9.9. METHOD OF OPERATION OF THE GENERAL MEETING AND ITS PRINCIPAL POWERS, AND A DESCRIPTION OF SHAREHOLDERS' RIGHTS AND HOW TO EXERCISE THEM**

The overriding legal act governing the operation of the General Meeting is the Commercial Companies Code. The detailed actions of the General Meeting are defined by the Company's Articles of Association and the Rules of Procedure for the General Meeting of Unimot S.A. adopted by Resolution No. 2 of the Ordinary General Meeting of Unimot S.A. of 3 June 2020 and the Rules of Procedure for the Rules of Participation in the General Meeting of UNIMOT S.A. using electronic communication means adopted by Resolution No. 3 of the Ordinary General Meeting of Unimot S.A. of 3 June 2020. These documents are available on the Company's website: [www.unimot.pl](http://www.unimot.pl) under Investor Relations and Corporate Governance.

- **Convening and cancelling the general meeting of the Company**

The General Meeting is convened in the manner and in the cases indicated in the Commercial Companies Code and the Company's Articles of Association. The detailed manner in which the General Meeting of the Company is convened and dismissed is set out in the Regulations of the General Meeting.

The General Meeting may be ordinary or extraordinary. An Ordinary General Meeting shall be convened annually by the Management Board no later than 30 June each year. An Extraordinary General Meeting is convened by the Management Board on its own initiative or at the written request of the Supervisory Board or at the request of shareholders representing at least 1/20 of the share capital.

The General Meeting should be convened within two weeks from the date of the request by the Supervisory Board or eligible shareholders. If the General Meeting has not been convened within two weeks from the date of the request, the registration court may authorise the shareholders making the request to convene an Extraordinary General Meeting.

In accordance with the provisions of the Commercial Companies Code (Articles 402<sup>1</sup> - 402<sup>3</sup>), the General Meeting is convened by means of an announcement made on the Issuer's website and in the manner specified for the provision of current information (in the form of a current report). The announcement is made at least 26 days before the date of the General Meeting.

The agenda for the General Meeting is set by the Management Board and is included in the notice convening the General Meeting. The Supervisory Board or any other entity authorised to convene the General Meeting under separate legislation shall

set the agenda only if the Management Board fails to convene or set the agenda for the General Meeting. The Supervisory Board as well as a shareholder or shareholders representing at least one-twentieth of the share capital may request the inclusion of specific issues on the agenda of the next General Meeting. No resolution may be adopted on matters not on the agenda unless the entire share capital is represented at the General Meeting and none of the participants objects to the adoption of the resolution. A resolution to convene an extraordinary General Meeting and resolutions of a procedural nature may be adopted even though they were not placed on the agenda.

The cancellation and any change of the date of the General Meeting shall be made by means of an announcement posted on the Company's website. The Company shall endeavour to ensure that the cancellation of the General Meeting or a change of its date has the least possible negative impact on the Company and the shareholders.

The cancellation and rescheduling of the General Meeting shall take place as soon as the reason justifying the cancellation or rescheduling occurs, but no later than seven days before the date of the General Meeting, unless the circumstances indicate that this is impossible or unduly difficult, in which case the rescheduling or cancellation may take place at any time before the date of the General Meeting.

General Meetings are held at the Company's registered office, Częstochowa or Warsaw.

- **Competence of the General Meeting of the Company**

In accordance with the provisions of the Code of Commercial Companies and the Company's Articles of Association, the primary powers of the General Meeting are to adopt resolutions on the following matters:

- to consider and approve the report of the Management Board on the Company's activities and the financial statements for the past financial year and to discharge the members of the Company's bodies for the performance of their duties;
- allocation of profit or coverage of loss;
- determination of the dividend date;
- provision for claims for compensation for damage caused in the establishment of the Company or in the exercise of management or supervision;
- the disposal and lease of an undertaking or an organised part thereof and the creation of a limited right in rem thereon;
- the issue of convertible or priority bonds and the issue of subscription warrants as referred to in Article 453 § 2 of the Code of Commercial Companies;
- the acquisition of own shares in the case referred to in Article 362 § 1 pt. 2 of the Commercial Companies Code and the authorisation to acquire them in the case referred to in Article 362 § 1 pt. 8 of the Commercial Companies Code;
- the conclusion of the agreement referred to in Article 7 of the Commercial Companies Code;
- determining the number and remuneration of the members of the Supervisory Board.

The acquisition and disposal of real estate, perpetual usufruct or an interest in real estate does not require a resolution of the General Meeting.

The General Meeting of the Company may only adopt resolutions on matters on the agenda, subject to Article 404 of the Commercial Companies Code.

Pursuant to the wording of Articles 406<sup>1</sup> - 406<sup>3</sup> of the Code of Commercial Partnerships and Companies, only persons who are shareholders of the company sixteen days before the date of the general meeting (the so-called date of registration of participation in the general meeting) have the right to participate in the General Meeting of a public company. On the other hand, pledgees and users with voting rights have the right to participate in the General Meeting of a public company if the establishment of a limited right in rem in their favour is registered in the securities account on the date of registration of participation in the General Meeting. At the request of a holder of shares in a public company and of a pledgee and a user with voting rights, submitted no earlier than after the announcement of the convening of the General Meeting and no later than on the first business day after the date of registration of participation in the General Meeting, the entity maintaining the securities account shall issue a registered certificate of the right to participate in the General Meeting.

Pursuant to Articles 412 - 412<sup>2</sup> of the Code of Commercial Partnerships and Companies, each shareholder may attend the General Meeting and exercise the right to vote in person or by proxy. The proxy exercises all the shareholder's rights at the

General Meeting, unless otherwise stated in the power of attorney. If a shareholder holds shares registered in more than one securities account, the shareholder may appoint a proxy to exercise the rights attached to the shares registered in each of the accounts. A proxy to attend the General Meeting and exercise voting rights must be in writing or granted in electronic form. A proxy granted in electronic form should be sent to the Company's e-mail address indicated in the notice convening the General Meeting. As of the date of the convening of the General Meeting, the Company shall make available on its website a form containing a specimen proxy in electronic form.

- **Voting at the Company's General Meeting**

Resolutions of the General Meeting shall be adopted by an absolute majority of votes, unless the Commercial Companies Code or the provisions of these Articles of Association stipulate stricter conditions for the adoption of resolutions.

One share of the Company's stock entitles the holder to one vote at the Company's General Meeting, except for registered preference shares of Series B stock, which entitle the holder to two votes at the General Meeting.

Subject to applicable laws and the Articles of Association, voting shall be open. A secret ballot shall be ordered for elections and on motions to dismiss members of the Company's bodies or liquidators, to hold them liable, as well as on personal matters.

#### **9.10. CORPORATE SOCIAL RESPONSIBILITY**

In all areas of activity, the Group adheres to the principles of professionalism and business integrity while taking care of the quality and safety of the products it trades. We also conscientiously take care of relations with customers, suppliers, employees, the local community and investors, basing them on respect and mutual trust. The UNIMOT Group strives to conduct its business activities in a socially responsible and sustainable manner, i.e. so that the needs of the present generation are met without compromising the chances of future generations to have their needs met. The Group's priority is to act transparently, taking into account environmental (including climate), social and management objectives.

On 25 March 2022, the Management Board of the company adopted the UNIMOT Group ESG Strategy, which is based on five pillars (strategic objectives) from the main ESG areas: environment ("E" for environment), society ("S" for social responsibility) and corporate governance ("G" for corporate governance). Within the framework of the above pillars, the Group has defined twelve activities as a means of achieving these objectives. In addition to the existing internal regulations (policies, procedures) concerning the ESG area, additional regulations have been adopted to support the achievement of the stated objectives and activities. The Management Board has declared its support for the activities resulting from these regulations and the provision of adequate resources and means to achieve the objectives defined therein. The full content of the Strategy can be found at <https://www.unimot.pl/relacje-inwestorskie/>.

The Unimot Group also makes every effort to respect the environment and the surroundings in which it operates. As a fuel company, it strives to minimise its negative impact on the environment by, among other things, conscientiously implementing the National Indicative Target. The Group, while also being a seller of electricity, endeavours to ensure that it comes from renewable sources as much as possible.

The AVIA station chain is offering Fairtrade-certified coffee in its new Eat&Go food and drink concept. The Fairtrade certification system seeks to improve the situation of small farmers in countries in the South who are involved in, among other things, coffee cultivation. Farmers affiliated to Fairtrade cooperatives receive at least a minimum purchase price for their crop, which protects them from sharp price drops on the world market. For every pound of coffee sold, they receive a Fairtrade premium for development projects. In addition to economic considerations, Fairtrade places a strong emphasis on appropriate social conditions - equal rights for women and combating forced and child labour.

Unimot supports the education of outstanding young Poles at the best American and European universities (such as Harvard, Stanford, Yale, Oxford and Cambridge) by cooperating with the IVY Poland Foundation (now Ivy Consultants). The organisation promotes education and runs an educational counselling programme. To the candidates selected by the organisation, the UNIMOT Group has provided interest-free loans to cover the cost of studies. In total, the Group provided loans to 12 participants for over PLN 200,000.

Unimot has also undertaken a number of activities that shape positive and responsible relations with the social groups that surround us. It is involved in the local community through the promotion of sporting activities and education. As part of its activities, it sponsors the Kolejarski Klub Sportowy w Stalowej Woli cycling club, Sport Club Efektowni.pl in Stalowa Wola and the Speedway

Fan Club Częstochowa Association. The association runs a speedway club: The Lions AVIA Częstochowa. At the end of 2019, the Unimot Group established cooperation with the Zawadzkie municipality, where the registered office of Unimot S.A. is located. As part of the cooperation, Unimot donated PLN 100,000 to the municipality, which in 2020 was used to build a modern and safe children's playground in the town centre. The funds also supported two local youth sports clubs: Nidan Karate Club and the Autonomous Handball Section. In 2021, PLN 100,000 was provided for a community playground in Zawadzkie. In the first quarter of 2022, another PLN 100 thousand was transferred to the Zawadzkie commune for the construction of the third stage of the communal playground, including the retrofitting of playground equipment such as Skate Park, Pumptrack, and for the development of design documentation for the construction of a recreational area for seniors in the vicinity of the Social Welfare Centre building in Zawadzkie.

For humanitarian aid, Unimot made donations in the form of fuel supplies and funds. These funds were donated to organisations that support those in need.

*Summary of the value of in-kind and cash donations*

| Purpose of donation/Beneficiary  | Value         |
|--|---------------|
| Humanitarian aid   | PLN 7 178 039 |
| Zawadzkie municipality   | PLN 102,000   |
| Support for the development of sport among children and young people             | PLN 39 917    |
| Supporting the day-to-day activities of community organisations and institutions | PLN 77,543    |

The Unimot Group became socially involved during the COVID-19 pandemic. At the very beginning, it supported the Polish Ministry of Health and donated more than PLN 1.5 million for the purchase of rapid tests for the SARS-CoV-2 coronavirus, which were delivered to the Central Sanitary and Anti-epidemic Reserve Base in Poreby near Zduńska Wola. This action was followed by others, and Unimot funded 10,000 reusable protective masks for senior citizens from the Strzelce Opolskie district and Zawadzkie municipality. Meanwhile, more than 750 pieces of hand disinfecting fluids were donated to various state institutions in the Opole Voivodeship. This support reached, among others, the branch of the National Health Fund in Opole and the Strzelce Opolskie County Office.

On 24 June 2022, the company published a non-financial report (hereafter referred to as 'ESG') for 2021. Under current non-financial reporting law, the company is not required to publish it. According to the CSRD - Corporate Sustainability Reporting Directive - adopted in November 2022, the obligation to publish an ESG report will only arise from 2026 onwards and will include ESG disclosures for 2025.

The report is posted on the website: <https://www.unimot.pl/relacje-inwestorskie/>.

The company will publish annual ESG reports periodically.

**9.11. BODIES OF UNIMOT S.A. - AS OF 31 DECEMBER 2022, THE COMPOSITION OF THE MANAGEMENT BOARD WAS AS FOLLOWS:**



**ADAM SIKORSKI - CHAIRMAN OF THE BOARD**

Since 1992, he has been co-founder of the UNIMOT Capital Group, which is one of the largest private companies in the energy market in Poland. In 2012, he became President of the Supervisory Board and major shareholder of PZL Sędziszów S.A. - a leading domestic manufacturer of filters for the automotive industry, where he served as President of the Company's Management Board in 2015-18. Since August 2018, Adam Sikorski is the President of the Management Board of UNIMOT S.A. He is a graduate of International Economic Relations at the Polonia Academy in Częstochowa. He completed postgraduate Executive MBA studies and in 2013 he received the Executive Doctor of Business Administration - EDBA diploma at the Institute of Economic Sciences of the Polish Academy of Sciences in Warsaw. In 2023, he was awarded a doctorate in social

sciences in the discipline of science of management and quality at the Faculty of Management, Częstochowa University of Technology.



#### **ROBERT BRZOZOWSKI - VICE-PRESIDENT OF THE MANAGEMENT BOARD**

Robert Brzozowski is a graduate of the University of Gdansk. In 2016, he graduated from the prestigious BI Norwegian Business School with an Executive Master of Business Administration degree in energy. In 2000-03, he was the Commercial and Marketing Director of ORLEN Morena Sp. z o.o., and for the next 2 years he was the Commercial Director of LOTOS Marine. He has been with the UNIMOT Group since 2008 as Coordinator of International Fuel Trading. At UNIMOT S.A., he was responsible, among other things, for the diesel wholesale project. On 25 August 2014, he took up the position of Member of the Management Board and as Commercial Director of the Company. From October 2015 until the end of 2017, he held the position of President of the

Management Board of Unimot S.A. Since January 2018, Robert Brzozowski has been Vice-President of the Management Board for Commercial Affairs.



#### **FILIP KUROPATWA - VICE-PRESIDENT OF THE MANAGEMENT BOARD**

Filip Kuropatwa has 20 years of experience in financial markets working in the past at BWP Unibank and BRE Bank in the areas of money and foreign exchange markets and commodity markets. He has been with the UNIMOT Group since 2015, where he held the position of Director of Margin Optimisation and Financial Risk. Since April 2021, Filip Kuropatwa has been Vice-President for Financial Affairs.

**As of 31 December 2022, and at the date of this report, the Supervisory Board consists of:**



#### **ANDREAS GOLOMBEK - CHAIRMAN OF THE SUPERVISORY BOARD**

Graduate of Bielefeld University of Technology. After graduation, he worked for AEG (later Alstom and CEGELEC), where he was responsible for sales in Central and Eastern European countries. In 2002, he became President of the newly founded CEGELEC in Poland, which he built and led until the end of 2005. In February 2006, he assumed the position of President of the Management Board of Lurgi S. A. in Krakow, with responsibility for sales, supply, human resources and quality. The Lurgi Group was acquired by the Air Liquide Group in 2007, resulting in a corresponding increase in responsibilities. Since January 2010, he has also become a member of the Lurgi Group Executive Team, responsible for global purchasing and supplies. Since 2012, he has also been additionally entrusted with the responsibility for the implementation of projects in Air Liquide Engineering within Central and Eastern Europe and CIS countries. In 2015, Andreas Golombek founded the company go&management GmbH S. K. The company offers professional consulting for the chemical, petrochemical, refining and energy industries covering strategy, management and optimisation in the process of implementing high-budget investment projects.

Mr Andreas Golombek meets, in relation to the Company, the criteria for independence of members of the Supervisory Board as set out in Annex II to the Recommendation of the European Commission of 15.02.2005 on the role of non-executive or supervisory directors of listed companies and committees of the (supervisory) board, the Articles of Association of Unimot S.A., and the "Code of Best Practice for WSE Listed Companies 2016".



**BOGUSŁAW SATŁAWA - VICE CHAIRMAN OF THE SUPERVISORY BOARD**

Bogusław Satława is a graduate of the Kiev University of Technology, Precision Mechanics Department. He completed postgraduate studies in Economics and Managerial Management at the Częstochowa University of Technology and the Academy of Strategic Management implemented by the French Economic Institute Poland. Bogusław Satława has been a Member of the Management Board of UNIMOT Express sp. z o.o. and a Member of the Management Board of UNIMOT Truck sp. z o.o. since 2013 until now. From July 2013 to August 2014, Bogusław Satława held the position of Chairman of the Management Board of Unimot S.A. At the UNIMOT Group, he was responsible, among others, for implementing the company's development concept, creating sales, pricing and marketing policies, analysing and monitoring market data on competition, coordinating the work of subordinate departments, planning and supervising the implementation of budgets of subordinate departments. From 2013 to 2015, he was the President of the Management Board, and from 2016 to 2018, he was a member of the Management Board, Commercial Director at PZL Sędziszów S.A. a company that is a leading filter manufacturer in Poland. Bogusław Satława is active, among others, in the Sectoral Competence Council - Automotive and Electromobility.



**ISAAC QUERUB - MEMBER OF THE SUPERVISORY BOARD**

Spanish national, graduate of the Universidad Pontificia de Comillas in Madrid. From 1981 to 2003 he was CEO and member of the Management Board of Glencore España S.A. - a company operating in the oil, metals and minerals sector in Spain, the Middle East and Africa. Since 2003, he has been a partner in Andria Inversiones Inmobiliarias S.A., involved in real estate trading, and Incogas S.A., related to liquefied natural gas trading. Between 2007 and 2013, as co-founder of Moka Consulting S.A., he developed a strategy focused on African countries producing liquefied natural gas, and between 2009-2013, he was a member of the Advisory Committee of the Portuguese company Iberiapremium SGPS. Since 2013, he has been a partner of Consejos y Eesg s Técnicas y Empresariales SL, a business consultancy, and a member of the Supervisory Board of Bluequest Resources AG, a Swiss company related to metals and minerals trading. From 1996 to 2001, Isaac Querub was President of the Jewish Community of Madrid, and since 2011 he has been President of the Federation of Spanish Jewish Communities. He is also a Member of the Supervisory Board of Tel Aviv University and President of Yad Vashem in Spain. In 2007 he received the Prince of Asturias Award and in 2012 he was awarded the Moroccan Order of Ouissam Alaouite. In relation to the Company, Mr Isaac Querub meets the criteria for independence of supervisory board members set out in Annex II to the Recommendation of the European Commission of 15.02.2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board and in the 2016 Set of Best Practices for Companies Listed on the WSE.



**PROF. DR. RYSZARD BUDZIK - MEMBER OF THE SUPERVISORY BOARD**

PROF. DR. HAB. INŻ. RYSZARD BUDZIK - MEMBER OF THE SUPERVISORY BOARD Specialist for organisation and management, qualified property appraiser (state licence no. 2519, banking authorisation no. 1874/XXXIII/01), Member of the Silesian Association of Property Valuers. Certified property appraiser (state licence no. 2519, banking licence no. 1874/XXXIII/01), Member of the Silesian Association of Property Valuers. Holds an academic title - professor, granted by the President of the Republic of Poland. In the years 1969-1972, he worked as a technologist at the Sabinow Mining and Metallurgical Plant. Since 1972, he has been affiliated with the Częstochowa University of Technology - as a research worker, then as the head of several departments. Since 2010, he has been working as a professor at the Opole University of Technology. Prof. Budzik was a lecturer at the Bielsko-Biała School of Management and Banking, the Silesian University of Technology and at postgraduate courses for candidates to supervisory boards. His numerous publications include over 300 studies on Polish companies for privatisation and ownership transformation for the Ministry of Treasury and Provincial Offices, as well as over

20 studies on restructuring of Polish companies. Member of the Audit Committee. Mr Ryszard Budzik meets the criterion of independence of a member of the Supervisory Board specified in the Best Practices of Companies Listed on the WSE.



**PIOTR CIEŚLAK - MEMBER OF THE SUPERVISORY BOARD**

Graduate of the Poznań University of Economics, specialising in investment and real estate management. He has over 20 years of experience in stock market and macroeconomic analysis and company valuation. For several years, he has also specialised in corporate disputes, as well as in the area of capital market law and commercial companies. He has conducted numerous training courses and lectures on finance, economics and capital markets law. He is the author of hundreds of commentaries, statements and articles and publications for most of the leading financial and economic media.

He has been involved with the Association of Individual Investors since 2004. For a period of 12 years, i.e. from 2008 until the end of 2019, he was Vice-President of the Management Board of the Association of Individual Investors with responsibility for the Investor Rights Protection Department. He is currently Managing Director and Advisor to the Management Board of the Association of Individual Investors and is responsible, among other things, for the development of the Analytical Department of the SII and the implementation of the Association's strategic objectives. Since 2014, he has been a member of the Corporate Governance Consultative Committee appointed by the WSE. Since 2011, he has also been active in advisory and consulting activities. He has served in the supervision of public and non-public companies. Since 2012, he has been a member of the Supervisory Board and currently also Chairman of the Audit Committee at Unimot S.A..



**PIOTR PRUSAKIEWICZ - MEMBER OF THE SUPERVISORY BOARD**

Graduate of the Szczecin University of Technology. In 2000, he completed postgraduate studies in management and marketing, and in 2004, Executive MBA at the International Management Centre of the University of Warsaw and the University of Illinois. From 2000 to 2011, Piotr Prusakiewicz was associated with Rafineria Trzebinia S.A., where he served as a specialist technologist, production manager, production director, and for the last 5 years as a Member of the Management Board. Then, in 2012-13, he was Deputy Business Unit Director at SARPI Dąbrowa Górnicza Sp. z o.o.. In addition, from 2006 to 2012, Piotr Prusakiewicz was a Member of CEN WG24/TF FAME at the European Organisation for Standardisation and a Member of the Subcommittee on Fuels of Technical Committee No. 222 at the Polish Committee for Standardisation (until 2013). From 2012 to the present, he has been running his own consulting business covering chemical technology and engineering in the areas of: liquid fuels, liquid biofuels and environmental protection. Member of the Audit Committee. Mr Piotr Prusakiewicz meets the criterion of independence of a member of the Supervisory Board specified in the Best Practices of Companies Listed on the WSE.

Member of the Audit Committee. Mr Piotr Prusakiewicz meets the criterion of independence of a member of the Supervisory Board specified in the Best Practices of Companies Listed on the WSE.



**LIDIA BANACH-HOHEKER - MEMBER OF THE SUPERVISORY BOARD**

Graduate of the Faculty of Management at the University of Warsaw, majoring in Financial Management, she holds an ACCA qualification. In 1998-2003, she served as Financial Director at Wincanton Polska sp. z o.o., and in the following two years as Financial and Administrative Director at Wincanton Marqueset France S.A. in Paris. She then served on the Boards of Directors of the companies: Mikom sp. z o.o. (a subsidiary of Wydawnictwa Naukowego PWN S.A., in which she also held the position of Financial Control Director), Merlin.pl S.A. and Wydawnictwa Szkolne PWN sp. z o.o. (a PWN Group company). Currently, she holds the position of Member of the Management Board for Finance in the PWN Group in the companies: Wydawnictwa Naukowego

PWN SA, PZWL Wydawnictwa Lekarskie sp. z o.o. and Estate sp. z o.o.. The activities of these entities are not competitive in relation to the activities performed at the Issuer's enterprise. Ms Lidia Banach-Hoheker does not have any relations (economic, family, other) with a shareholder of the Company holding shares representing not less than 5% of the total number of votes at the General Meeting. Ms Lidia Banach-Hoheker meets the criterion of independence of a member of the Supervisory Board set out in the Best Practices of Companies Listed on the WSE. Member of the Audit Committee. Based on the declaration submitted, Ms Lidia Banach-Hoheker is independent of UNIMOT S.A. within the meaning of Article 129, paragraph 3 of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision.

### 9.11.1. INFORMATION ON THE COMPOSITION OF THE MANAGEMENT, SUPERVISORY AND ADMINISTRATIVE BODIES AND CHANGES THERETO DURING THE LAST FINANCIAL YEAR

#### MANAGEMENT BOARD

- **Composition of the Management Board and description of changes**

For the curricula vitae and a description of the competences of the members of the Company's Management Board, see section 9.11 of the Management Report of the Management Board.

As of 31.12.2022 and at the date of this report, the composition of the Company's Management Board was as follows:

Adam Sikorski - President of the Management Board  
Robert Brzozowski - Vice-President of the Management Board  
Filip Kuropatwa - Vice-President of the Management Board

- **Principles for appointing and dismissing the Management Board**

The Management Board of the Company consists of between one and five persons appointed and dismissed by the Supervisory Board. The number of members of the Management Board is determined by the Supervisory Board. It is possible to change the number of Management Board members during the joint term of office of the Management Board. The members of the Management Board are appointed for a joint term of office of five years. It is permissible to appoint the same persons for subsequent terms of the Management Board. Shareholders as well as persons from outside the Company may be appointed to the Management Board.

Any member of the Management Board of the Company may be dismissed by the General Meeting or suspended by the Supervisory Board for important reasons. The Supervisory Board may delegate members of the Supervisory Board to temporarily perform the duties of the Management Board.

- **Competences of the Management Board**

The general principles of the Company's Management Board are set out in the Company's Articles of Association. The detailed course of action of the Management Board and the description of its competences are set out in the Rules of Procedure of the Management Board and the Organisational Rules of the Company.

The Management Board shall manage the Company's affairs and represent the Company in all judicial and extrajudicial actions. The competence of the Management Board includes all matters not reserved by law or the Articles of Association for other bodies of the Company.

The Management Board may delegate the handling of specific matters to individual members of the Management Board or employees of the Company, with the exception of matters:

- which are ascribed to the exclusive competence of the Management Board by the applicable regulations or the provisions of the Articles of Association;
- entrusted to the Management Board by the General Meeting or the Supervisory Board.

The acquisition and disposal of real estate, the right of perpetual usufruct or an interest in real estate is a competence of the Management Board and does not require a resolution of the General Meeting.

The Management Board is authorised to make an advance payment to shareholders against expected dividends at the end of the financial year, if the Company has sufficient funds to make the payment, under the conditions indicated in the Commercial Companies Code. The payment of the advance requires the approval of the Supervisory Board.

In accordance with the Regulations of the Management Board, the Company's affairs conducted by the Management Board include, in particular:

- setting the long- and medium-term strategy for the Company's development and growth in shareholder value, evaluating the achievement of these objectives and modifying them if necessary,
- defining the Company's financial objectives,
- approval of major investment projects and their financing,



- determining the organisational structure of the Company.

The duties of the Management Board, which the Management Board is obliged to consider collectively and adopt in the form of a Board Resolution, include in particular:

- adoption of the Company's annual and/or multi-annual budget,
- the conclusion by the Company of contracts with a value in excess of PLN 1 million, with the above not applying to the Company's contracts relating to the trading of products as part of the Company's business activities,
- to determine the Company's internal normative acts, with the exception of the acts which the President of the Management Board is authorised to issue,
- fixing the date, venue and agenda for and convening the annual and extraordinary General Meeting of Shareholders,
- submit to the General Meeting and the Supervisory Board draft resolutions and motions submitted to the agenda on matters on the agenda,
- adopting the Company's financial statements and consolidated financial statements and submitting them to the Supervisory Board for its opinion and to the General Meeting for approval,
- adopting the report on the activities of the Company and the Group for the financial year and submitting them to the Supervisory Board for its opinion and to the General Meeting for approval,
- preparing a proposal or recommendation for the distribution of profit or the coverage of loss,
- other matters presented by the Management Board at the General Meeting of Shareholders, j. adoption of the Company's organisational structure and making significant changes to it,
- the granting of a power of attorney of substantial scope (beyond the scope of powers of attorney granted in the day-to-day course of business) or a proxy,
- the disposal of funds raised through the public issue of the Company's shares,
- making decisions regarding the Company's launch of activities with significant financial risks or significant financial investments in a new market or industry,
- matters of extraordinary importance, as well as matters and transactions, including matters of significant importance to the Company in the exercise of corporate governance over subsidiaries which, in the reasonable opinion of the Member of the Management Board, are of significant importance to the Company, and any other activities exceeding the scope of ordinary management of the Company.

The right to decide on the issue or redemption of shares is vested in the General Meeting. The Company's Articles of Association do not provide authorisations for the Management Board in this respect.

Each Member of the Management Board independently up to the amount of PLN 500,000, two Members of the Management Board jointly, or one Member of the Management Board jointly with a Proxy above the amount of PLN 500,000 shall be entitled to make declarations regarding property rights and obligations of the Company, including signing contracts and contracting liabilities. Each Member of the Management Board is authorised to make declarations of intent with respect to the Company's non-asset rights and obligations independently.

- **Description of the operation and organisation of the Board's work**

The Managing Persons comprising the Management Board act on the basis of the Commercial Companies Code Act, the Company's Articles of Association and the Regulations of the Management Board. In their conduct, they are guided by the principles adopted by the Company in the Code of "Best Practices for Companies Listed on the WSE 2021".

As a rule, the Management Board makes decisions in the form of resolutions at meetings convened by the President of the Management Board on his initiative or at the request of a Member of the Management Board or at the request of the Supervisory Board. Persons invited by Board Members may participate in Board meetings to consider a specific matter. Meetings of the Management Board are minuted. The minutes shall be signed by all Board Members present at the minuted meeting and the person taking the minutes. Resolutions adopted at the Board Meeting shall be adopted by a simple majority of votes with at least half of the Board Members present at the meeting. Voting shall be open. Each Member of the Management Board who opposes the adoption of a resolution shall have the right to express his/her stance in the form of a dissenting opinion submitted to the minutes of the meeting or resolution or in the form of a separate document.

If the Management Board is composed of more than one person, resolutions of the Management Board may also be adopted outside the meeting of the Management Board by voting in writing or by means of direct remote communication, provided that all members of the Management Board have been informed of the content of the draft resolution. Voting in the mode

referred to in the preceding sentence may be ordered by the President of the Management Board on his own initiative or at the request of any other Member of the Management Board. In the event of a tie, the President of the Management Board shall have the casting vote.

The work of the Board is directed by the President of the Board, whose duties include:

- coordination and organisation of the Board's work,
- setting targets for capital transactions and overseeing their progress,
- overseeing the progress of the Company's investment projects,
- overseeing corporate communications and the Company's compliance with legislation,

Oversee personnel and payroll policies, including: the staffing of management positions in the Company and its affiliates, if the Company has influence over such staffing, as well as the determination of hiring, remuneration and personnel policies and the periodic analysis of the Company's personnel situation. The members of the Management Board manage the Company's separate business areas, in accordance with the Company's organisational structure.

A description of the competences assigned to the individual members of the Company's Management Board can be found in section 3.5 of this Report.

A member of the Management Board shall inform the Management Board of any conflict of interest in connection with his or her function or of the possibility of such a conflict arising, and shall refrain from taking part in discussions and from voting on a resolution on a matter in which a conflict of interest has arisen.

## **SUPERVISORY BOARD**

- **Composition of the Supervisory Board and description of changes**

As of 01.01.2022, the composition of the Supervisory Board was as follows:

Andreas Golombek - Chairman of the Supervisory Board  
Bogusław Satława - Vice-Chairman of the Supervisory Board  
Piotr Prusakiewicz - Member of the Supervisory Board  
Piotr Cieślak - Member of the Supervisory Board  
Isaac Querub - Member of the Supervisory Board  
Ryszard Budzik - Member of the Supervisory Board  
Lidia Banach-Hoheker - Member of the Supervisory Board

As of 31.12.2022 and at the date of this report, the composition of the Supervisory Board was as follows:

Andreas Golombek - Chairman of the Supervisory Board  
Bogusław Satława - Vice-Chairman of the Supervisory Board  
Piotr Prusakiewicz - Member of the Supervisory Board  
Piotr Cieślak - Member of the Supervisory Board  
Isaac Querub - Member of the Supervisory Board  
Ryszard Budzik - Member of the Supervisory Board  
Lidia Banach-Hoheker - Member of the Supervisory Board

For the curricula vitae and a description of the powers of the members of the Supervisory Board, please refer to section 9.11 of the Management Board's Report.

- **Principles for appointing and dismissing the Supervisory Board**

Under the current Articles of Association, the members of the Company's Supervisory Board are appointed for a joint term of five years. The Supervisory Board consists of five to seven members appointed and dismissed by the General Meeting, including a Chairman, two Vice-Chairmen and a Board Secretary. The Vice-Chairman of the Supervisory Board may also act as Secretary of the Board. The Chairman of the Supervisory Board, the Vice-Chairman of the Supervisory Board and the Secretary of the Supervisory Board are elected and dismissed by the Supervisory Board.

A member of the Supervisory Board may be appointed and dismissed at any time by the General Meeting.

At least two members of the Supervisory Board (and their relatives, in particular the spouse, ascendants and descendants) appointed by the General Meeting should meet the independence criteria set out in the Company's Articles of Association. The failure of any member of the Supervisory Board to meet the independence criteria or the absence of any independent member on the Board has no effect on the ability of the Supervisory Board to perform and the validity of its actions, including, in particular, the resolutions adopted.

- **Competences of the Supervisory Board**

The general rules of operation of the Supervisory Board are set out in the Company's Articles of Association. In turn, the detailed procedure of the Supervisory Board is regulated in the Rules of Procedure of the Supervisory Board. The Rules of Procedure of the Supervisory Board are available on the Company's website: [www.unimot.pl](http://www.unimot.pl) under the Investor Relations tab.

The Supervisory Board shall exercise constant supervision over the Company's activities in all areas of its business in accordance with the Articles of Association.

In accordance with the Company's Articles of Association, the competence of the Supervisory Board includes:

- evaluation of the reports of the Management Board on the Company's activities and the financial statements for the previous financial year, as regards their consistency with the books and documents as well as with the facts;
- assessing the Management Board's proposals for profit distribution or loss coverage;
- to report annually in writing to the General Meeting on the results of the evaluation of the documents and proposals referred to above;
- drawing up an annual report on the remuneration of members of the Management Board and members of the Supervisory Board;
- the appointment and dismissal of the members of the Management Board, specifying their functions on the Board;
- selecting or changing the auditor to audit and review the Company's financial statements;
- representing the Company in a contract between the Company and a member of the Management Board of the Company, including the determination of remuneration for members of the Management Board, with the competences of the Supervisory Board being exercised by a Member of the Supervisory Board indicated in a resolution of the Board;
- to consider and give its opinion on important matters to be the subject of resolutions of the General Meeting;
- to suspend, for valid reasons, individual or all members of the Management Board and to delegate members of the Supervisory Board, for a period not exceeding three months, to temporarily perform the duties of members of the Management Board who have been dismissed, who have resigned or who, for other reasons, are unable to perform their duties;
- approving the annual financial plans (budgets) submitted by the Management Board and amendments to these budgets;
- approval of the Company's multi-annual financial and strategic plans prepared by the Management Board;
- approving the Rules of Procedure of the Management Board, inter alia, approving the advance payment of dividends;
- to approve the conclusion by the Company of a significant agreement with entities related to a member of the Supervisory Board or the Management Board, as well as a shareholder and their related entities, with the exception of typical transactions concluded at arm's length in the course of business with a subsidiary in which the Company holds a majority capital share;
- consenting to benefits of any kind from the Company and the Company's affiliates to the members of the Management Board.

- **Description of the operation and organisation of the work of the Supervisory Board**

The operating procedure of the Supervisory Board is laid down in the Articles of Association and the Rules of Procedure of the Supervisory Board. The Supervisory Board performs its duties collectively, but may delegate individual members to temporarily perform specific supervisory activities independently.

Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or, in his/her stead, by the Vice-Chairman. The Supervisory Board shall be convened by written invitation to all members of the Supervisory Board at least seven days prior to the planned date of the meeting. Meetings of the Board shall be held at least quarterly. An extraordinary meeting of the Supervisory Board may be convened at any time.

A meeting of the Supervisory Board may also be convened at the request of any member of the Supervisory Board or at the request of the Management Board (the requester shall present the proposed agenda). The meeting should then be convened within two weeks. The agenda may be changed if all members of the Supervisory Board are present at the meeting and agree to such a change.

The Supervisory Board may hold meetings without being formally convened if all members of the Supervisory Board are present at the meeting and no member of the Supervisory Board objects to the holding of the meeting and the proposed agenda.

The Supervisory Board adopts resolutions if at least half of its members are present at the meeting and all members have been invited. The Supervisory Board adopts resolutions by open ballot. A secret ballot shall be ordered at the request of a member of the Supervisory Board and in personal matters. Resolutions of the Supervisory Board may also be adopted in writing or by means of direct communication at a distance, with the proviso that resolutions on the election or dismissal of the Chairperson, Vice-Chairperson and Secretary of the Supervisory Board, as well as on the appointment, dismissal or suspension of a member of the Management Board, may not be adopted in this manner.

#### **AUDIT COMMITTEE**

Pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision, public interest entities have an Audit Committee whose members are appointed by the Supervisory Board or the Audit Committee from among its members, at least one of whom should meet the conditions of independence and be qualified in accounting or auditing.

Pursuant to § 18.8 of the Company's Articles of Association, the Company's Supervisory Board appoints an audit committee responsible for supervising the Company's financial affairs. The Company's Articles of Association do not provide for other committees within the Supervisory Board. The Company has not established a remuneration committee.

- **Composition of the Audit Committee and description of changes**

As of 01.01.2022, the composition of the Audit Committee was as follows:

Piotr Cieślak - Chairman of the Audit Committee,  
Piotr Prusakiewicz - Member of the Audit Committee,  
Ryszard Budzik - Member of the Audit Committee,  
Lidia Banach-Hoheker - Member of the Audit Committee.

As of 31.12.2022 and at the date of this report, the composition of the Audit Committee was as follows:

Piotr Cieślak - Chairman of the Audit Committee,  
Piotr Prusakiewicz - Member of the Audit Committee,  
Ryszard Budzik - Member of the Audit Committee,  
Lidia Banach-Hoheker - Member of the Audit Committee.

Audit Committee members:

- meeting the criterion of independence set out in the Act on Statutory Auditors and in the Best Practices 2021: Piotr Cieślak, Piotr Prusakiewicz, Ryszard Budzik, Lidia Banach-Hoheker;
- Qualified in accounting or auditing: Ryszard Budzik;
- with knowledge and skills in the industry in which the Company operates: Piotr Prusakiewicz.

A detailed description of the qualifications and CVs of the members of the Audit Committee can be found in section 9.11 of this Report and on the UNIMOT S.A. website: <https://www.unimot.pl/relacje-inwestorskie/o-grupie-unimot/komitet-audytu/>

- **Description of the operation of the Audit Committee**

The Audit Committee consists of at least three members, including the Chairman, appointed by the Supervisory Board, including at least two independent members of the Supervisory Board, at least one of whom is qualified in accounting or auditing. The Chairman of the Audit Committee is appointed by the Supervisory Board from among the independent members of the Board.

The detailed rules and manner of operation of the Audit Committee are set out in the Regulations of the Audit Committee attached to the Regulations of the Supervisory Board.

The role of the Audit Committee is to examine the proper and effective execution of the Company's and the Group's internal financial controls and to cooperate with the Company's auditors. In particular, the Audit Committee is responsible for developing the principles for the selection of the audit firm to audit the Company's financial statements and for monitoring the Company's financial reporting process.

The tasks and procedures of the Company's audit committee are set out in the Audit Committee Regulations adopted by resolution of the Supervisory Board No. 5/12/2017 of 11 December 2017.

Five meetings of the Audit Committee were held in 2022. The Committee also met by means of direct remote communication. During its meetings, the Audit Committee reviewed the audited interim and annual financial statements; discussed the company's operations with senior management; approved the auditor's provision of permitted non-audit services; made a recommendation to the Supervisory Board on the selection of the auditor; and amended the policy and procedures for the selection of the audit firm.

- **Description of policies for selection of audit firm and provision of permitted services**

The Company's Audit Committee on 15 November 2022 adopted a new policy and procedure for the selection of the audit firm for the audit of the financial statements.

The main tenets of the audit firm selection policy and the policy for the provision of permitted non-audit services by the audit firm and its associated persons take into account, inter alia:

- the ability to provide a full range of services in relation to the statutory audit referred to in Article 2(1) of the Chartered Accountants Act and to comply with all requirements under the Chartered Accountants Act;
- previous experience of the audit firm in auditing the accounts of entities with a similar business profile to the Company and statutory audit of public interest entities;
- the price proposed by the audit firm;
- the reputation of the audit firm, the professional experience and the qualifications of the key auditor;
- confirmation of the independence of the audit firm for the statutory audit at the stage of the Selection Procedure for its selection, in accordance with the Act on Statutory Auditors;
- the audit firm and its associated persons do not provide, directly or indirectly, to the Company and its associated companies, any prohibited non-audit services or auditing activities;
- information obtained from the Audit Firm on the conclusions and findings of the audit conducted at the Audit Firm by the Polish Audit Supervision Agency (hereinafter: "PASA") or information confirming that the Audit Firm is not and has not been subject to an audit by PASA, information that no penalties have been imposed in the past by PASA, assurance that no disciplinary proceedings are in progress by PASA against members of the audit team carrying out the Statutory Audit and that no penalties have been imposed in disciplinary proceedings by PASA on any member of the audit team carrying out the Statutory Audit and assurance that, to the best of the Audit Firm's knowledge, there are no circumstances affecting the Audit Firm's disqualification to carry out the Statutory Audit.

When preparing its recommendation to the Supervisory Board, the Audit Committee takes into account the applicable legislation,

in particular the Act on Statutory Auditors, and is guided by the guidelines for the selection of the auditor contained in the policy on the selection of the audit firm. The recommendation is made following a selection procedure that meets the applicable criteria in accordance with the Company's internal regulations.

The Audit Committee employs a rotation mechanism for the auditor, which provides that:

1. the maximum duration of uninterrupted statutory audit engagements carried out by the same Audit Firm or an Audit Firm affiliated to that Audit Firm or any member of the network operating in countries of the European Union to which that Audit Firm belongs shall not exceed 10 years;
2. after the expiry of the maximum duration of the Statutory Audit engagement as set out in point 1) above, neither the Audit Firm nor any member of the network of the relevant Audit Firm operating within the European Union shall undertake the Statutory Audit in the Company for a further period of 4 years;
3. the key auditor may not carry out a statutory audit for more than 5 years;
4. the key auditor may re-perform the statutory audit after a period of at least 3 years from the completion of the last statutory audit.

The Supervisory Board, at its meeting on 19 November 2019, selected PricewaterhouseCoopers Polska sp. z o.o., listed on the entities authorised to audit financial statements under number 144 to:

1. review the Company's half-yearly condensed financial statements for 2020 - 2022,
2. review the Company's half-yearly condensed consolidated financial statements for 2020 - 2022,
3. audit of the Company's financial statements for 2020 - 2022,
4. audit of the Company's consolidated financial statements for 2020 - 2022,

and, at its meeting on 15 November 2022, re-elected PricewaterhouseCoopers Polska sp. z o.o., listed on the entities authorised to audit financial statements under number 144 to:

1. review the Company's half-yearly condensed financial statements for 2023 - 2024,
2. review the Company's half-yearly condensed consolidated financial statements for 2023 - 2024,
3. audit of the Company's standalone financial statements for 2023 - 2024,
4. audit the consolidated financial statements of the Company's group for the years 2023 to 2024.

#### **10.1.A DESCRIPTION OF THE DIVERSITY POLICY APPLICABLE TO THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER WITH REGARD TO ASPECTS SUCH AS, FOR EXAMPLE, AGE, GENDER OR EDUCATIONAL AND PROFESSIONAL BACKGROUND, THE OBJECTIVES OF THAT POLICY, THE WAY IN WHICH IT HAS BEEN IMPLEMENTED AND ITS EFFECTS DURING THE REPORTING PERIOD IN QUESTION**

The Company has not adopted a Diversity Policy.

As of the date of this report, the Issuer does not comply with the following principles of the Code of Best Practice for WSE Listed Companies 2021 regarding diversity:

- ***Principle 2.1 - The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy shall set out the objectives and criteria for diversity in areas such as gender, field of study, specialist knowledge, age and professional experience, among others, and indicate when and how the achievement of these objectives will be monitored. With regard to gender diversity, a condition for ensuring the diversity of the company's bodies is that the proportion of minorities in the respective body is no less than 30%.***

The Company does not have a diversity policy with respect to its management and supervisory boards. The Company's bodies, in selecting the members of its authorities, are guided by various criteria, primarily the field of education, specialised knowledge and professional experience, aiming to ensure diversity in the composition of the members of the authorities. In view of the fact that the fuel industry is traditionally not perceived as attractive for women in management or supervisory positions (as shown by market research) - it is difficult to apply the principle of gender diversity. In turn, due to the formal legal aspects of this business and the need for high qualifications and experience in management positions - also the application of the principle of age diversity is a visible challenge. The adoption of any policy enabling gender or age diversity requires the Company's activities to take into account a number of aspects, the definition of which requires appropriate analyses of the labour market. The Company does not rule out carrying them out in the future and preparing the diversity policy in question on the basis of them.

- ***Principle 2.2 - Those deciding on the election of the members of the company's management or supervisory boards should ensure the comprehensiveness of these bodies by selecting diversity in their composition, allowing, inter alia, for the achievement of a target minimum minority participation rate set at not less than 30%, in line with the objectives set out in the adopted diversity policy referred to in Principle 2.1.***

The Company does not have a diversity policy with respect to its management and supervisory boards. The Company's bodies, in selecting the members of its authorities, are guided by various criteria, primarily the field of education, specialised knowledge and professional experience, aiming to ensure diversity in the composition of the members of the authorities. In view of the fact that the fuel industry is traditionally not perceived as attractive for women in management or supervisory positions (as shown by market research) - it is difficult to apply the principle of gender diversity. In turn, due to the formal legal aspects of this business and the need for high qualifications and experience in management positions - also the application of the principle of age diversity is a visible challenge. The adoption of any policy enabling gender or age diversity requires the Company's activities to take into account a number of aspects, the definition of which requires appropriate analyses of the labour market. The Company does not rule out carrying them out in the future and preparing the diversity policy in question on the basis of them.

### 9.11.2. AGREEMENTS BETWEEN GROUP COMPANIES AND MANAGERS PROVIDING FOR COMPENSATION

The Issuer and its subsidiaries did not conclude any agreements with managers providing for compensation in the event of their resignation or dismissal from their position without a valid reason or in the event that their removal or dismissal occurs due to a merger of the Issuer or its subsidiaries by acquisition.

### 9.11.3. REMUNERATION OF STATUTORY AUTHORITIES

The members of the Issuer's Management Board receive a fixed monthly remuneration for their functions granted on the basis of a resolution of the Supervisory Board in accordance with the Commercial Companies Code. In addition, the members of the Issuer's Management Board may receive bonuses under the terms and conditions detailed in the Bonus System adopted by the Supervisory Board by resolution on 13 November 2019, temporarily suspended by resolution of the Supervisory Board on 18.12.2020 and reinstated by resolution of the Supervisory Board on 11.01.2022, (hereinafter the "Management Board Bonus System"). The Management Board Bonus Scheme adopted by the Supervisory Board provides for two types of bonus: a cash bonus and a cash bonus (cash benefit), which may only be allocated to the purchase of shares in Unimot S.A. within the timeframe and under the terms and conditions detailed in the adopted bonus rules. The bonus allocated for the purchase of shares does not include the Chairman of the Management Board - Adam Sikorski. The basis for calculation of both types of bonus is the Unimot Group's consolidated adjusted (by valuation of Unimot S.A.'s and its subsidiaries' compulsory reserves of fuels) net profit.

The cash bonus for the members of the Issuer's Management Board for 2022 amounted to 6.7% of the consolidated adjusted net profit of the Unimot Group: the President of the Company's Management Board, Adam Sikorski, and the Vice-President of the Company's Management Board, Robert Brzozowski, a cash bonus of 2.5% of the consolidated adjusted net profit of the Unimot Group; the Vice-President of the Company's Management Board, Filip Kuropatwa, a cash bonus of 1.7% of that profit. The cash bonus for 2022 for the purchase of shares amounted to 4.2% of the Group's consolidated adjusted net profit: Vice-President of the Company's Management Board - Robert Brzozowski bonus of 2.5% of the consolidated adjusted net profit of the Group; Vice-President of the Company's Management Board - Filip Kuropatwa bonus of 1.7% of this profit. The members of the Company's Management Board are obliged to use the funds received from the share purchase bonus exclusively for this purpose. The purchase of shares in Unimot S.A. is to take place by way of stock exchange transactions within 6 months from the date of receipt of the funds on this account. Failure to purchase shares within the aforementioned timeframe will mean that bonuses of this nature cannot be accrued and awarded for the next 2 financial years. The shares purchased with the funds received for the bonus are subject to a three-year lock-up, except as mentioned in the resolution. Certain members of the Company's Management Board received remuneration from subsidiaries in 2022: (i) the Vice-President of the Company's Management Board - Mr Robert Brzozowski received remuneration at the subsidiary Tradea sp. z o.o. and Unimot Energia i Gaz Sp. z o.o. (throughout 2022) for the provision of advisory, consulting and business development services for the development of the Unimot Group's business segment in the area of power generation and photovoltaics; the basis for the payment of remuneration on this account was the service agreements, which provide for a fixed monthly lump sum remuneration for the services provided; (ii) the President of the Management Board - Mr Adam Sikorski, received from 01.04.2022 a fixed monthly lump sum remuneration in the subsidiary Tradea sp. z o.o. by virtue of his appointment as President of the Management Board of Tradea sp. z o.o. .

#### Remuneration of Board Members paid in 2022:

##### Adam Sikorski (held the position of the President of the Management Board throughout 2022)

Mr Adam Sikorski received remuneration for being a member of the Issuer's Management Board (in the position of President of the Management Board), on the basis of a resolution of the Supervisory Board dated 10 September 2018, as amended on the basis of a resolution of the Supervisory Board dated 24 August 2021, in the form of a monthly salary. In 2022, the remuneration paid on this account amounted to PLN 420,000 gross. On the basis of the Management Board Bonus Scheme, Mr Adam Sikorski, President of the Management Board, was paid a cash bonus for 2021 in 2022, as adopted and payable pursuant to Supervisory Board Resolution No. 3/04/2022 of 04/04/2022, amounting to PLN 1,959,000 gross. In addition, Mr Adam Sikorski received remuneration from the Issuer's subsidiary Tradea Sp. z o.o. in 2022, for his performance as President of the Issuer's Management Board, in the total gross amount of PLN 315,000. On the basis of the Management Board Bonus Scheme for the President of the Management Board of Adam Sikorski, on 20 April 2023 the Issuer's Supervisory Board resolved on a cash bonus for 2022 in the gross amount of PLN 10,312,000; the aforementioned bonus has not yet been paid as of the date of this report.

#### **Robert Brzozowski (held the position of Vice-President of the Management Board throughout 2022)**

Mr Robert Brzozowski received remuneration for being a member of the Issuer's Management Board (in the position of Vice-President of the Management Board), based on a resolution of the Supervisory Board of 5 May 2016 in the form of a monthly salary. In 2022, the remuneration paid on this account amounted to PLN 120,000 gross. On the basis of the Management Board Bonus Scheme, the Vice-President of the Management Board Robert Brzozowski was paid in 2022: (i) a cash bonus for the year 2021, adopted and payable under Resolution No. 3/04/2022 of the Issuer's Supervisory Board dated 04/04/2022, amounting to PLN 1,959,000 gross; (ii) a bonus (cash benefit) for the purchase of the Issuer's shares, adopted and payable under Resolution No. 3/04/2022 of the Supervisory Board dated 04/04/2022, amounting to PLN 1,959,000 gross. In addition, Mr Robert Brzozowski received remuneration from the Issuer's subsidiaries (Tradea Sp. z o.o. and Unimot Energia i Gaz Sp. z o.o.) in 2022, during his time as Vice-President of the Management Board, in the form of payment for issued FV under agreements for the provision of advisory, consulting and business development services for the development of the electricity and photovoltaic business segment, in the total net amount of PLN 300,000. On the basis of the Management Board Bonus Scheme for the Vice-President of the Management Board Robert Brzozowski, the Issuer's Supervisory Board resolved on 20 April 2023: (i) a cash bonus for 2022 in the gross amount of PLN 10,312,000, the aforementioned bonus has not yet been paid as of the date of this report; (ii) a bonus (cash benefit) for 2022 for the purchase of shares in the Issuer in the gross amount of PLN 10,312,000, the aforementioned bonus has not yet been paid as of the date of this report.

#### **Filip Kuropatwa (held the position of Vice-President for Financial Affairs throughout 2022)**

Mr Filip Kuropatwa received remuneration: (i) by virtue of being a member of the Issuer's Management Board (in the position of Vice-President of the Management Board for Financial Affairs), on the basis of a resolution of the Supervisory Board of 16 June 2021, in the form of monthly remuneration, in 2022 the remuneration paid on this account amounted to PLN 120,000 gross; (ii) in the form of payment for FV issued on account of the consulting and advisory services agreement concluded with the Issuer, in 2022 the remuneration paid on this account amounted to PLN 300,000 net. Based on the Management Board Bonus Scheme, the Vice-President of the Management Board Filip Kuropatwa was paid in 2022: (i) a cash bonus for 2021, adopted and payable under Resolution No. 3/04/2022 of the Issuer's Supervisory Board dated 04/04/2022, in the gross amount of PLN 1,332,000; (ii) a bonus (cash benefit) for the purchase of the Issuer's shares, adopted and payable under Resolution No. 3/04/2022 of the Supervisory Board dated 04/04/2022, in the gross amount of PLN 1,332,000. On the basis of the Management Board Bonus Scheme for the Vice-President of the Management Board Filip Kuropatwa, the Issuer's Supervisory Board resolved on 20 April 2023: (i) a cash bonus for 2022 in the amount of PLN 7 012 000 gross, the aforementioned bonus has not yet been paid as of the date of this report; (ii) a bonus (cash benefit) for 2022 for the purchase of shares in the Issuer in the amount of PLN 7 012 000 gross, the aforementioned bonus has not yet been paid as of the date of this report.

#### **Remuneration of members of the Supervisory Board for 2022:**

In 2022, until 31.05.2022, the members of the Supervisory Board received monthly remuneration on the basis of the resolution of the Ordinary General Meeting of 3 June 2020, set as remuneration in the amount of PLN 4,000 gross per month, while the remuneration of the Chairman of the Supervisory Board and the Chairman of the Audit Committee in the amount of PLN 5,000 gross per month. By virtue of Resolution No. 24 of the Ordinary General Meeting of UNIMOT S.A. of 29 June 2022, the monthly remuneration of the members of the Supervisory Board from 1 June 2022 is PLN 6,250 gross for the Chairman of the Supervisory Board and the Chairman of the Audit Committee and PLN 5,000 for the other members of the Supervisory Board.

Remuneration of Supervisory Board members paid for 2022:

Andreas Golombek - PLN 68,750 gross,  
Bogusław Satiawa - PLN 55 000 gross,  
Isaac Querub - £55,000 gross,  
Ryszard Budzik - PLN 55 000 gross,  
Piotr Cieślak - PLN 68,750 gross,  
Piotr Prusakiewicz - PLN 55 000 gross,  
Lidia Banach - Hoheker - PLN 55,000 gross.

To the best of the Issuer's knowledge, the members of the Supervisory Board have not received any other additional benefits from the Issuer on the basis of a bonus or profit-sharing plan, in the form of share options or other benefits in kind. In addition, the members of the Supervisory Board are not entitled to deferred or contingent benefits from the Company.



The members of the Supervisory Board also received no remuneration from the Issuer's subsidiaries in 2022.

#### 9.11.4. LIABILITIES RESULTING FROM PENSIONS AND BENEFITS OF A SIMILAR NATURE FOR FORMER MANAGERS AND SUPERVISORS

Absence of such obligations

#### 9.11.5. INFORMATION ON THE CONTROL SYSTEM FOR EMPLOYEE SHARE SCHEMES

There are no employee share schemes in the Issuer or its subsidiaries.

#### 9.11.6. A DESCRIPTION OF THE DIVERSITY POLICY APPLICABLE TO THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER WITH REGARD TO ASPECTS SUCH AS, FOR EXAMPLE, AGE, GENDER OR EDUCATIONAL AND PROFESSIONAL BACKGROUND, THE OBJECTIVES OF THAT POLICY, THE WAY IN WHICH IT HAS BEEN IMPLEMENTED, AND ITS EFFECTS DURING THE REPORTING PERIOD IN QUESTION

The Company has not adopted a Diversity Policy.

As of the date of this report, the Issuer does not comply with the following principles of the Code of Best Practice for WSE Listed Companies 2021 regarding diversity:

- ***Principle 2.1 - The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy shall set out the objectives and criteria for diversity in areas such as gender, field of study, specialist knowledge, age and professional experience, among others, and indicate when and how the achievement of these objectives will be monitored. With regard to gender diversity, a condition for ensuring the diversity of the company's bodies is that the proportion of minorities in the respective body is no less than 30%.***

The Company does not have a diversity policy with respect to its management and supervisory boards. The Company's bodies, in selecting the members of its authorities, are guided by various criteria, primarily the field of education, specialised knowledge and professional experience, in an effort to ensure diversity in the composition of the members of the authorities. In view of the fact that the fuel industry is traditionally not perceived as attractive for women in management or supervisory positions (as shown by market research) - it is difficult to apply the principle of gender diversity. In turn, due to the formal legal aspects of this business and the need for high qualifications and experience in management positions - also the application of the principle of age diversity is an apparent challenge. The adoption of any policy enabling gender or age diversity requires the Company's activities to take into account a number of aspects, the definition of which requires appropriate analyses of the labour market. The Company does not rule out carrying them out in the future and preparing the diversity policy in question on the basis of them.

- ***Principle 2.2 - Those deciding on the election of the members of the company's management or supervisory board should ensure the comprehensiveness of these bodies by selecting diversity in their composition, allowing, inter alia, for the achievement of a target minimum minority participation rate set at not less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in Principle 2.1.***

The Company does not have a diversity policy with respect to its management and supervisory boards. The Company's bodies, in selecting the members of its governing bodies, are guided by various criteria, primarily the field of education, specialised knowledge and professional experience, in an effort to ensure diversity in the composition of the members of the governing bodies. In view of the fact that the fuel industry is traditionally not perceived as attractive for women in management or supervisory positions (as shown by market research) - it is difficult to apply the principle of gender diversity. In turn, due to the formal legal aspects of this business and the need for high qualifications and experience in management positions - also the application of the principle of age diversity is a visible challenge. The adoption of any policy enabling gender or age diversity requires the Company's activities to take into account a number of aspects, the definition of which requires appropriate analyses of the labour market. The Company does not rule out carrying them out in the future and preparing the diversity policy in question on the basis of them.



## 10. APPROVAL OF THE REPORT OF THE MANAGEMENT BOARD ON THE UNIMOT GROUP'S OPERATIONS

The Management Board of Unimot S.A. declares that this report entitled Report of the Management Board on the operations of the Unimot Group for the year 2022 ended 31 December 2022 gives a true picture of the development, achievements and situation of the Unimot Group, including a description of the main threats and risks, and was approved for publication and signed by the Management Board of Unimot S.A. on 20 April 2023.

.....

**Adam Sikorski**

President of the Management Board

.....

**Filip Kuropatwa**

Vice-President of the Management Board

.....

**Robert Brzozowski**

Vice-President of the Management Board

## 11. STATEMENTS

### STATEMENT OF THE SUPERVISORY BOARD OF UNIMOT S.A.

#### ON THE FUNCTIONING OF THE AUDIT COMMITTEE

The Supervisory Board of Unimot S.A. pursuant to § 70 para. 1 pt. 8 and § 71 par. 1 pt. 8 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Journal of Laws of 2018, item 757) declares that at Unimot S.A. and the Unimot Group:

- the rules on the appointment, composition and functioning of the audit committee are complied with, including that its members meet the independence criteria and the requirements for knowledge and skills in the industry in which the Issuer operates and in accounting or auditing,
- the audit committee performed the tasks of the audit committee provided for in the applicable regulations.

Warsaw, 20 April 2023.

.....  
**Andreas Golombek**  
 Chairman of the  
 the Supervisory Board

**Bogusław Satława**  
 Vice-Chairman of  
 the Supervisory Board

**Piotr Cieślak**  
 Member of  
 the Supervisory Board

**Isaac Querub**  
 Member of  
 the Supervisory Board

.....  
**Piotr Prusakiewicz**  
 Member of  
 the Supervisory Board

**Ryszard Budzik**  
 Member of  
 the Supervisory Board

**Lidia-Banach-Hoheker**  
 Member of  
 the Supervisory Board

## EVALUATION OF THE ANNUAL ACCOUNTS AND THE REPORT OF THE MANAGEMENT BOARD

MADE BY

### SUPERVISORY BOARD OF UNIMOT S.A.

The Supervisory Board of Unimot S.A. pursuant to § 70 para. 1 pt. 14 and § 71 par. 1 pt. 12 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Journal of Laws of 2018, item 757) declares that:

- having reviewed the annual standalone financial statements of Unimot S.A. and the annual consolidated financial statements of the Unimot Group for the financial year 2022, and having familiarised itself with the auditor's opinion and the audit report, positively assesses the financial statements in question with regard to their conformity with the books, documents and facts.

- having reviewed the report on the activities of Unimot S.A. and the Unimot Capital Group for the financial year 2022, positively assesses the said report in terms of its compliance with the books, documents and facts. The report in question presents a correct picture of the development and achievements as well as the financial and asset situation of Unimot S.A. and the Unimot Capital Group.

Warsaw, 20 April 2023.

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| <b>Andreas Golombek</b> | <b>Bogusław Satława</b> | <b>Piotr Cieślak</b>  | <b>Isaac Querub</b>   |
| Chairman of the         | Vice-Chairman of        | Member of             | Member of             |
| the Supervisory Board   | the Supervisory Board   | the Supervisory Board | the Supervisory Board |

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|---------------------------|-----------------------|-----------------------------|
| <b>Piotr Prusakiewicz</b> | <b>Ryszard Budzik</b> | <b>Lidia-Banach-Hoheker</b> |
| Member of                 | Member of             | Member of                   |
| the Supervisory Board     | the Supervisory Board | the Supervisory Board       |

**STATEMENT OF THE SUPERVISORY BOARD OF UNIMOT S.A.**

**CONCERNING THE AUDIT FIRM CARRYING OUT THE AUDIT OF**

**THE ANNUAL STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS**

The Supervisory Board of Unimot S.A. pursuant to § 70 para. 1 pt. 7 and § 71 para. 1 pt. 7 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Journal of Laws of 2018, item 757) declares that in Unimot S.A. and the Unimot Group:

- the entity authorised to audit the annual standalone financial statements and the annual consolidated financial statements, i.e. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw, was selected in accordance with the provisions of the law, and that the entity and the statutory auditors who audited the Company's and the Group's 2022 statements met the conditions for expressing an impartial and independent opinion on the separate and consolidated financial statements in accordance with the applicable regulations and professional standards and principles of professional ethics;

- applicable regulations relating to the rotation of the audit firm and key auditor and mandatory grace periods are complied with, and that the Company has a policy on the selection of the audit firm and a policy on the provision of additional non-audit services to the Issuer by the audit firm, an affiliate of the audit firm or a member of its network, including services conditionally exempted from the audit firm's ban.

Warsaw, 20 April 2023

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|-------------------------|--------------------------|-----------------------|-----------------------|
| <b>Andreas Golombek</b> | <b>Bogusław Sattława</b> | <b>Piotr Cieślak</b>  | <b>Isaac Querub</b>   |
| Chairman of the         | Vice-Chairman of         | Member of             | Member of             |
| the Supervisory Board   | the Supervisory Board    | the Supervisory Board | the Supervisory Board |

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|                           |                       |                             |
|---------------------------|-----------------------|-----------------------------|
| <b>Piotr Prusakiewicz</b> | <b>Ryszard Budzik</b> | <b>Lidia-Banach-Hoheker</b> |
| Member of                 | Member of             | Member of                   |
| the Supervisory Board     | the Supervisory Board | the Supervisory Board       |

## STATEMENT OF THE MANAGEMENT BOARD OF UNIMOT S.A.

### STATEMENT

We hereby declare that, to the best of our knowledge, the annual standalone financial statements for the financial year 2022 and the comparative data for 2021 have been prepared in accordance with the applicable accounting regulations applicable to the Issuer, and that they give a true, fair and clear view of the Issuer's assets and financial position and its financial result, and that the report on the operations of Unimot S.A. and the Unimot Group gives a true picture of the development and position of the Issuer, including a description of the main threats and risks.

The Company's Management Board represents that the entity authorised to audit the annual standalone financial statements, i.e. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw, was selected in accordance with the provisions of the law, and that the entity and the statutory auditors auditing the 2022 report met the conditions for expressing an impartial and independent opinion on the standalone financial statements in accordance with the applicable regulations and professional standards and principles of professional ethics.

The Management Board of the Company also declares that the applicable regulations related to the rotation of the audit firm and the key auditor and mandatory grace periods are complied with and that the Company has a policy on the selection of the audit firm and a policy on the provision of additional non-audit services to the Issuer by the audit firm, an affiliate of the audit firm or a member of its network, including conditionally exempt services provided by the audit firm.

Warsaw, 20 April 2023.

**Adam Sikorski**  
President of the Management Board of  
Unimot S.A.

**Robert Brzozowski**  
Vice-President of the Management Board  
of Unimot S.A.

**Filip Kuropatwa**  
Vice-President of the Management Board of  
Unimot S.A.



## STATEMENT OF THE MANAGEMENT BOARD OF UNIMOT S.A.

### STATEMENT

We hereby declare that, to the best of our knowledge, the annual consolidated financial statements for the financial year 2022 and the comparative data for the year 2021 have been prepared in accordance with the applicable accounting regulations applicable to the Issuer, and that they give a true, true and fair view of the Unimot Group's assets and financial position and its financial result, and that the report on the operations of Unimot S.A. and the Unimot Group gives a true picture of the development and position of the Unimot Group, including a description of the key threats and risks.

The Company's Management Board represents that the entity authorised to audit the annual consolidated financial statements, i.e. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw, was selected in accordance with the provisions of law, and that the entity and the statutory auditors who audited the 2022 report met the conditions for expressing an impartial and independent opinion on the consolidated financial statements in accordance with the applicable regulations and professional standards and rules of professional ethics.

The Management Board of the Company also declares that the applicable regulations related to the rotation of the audit firm and the key auditor and mandatory grace periods are complied with and that the Company has a policy on the selection of the audit firm and a policy on the provision of additional non-audit services to Unimot and the Unimot Group by the audit firm, an affiliate of the audit firm or a member of its network, including conditionally exempted services from the audit firm ban.

Warsaw, 20 April 2023.

**Adam Sikorski**  
President of the Management Board of  
Unimot S.A.

**Robert Brzozowski**  
Vice-President of the Management Board  
of Unimot S.A.

**Filip Kuropatwa**  
Vice-President of the Management Board of  
Unimot S.A.