UNIMOT CAPITAL GROUP

Annual Report for 2020
Consolidated Statements

23rd March 2021

CONTENTS

1. SELECTED FINANCIAL DATA

Selected data from the consolidated financial statements

	in PLN thousand		in EUR thousand	
	31.12.2020	Comparable data*	31.12.2020	Comparable data*
I. Net revenues on sales of products, goods and materials	4 769 994	4 460 183	1 066 111	1 036 818
II. Profit/loss on operating activity	49 255	83 507	11 009	19 412
III. Gross profit/loss	43 732	74 711	9 774	17 368
IV. Net profit attributable to the owners of the Parent Entity	35 156	60 407	7 858	14 042
V. Net profit/(loss)	34 735	59 923	7 763	13 930
VI. Net operating cash flows	150 621	23 946	33 665	5 567
VII. Net investment activity cash flows	(7 669)	(4 580)	(1 714)	(1 065)
VIII. Net financial activity cash flows	(30 556)	(17 238)	(6 829)	(4 007)
IX. Total net financial flows	112 396	2 128	25 121	495
X. Total assets	790 335	687 120	171 261	161 353
XI. Liabilities and provisions for liabilities	524 454	440 184	113 646	103 366
XII. Long-term liabilities	52 690	21 005	11 418	4 932
XIII. Short-term liabilities	471 764	419 179	102 228	98 433
XIV. Equity	265 881	246 936	57 615	57 987
XV. Share capital	8 198	8 198	1 776	1 925
XVI. Number of shares (in thousands of shares).	8 198	8 198	-	-
XVII. Profit/loss per one common share attributable to the owners of Parent Equity	4,29	7,37	0,96	1,71
XVIII. Diluted profit per one ordinary share attributable to the owners of Parent Entity (in PLN/EUR**	4,29	7,37	0,96	1,71
XIX. Book value per one share (in PLN/EUR)***	32,43	30,12	7,03	7,07
XX. Diluted book value per one share (in PLN/EUR)***	32,43	30,12	7,03	7,07
XX. Declared or paid dividend per one share (in PLN/EUR)	1,97	-	0,44	-

* Data for items concerning the statements of financial condition is presented as of 31.12.2019 and for the items concerning the statements on total profits and the statements of cash flows for the period from 01.12..2019 to 31.12.2019

** as of 31.12.2020 the number of shares used to calculate the profit per one ordinary share and the diluted profit per one ordinary share was 8 198 thousand of shares

** as of 31.12.2019 the number of shares used to calculate the profit per one ordinary share and the diluted profit per one ordinary share was 8 198 thousand of shares

*** as of 31.12.2020 the number of shares used to calculate the book value and diluted book value per share was 8 198 thousand of shares.

*** as of 31.12.2019 the number of shares used to calculate the book value and diluted book value per share was 8 198 thousand of shares

The selected financial data was converted into EUR as follows:

The items of assets and liabilities of the statements of financial position were converted into EUR according to the average exchange rate announced by the National Bank of Poland valid as of 31.12.2020 PLN/EUR 4,6148 and for the comparative data as of 31.12.2019 PLN/EUR 4.2585

The individual items on the profit and loss account and other comprehensive income and cash flows were converted into EUR according to the exchange rate which is the arithmetic mean of average National Bank of Poland rate valid on the last calendar day of each month which was respectively PLN/EUR 4.4742 (2020), PLN/EUR 4.3018 (2019).

2. ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial condition

in PLN thousand	***Note***	**31.12.2020**	**31.12.2019**
Fixed assets			
TANGIBLE FIXED ASSETS	*4.9*	35 834	33 377
Right to use assets	*4.10*	54 278	12 119
INTANGIBLE ASSETS	*4.11*	21 714	18 578
Other financial assets	*4.12*	260	2 916
Derivative financial instruments	*4.22*	13 247	-
Other long-term liabilities	*4.15*	9 899	2 224
Client contracts assets	*4.17*	5 233	9 184
Deferred income tax assets	*4.13*	8 267	1 995
Total fixed assets		**148 732**	**80 393**
Current assets			
Inventory	*4.14*	166 695	239 258
Client contracts assets	*4.17*	1 322	1 162
Trade and other receivables	*4.15*	332 671	306 314
Other financial assets	*4.12*	194	3 537
Derivative financial instruments	*4.22*	14 885	12 123
Financial resources and their equivalents	*4.19*	116 063	38 836
Other current assets	*4.18*	9 773	5 497
Total current assets		**641 603**	**606 727**
TOTAL ASSETS		**790 335**	**687 120**

President of the Management Board

Adam Sikorski

Vice-President of the Management Board

Robert Brzozowski

Vice-President of the Management Board

Marek Moroz

Person preparing the report

Małgorzata Walnik

Vice-President of the Management Board

Mikołaj Wierzbicki

Consolidated statements of the financial condition should be analysed jointly with explanatory information, which constitutes an integral part of the consolidated financial statements

Consolidated statements of financial condition (continued)

in PLN thousand	*Note*	31.12.2020	31.12.2019
Equity			
Share capital	*4.20*	8 198	8 198
Other capitals	*4.20*	218 816	181 140
Exchange rate differences from foreign units conversion		16	(127)
Previous years' results and current year result		38 950	57 725
Equity of Parent Entity's shareholders		**265 980**	**246 936**
Non-controlling interests		(99)	-
Equity in total		**265 881**	**246 936**
Long-term liabilities			
Liabilities due to credits, loans and other debt instruments	*4.21*	48 996	13 094
Employee benefits liabilities	*4.25*	256	185
Derivative financial instruments	*4.22*	3 438	5 648
Deferred income tax reserve	*4.13*	-	2 078
Total long-term liabilities		**52 690**	**21 005**
Short-term liabilities			
Overdrafts	*4.21*	172 440	205 350
Liabilities due to credits, loans and other debt instruments	*4.21*	9 401	4 867
Derivative financial instruments	*4.22*	17 700	2 421
Employee benefits liabilities	*4.25*	539	435
Income tax liabilities		2 621	1 500
Client contracts liabilities	*4.26*	4 130	3 070
Trade and other liabilities	*4.27*	264 933	201 536
Total short-term liabilities		**471 764**	**419 179**
Total liabilities		**524 454**	**440 184**
TOTAL LIABILITIES		**790 335**	**687 120**

President of the Management Board

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Consolidated statements of total revenues

in PLN thousand	Note	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019 *converted**
Revenues on sales	4.1	4 819 488	4 464 943
Profits (losses) from financial instruments pertaining to fuel trading	4.1	(49 494)	(4 760)
Cost of sold goods, products and materials	4.3	(4 520 473)	(4 223 815)
Gross profit on sales		**249 521**	**236 368**
Other operating revenues	4.4	3 049	2 204
Sales costs	4.2	(162 899)	(128 150)
Overheads	4.2	(30 678)	(26 063)
Other net profits/losses	4.5	21	927
Other operating costs	4.6	(9 759)	(1 779)
Profit/loss on operating activity		**49 255**	**83 507**
Financial revenues	4.7	903	405
Financial costs	4.7	(6 426)	(9 201)
Net financial revenues/(costs)		**(5 523)**	**(8 796)**
Profit/(loss) before taxation		**43 732**	**74 711**
Income tax	4.8	(8 997)	(14 788)
Net profit/(loss) for the financial year		**34 735**	**59 923**
in this attributable to			
Parent Entity's shareholders		35 156	60 407
Non-controlling interests		(421)	(484)
Net profit/(loss) for the financial year		**34 735**	**59 923**
Total profits for the financial year		**34 735**	**59 923**
in this attributable to			
Parent Entity's shareholders		35 156	60 407
Non-controlling interests		(421)	(484)
Total profits for the financial year		**34 735**	**59 923**
Profit/loss per one share attributable to owners of Parent Entity (in PLN)		4,29	7,37
Diluted profit (loss) per one share attributable to Parent Entity's owners (in PLN)		4,29	7,37

** details of conversion have been described in the note 4.1*

President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board
Adam Sikorski	*Robert Brzozowski*	*Marek Moroz*

Person preparing the report	Vice-President of the Management Board
Małgorzata Walnik	*Mikołaj Wierzbicki*

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Consolidated statements of cash flows

in PLN thousand	*Note*	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
Operating cash flows			
Profit/(loss) before taxation		**43 732**	**74 711**
Adjustments			
Tangible fixed asset amortisation	*4.9*	8 740	6 195
Intangible assets impairment	*4.11*	285	247
Loss (profit) due to exchange rate differences		2 416	297
Profit (loss) on sales of other investments		-	(1 073)
(Profit)/loss on sales of tangible fixed assets	*4.5*	(21)	(927)
Net interests, transactional costs (concerning credits and loans) and dividends		4 696	8 797
Receivables status change	*4.31*	(36 891)	(57 231)
Inventory status change	*4.31*	72 730	(48 834)
Client contracts assets status change	*4.17*	3 791	(2 149)
Client contracts liabilities status change	*4.26*	1 060	(10 320)
Trade and other short-term liabilities status change	*4.31*	57 398	48 725
Status change of assets/(liabilities) due to hedging instruments		(2 940)	18 301
Provisions status change	*4.31*	(2 078)	2 027
Status change of liabilities due to employee benefits	*4.25*	175	(32)
Investment impairment write-off		6 525	-
Income tax paid/returned		(8 997)	(14 788)
Net operating cash flows		**150 621**	**23 946**
Investment activity cash flows			
Revenues on tangible fixed assets sale		1 162	3 188
Received interests		725	275
Revenues on loans		11 407	7 774
Other revenues (outflows) on investment activity		-	(6)
Tangible fixed assets purchase		(4 996)	(1 883)
Intangible assets purchase		(4 108)	(189)
Loans granted		(11 859)	(11 214)
Other investments acquisition		-	(2 525)
Net investment activity cash flows		**(7 669)**	**(4 580)**
Net financial activity cash flows			
Contracting credits, loans and other debt instruments		124	179
Acquisition of shares in owned subsidiaries		-	(3 114)
Repayment of credits, loans and other debt instruments		(1 978)	(1 574)
Paid dividends		(16 149)	-
Payment of liabilities due to financial lease contracts		(6 562)	(4 128)
Paid interests and transactional costs (concerning credits and loans)		(5 991)	(8 601)
Net financial activity cash flows		**(30 556)**	**(17 238)**
Financial resources and their equivalents status change		**112 396**	**2 128**
Influence of exchange rate changes concerning financial resources and their equivalents		*(2 259)*	*(425)*
Financial resources and their equivalents status change		**110 137**	**1 703**
Financial resources and their equivalents net of overdrafts as of 1st January	*4.19*	**(166 514)**	**(168 217)**
Financial resources and their equivalents net of overdrafts as of 31st December	*4.19*	**(56 377)**	**(166 514)**

President of the Management Board	*Vice-President of the Management Board*	*Vice-President of the Management Board*
Adam Sikorski	*Robert Brzozowski*	*Marek Moroz*
Person preparing the report		*Vice-President*
Małgorzata Walnik		*Mikołaj Wierzbicki*

Consolidated statements of the financial condition should be analysed jointly with explanatory information, which constitutes an integral part of the consolidated financial statements

Consolidated statements of changes in equity

in PLN thousand	Share capital	Other capitals (including own shares)	Exchange rate differences from foreign units conversion	Previous years' results	Current year result	Total	Non-controlling interests	Total equity
	Equity of Parent Entity's owners							
Equity as of 01 January 2019	8 198	174 437	-	4 731	110	**187 476**	5 769	**193 245**
Total profits for the financial year	-	-	-	-	60 407	**60 407**	(484)	**59 923**
- Net profit/(loss) for the period	-	-	-	-	60 407	**60 407**	(484)	**59 923**
Transactions with Parent Entity's owners recognised directly in equity								
Changes in ownership structure of subordinated entities	-	-	-	(820)	-	**(820)**	(5 285)	**(6 105)**
Components of other total revenues	-	-	(127)	-	-	**(127)**	-	**(127)**
Profit/(loss) transfer	-	6 703	-	(6 593)	(110)	**-**	-	**-**
Equity as of 31st December 2019	**8 198**	**181 140**	**(127)**	**(2 682)**	**60 407**	**246 936**	**-**	**246 936**

in PLN thousand	Share capital	Other capitals (including own shares)	Exchange rate differences from foreign units conversion	Previous years' results	Current year result	Total	Non-controlling interests	Total equity
	Equity of Parent Entity's owners							
Equity as of 01 January 2020	8 198	181 140	(127)	(2 628)	60 407	**246 936**	-	**246 936**
Total profits for the financial year	-	-	-	-	35 156	**35 156**	(421)	**34 735**
- Net profit/(loss) for the period	-	-	-	-	35 156	**35 156**	(421)	**34 735**
Transactions with Parent Entity's owners recognised directly in equity								
Additional payments from and payments to the owners	-	-	-	-	(16 149)	**(16 149)**	-	**(16 149)**
- Dividend	-	-	-	-	*(16 149)*	***(16 149)***	-	***(16 149)***
Obtaining control of subsidiaries	-	-	-	(106)	-	**(106)**	322	**216**
Components of other total revenues	-	-	143	-	-	**143**	-	**143**
Profit/(loss) transfer	-	37 676	-	6 582	(44 258)	**-**	-	**-**
Equity as of 31st December 2020	**8 198**	**218 816**	**16**	**3 794**	**35 156**	**265 980**	**(99)**	**265 881**

President of the Management Board — *Adam Sikorski*

Vice-President of the Management Board — *Robert Brzozowski*

Vice-President of the Management Board — *Marek Moroz*

Person preparing the report — *Małgorzata Walnik*

Vice-President of the Management Board — *Mikołaj Wierzbicki*

Consolidated statements of changes in equity should be analysed jointly with explanatory information, which constitutes an integral part of the consolidated financial statements

3. EXPLANATORY INFORMATION TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

3.1 INFORMATION ON THE GROUP

Unimot Spółka Akcyjna ("Unimot S.A.", "Company", "Parent Entity") with its registered office in Zawadzkie, at 2A Świerklańska, is a Parent Entity in the Unimot Capital Group ("Capital Group", "Group"). The Company was entered on 29th March 2011 into the Business Register of the District Court in Opole VIII Commercial Division of the National Court Register, as KRS number: 0000382244.

Changes to the name of the Reporting Unit or other changes to identifying data, which have taken place since the ending of the previous reporting period – no changes. The address of the registered office Unimot Spółka Akcyjna to ul. Świerklańska 2a, 47-120 Zawadzkie, Polska.

Unimot S.A.'s shares from 7 March 2017 have been listed on the regulated market of the Warsaw Stock Exchange.

The primary activity of the Group is retail and wholesale of gas, liquid fuels, petroleum products, electricity, photovoltaics and development and construction of natural gas distribution network.

As of the balance sheet date and as of the date of these consolidated financial statements, the composition of the management and supervisory bodies of the Parent Entity was as follows**:**

Composition of the Management Board as of the balance sheet date and as of the date of these financial statements:
Adam Sikorski - President of the Management Board
Robert Brzozowski - Vice-President of the Management Board
Marek Moroz - Vice-President of the Management Board
Mikołaj Wierzbicki – Vice-President of the Management Board

Composition of the Supervisory Board as of the balance sheet date and as of the date of these financial statements:
Andreas Golombek – President of the Supervisory Board
Bogusław Satława - Vice-President of the Supervisory Board
Piotr Cieślak - Member of the Board
Isaac Querub - Member of the Board
Piotr Prusakiewicz - Member of the Board
Ryszard Budzik - Member of the Board
Dariusz Formela - Member of the Board

Consolidated financial statements for the financial year ending on 31st December 2020 comprise financial statements of the Parent Entity and its subsidiaries (jointly referred to as "the Group").

As of 31st December 2020 the Parent Entity Unimot S.A. owned directly and indirectly the shares of the following subsidiaries:

Name of subsidiary	The Seat	Scope of unit's basic operations	Owned shares and voting rights	Date of obtaining
Unimot System Sp. z o.o.	Poland	gaseous fuels distribution through mains	100,00%	20.01.2014
Blue LNG Sp. z o.o.	Poland	gaseous fuels distribution through mains	100,00%	04.07.2014
Unimot Paliwa Sp. z o.o.	Poland	liquid fuels distribution	100,00%	16.11.2015
Unimot Energia i Gaz Sp. z o.o.	Poland	electricity distribution and liquid fuels	100,00%	30.12.2015
Tradea Sp. z o.o.	Poland	electricity distribution	100,00%	23.05.2016
Unimot Ukraine LLC	Ukraine	liquid fuels distribution	100,00%	19.04.2018
Unimot Energy LLC	Ukraine	electricity distribution	100,00%	02.04.2019
Unimot Asia LLC	China	liquid fuels distribution	100,00%	04.09.2018
3 Seas Energy LLC	USA	liquid fuels distribution	75,00%	21.05.2020
Naturalna Energia Sp. z o.o.	Poland	electricity production	80,00%	14.12.2020
Nasze Czyste Powietrze Sp. z o.o.	Poland	electricity production	80,00%	14.12.2020
PV Energy Sp. z o.o.	Poland	electricity production	80,00%	14.12.2020

The following changes occurred in 2020 in the Unimot Capital Group:

Investments made in 2020:

- On 21.05.2020 the Parent Entity established a subsidiary 3 Seas Energy LLC with the capital USD 100 thousand. The percentage share of the Parent Entity in 3 Seas Energy LLC amounts to 75.00 %.
- On 14.12.2020 the subsidiary Unimot Energia i Gaz Sp. z o.o. purchased 80 shares at PLN 50 each in the company Naturalna Energia Sp. z o.o., and therefore obtained 80% of the share in the company. The percentage share of the Parent Entity in Naturalna Energia Sp. z o.o. amounts to 80%. Due to the fact that the companies Nasze Czyste Powietrze Sp. z o.o. and PV Energy Sp. z o.o. are companies related to Naturalna Energia Sp. z o.o. the indirect share of the Parent Entity in these companies also amounts to 80%.

3.2 BASIS FOR PREPARING ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

(a) Principle of operation continuity

The consolidated financial statements as of the day and period ended on 31st December 2020 has been prepared assuming that the Unimot Group will continue its economic activity in the foreseeable future.

As of the day of preparing the present consolidated financial statements the circumstances that may indicate threats to continue the operations by the Unimot Group have not been observed.

(b) Statement of conformity

The consolidated financial statements have been prepared applying accounting principles accordant with the International Financial Reporting Standards (IFRS), which comprise International Accounting Standards (IAS) and Interpretations of the Standing Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the European Union and were in force as of 31st December 2020.

The consolidated financial statements have been prepared based on the principle of historical cost, except for derivatives, diesel oil provisions valuation and receivables being subject to full factoring valuated at fair value through financial result.

The consolidated financial statements of the Capital Group that include the company as its subsidiary are prepared by Unimot Express Sp. z o.o. with the registered office in Warsaw, Al. Ks. J. Poniatowskiego 1, 03-901 Warszawa.

IFRS of the EU include all International Accounting Standards, International Financial Reporting Standards and related to them interpretations except for the specified below Standards and Interpretations, which are pending for the EU's approval or have been approved by the EU but have not entered into force yet.

Certain new standards, amendments to standards and interpretations that are in force or will enter into force for the accounting periods ending after 31st December 2020 have not been considered while preparing the present consolidated financial statements.

New standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

A. In the present standalone financial statements, the following new standards and amendments to the applicable standards have been applied for the first time, which entered into force on January 1, 2020:

a) IFRS 3 'Business Combinations'.

b) Amendments to IFRS 9, IAS 39 and IFRS 7 related to the IBOR reform

c) IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

d) Changes to the Conceptual Framework in IFRS

In the Group's opinion, the above-mentioned changes do not have a significant impact on the presented consolidated financial statements.

B. Published standards and interpretations that are not yet in force and have not been previously applied by the Group:
In the present consolidated financial statements, the Group has not decided to apply in advance the following published standards, interpretations, or amendments to the existing standards before the date of their entry into force:

a) IFRS 17 Insurance Contracts and amendments to IFRS 17

b) Amendments to IAS 1 Presentation of Financial Statements

c) Amendments to IFRS 3 Business Combinations

d) Amendments to IAS 16 Property, Plant and Equipment

e) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

f) Annual amendments to IFRS 2018-2020

g) Amendments to IFRS 16 Leases

h) Amendment to IFRS 4: Application of IFRS 9 Financial Instruments

i) IFRS 14 Regulatory Deferral Accounts

j) Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associates or joint ventures

In the Group's opinion, the above-mentioned standards and interpretations will not have a significant impact on the consolidated financial statements.

c) Significant estimates and judgements

Preparation of the financial statements in conformity with International Financial Reporting Standards requires the Management Board of the Company to make judgments, estimates and assumptions that affect the accepted accounting principles and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and other factors that are considered reasonable under given circumstances, and their results provide the basis for professional judgment as to the book value of assets and liabilities not derived directly from other sources. The actual value may differ from the estimated value.

Judgments, estimates and underlying assumptions are subject to ongoing verification. The change in accounting estimates is recognised in the period in which the estimate is changed or in current and future periods if the change in estimate affects both the current period and future periods.

Significant judgements and assessments conducted by the Management Board with the application of International Financial Reporting Standards (IFRS) have been presented in the notes:

- note 3.2 – operation continuity principle,
- note 4.11 - test for value loss of cash flow generating centres, to which the value of companies has been allocated,
- note 4.13 – deferred tax assets and reserves and utilisation of tax losses,
- note 4.25 – employee benefits liabilities,
- note 4.28 – financial instruments valuation,
- note 4.29 – contingent liabilities

d) Functional and presentation currency

The Company's functional currency and the presentation currency of these consolidated financial statements is Polish Zloty (PLN). The data in the consolidated financial statements are presented in Polish Zloty, rounded to the nearest thousand unless stated otherwise in specific circumstance.

3.3 DESCRIPTION OF SIGNIFICANT APPLIED ACCOUNTING PRINCIPLES

Principles of the accounting policy presented below have been applied with reference to all periods included in the consolidated financial statements.

a) Consolidation principles

Consolidated financial statements of the Group comprise assets, liabilities, equity, costs and cash flows of Parent Entity and its subsidiaries presented in such a way as if they belonged to a single entity and have been prepared on the same reporting day as the separate financial statements of the Parent Entity applying the same accounting principles with relations to similar transactions and other events that occur in similar circumstances.

Subsidiaries are consolidated with the full method. Joint ventures and investments into related entities are valuated with the use of equity method.

In order to conduct consolidation with the use of full method all items of assets, liabilities, revenues and costs of statements of the Parent Entity and its subsidiaries are aggregated, and then proper consolidation principles are applied, which comprise primarily:

- determining non-controlling share in the net profit or loss of subsidiaries for the given accounting period,
- determining and presenting separately from the Parent Entity's equity the non-controlling share in the net assets of subsidiaries,
- excluding the balance of internal settlements among the Group's entities,
- excluding revenues and cash flows connected with transactions within the Group and also all profits or losses arising within transactions in the Group.

Investments in subsidiaries

Subsidiaries are entities controlled by the Parent Entity. The Parent Equity controls the subsidiary it made investments into, in case if, due to its engagement in the subsidiary it is exposed to volatile financial results or if it has the rights to volatile financial results and is able to exert influence on the level of these financial results through exercising authority over this subsidiary. While assessing the level of control, existing and potential voting rights are considered, which on the reporting day can be executed or can be subject to conversion. Financial statements of subsidiaries are considered in the consolidated financial statements starting on the day of obtaining the control of the entity until the day of its effective disposal. Non-controlling shares are presented in the consolidated statements of financial condition as equity attributable to non-controlling shares, separately from equity attributable to shareholders of the Parent Entity.

Mergers of economic entities

Mergers of economic entities under joint control, in this acquisition of an organized part of an economic entity is recognised through aggregating particular items of assets and liabilities and revenues and losses of companies being merged according to the condition on the day of the merger. The effect of economic entities merger under the joint control does not influence the consolidated financial data. Other mergers of economic entities are settled with the use of purchase method.
Application of this method involves the following activities:

- identifying the acquirer,
- establishing the day of acquisition,
- recognising and valuating all possible to identify acquired assets, adopted liabilities and all non-controlling shares in the acquired entity and
- recognising and valuating the goodwill or profit on bargain purchase.

b) Transactions in foreign currency

Transactions denominated in foreign currencies at the transaction date are recognised in the relevant functional currency using the exchange rate of the transaction date. Monetary items of assets and liabilities denominated in foreign currency are converted into the functional currency at the reporting date at the exchange rate prevailing at that date. The exchange differences arising from the settlement of foreign currency transactions and the carrying amount of monetary assets and liabilities denominated in foreign currencies are recognised in the financial result. Non-monetary items of assets and liabilities valuated according to the historical cost in foreign currency are converted into the functional currency at the exchange rate prevailing on the transaction date. Non-monetary items of the statements of financial condition expressed in foreign currency valuated at fair value are converted into functional currency according to the exchange rate effective on the day of estimation fair value.

Foreign exchange profits/losses arising from settling transactions in foreign currencies and carrying amount of financial assets and liabilities expressed in foreign currencies are recognised in the financial result.

c) Tangible fixed assets

Own property, plant and equipment

Tangible fixed assets include both the tangible assets, as well as the fixed assets under construction. The initial value of tangible fixed assets is determined at the purchase price or at the production cost. The acquisition price or production cost includes the purchase price of the asset (i.e. the amount payable to the seller, less the deductible taxes: on Goods and Services and Excise), legal charges (in the case of imports) and other costs directly related to the purchase and adaptation of the tangible asset for use, including transport, loading, unloading and storage costs. Rebates, discounts and other similar concessions and returns decrease the asset acquisition price.

The cost of the tangible asset includes also estimated costs of dismantling and removing it and restoring the site on which it is located, the obligation for which the Company incurs in relation to the acquisition or construction of the tangible asset.

The tangible fixed assets are valuated and reported in the statements of financial condition at the end of the accounting period in the net book value, i.e. are recognised in the accounts at the acquisition cost or at reliably estimated cost of production, less amortisation and impairment loss and grants related to the assets. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset influence its initial value as part of the cost of that asset. The costs are capitalized when it is probable that they will result in future economic benefits and the value of those costs can be valuated reliably.

Other borrowing costs are recognised as an expense in the period in which they were incurred.

If the specified tangible asset consists of separate and essential constituents of a different period of use, these assets should be treated as separate assets.

Expenditures incurred at a later date

Expenditures of the exchanged constituents of the tangible asset incurred at a later date which may be reliably estimated, and it is probable that the Group will obtain economic benefits related to the exchanged constituents of the tangible assets are capitalised. All other expenditures are recognised in the financial result as costs at the time incurred.

Depreciation

The tangible fixed assets or their significant and separate constituents, are depreciated on a straight-line basis from the date they are available for use, i.e. since the adaptation of the asset to the place and the conditions necessary for its operation, for a period corresponding to the estimated period of their use, taking account of the final value. Lands are not subject to depreciation. The Group assumes the following useful lives for each category of tangible assets:

– Buildings and structures	From 10 to 20 years
– Machinery	From 3 to 10 years
– Means of transport	From 5 to 7 years
– Other tangible fixed assets	From 3 to 10 years

The correctness of the applicable periods of use, methods of depreciation and residual value of the fixed assets shall be annually reviewed by the Group. Creation and reversal of write-downs of the tangible assets are recognised in other costs and operating revenues.

d) Right to use assets

The moment a new agreement is concluded the Group evaluates whether the agreement is a lease or includes a lease. The agreement is a lease or includes a lease if under it the right to control an identified asset for a given period in return for remuneration. In order to evaluate whether based on the concluded agreement the right to hold control over the use of a given asset is transferred, the Group evaluates whether for the entire period of use it holds the following joint rights:

- the right to obtain generally all the economic benefits from the use of the identified asset and
- the right to control the use of the identified asset.

If the Group has the right to hold control over the use of the identified asset only for part of the period of the agreement's validity, the agreement included lease with reference to this part of the period. The right resulting from the lease, rental, tenancy agreements and other agreements that comply with the definition of lease according to the requirements of IFRS 16 are recognised as assets due to the right to use base elements of these assets within tangible fixed assets and respectively as lease liabilities.

The Group recognises an asset due to the right to use and lease liability on the commencement date. The commencement date of lease is the date on which the lessor makes available the base asset to be used by the lessee. The Group benefits from the exemption to apply the requirements resulting from IFRS 16 in case of recognising:

- Short-term lease – lease whose commencement date includes the lease period no longer than 12 months. The lease that included a call option is not short-term lease.
- lease that pertains to assets of low value – assets whose standalone initial value of a new lease asset does not exceed PLN 20 thousand, excluding the perpetual usufruct rights.

Activated are the incurred in the later period costs of replaced asset of tangible fixed assets, which can be credibly evaluated, and the Group is likely to achieve economic benefits related to the replaced assets of tangible fixed assets. All the other expenditures are recognised in the financial result as the costs at the time they are incurred. On the commencement date the Company valuates the asset due to the right to use according to the cost.

The cost of an asset due to the right use assets shall according to IFRS 16 cover:

- initial amount of the valuation of a lease liability,
- all lease fees paid on the commencement date or prior this date, net of all the received lease incentives,
- all initial direct costs incurred by the lessee and,
- estimation of costs that are to be incurred by the lessee in relation to dismantling and removal of the base asset, renovation of the place it was present or renovation of the base asset to the condition required by the lease terms, unless the costs are incurred to produce stocks. The lessee undertakes an obligation to cover these costs on the commencement date or upon the use of base asset for the given period.

On the commencement date the Group valuates a lease liability in the amount of current value of lease fees remaining to be paid on this date. Lease fees are discounted with the use of lease interest rate, if this rate can be easily established. Otherwise, the Group applies the marginal interest rate of the lessee.

e) Intangible assets

Goodwill

All mergers of entities, excluding the entities under common control are accounted for using the purchase method. The goodwill is calculated as the surplus of costs incurred as a result of entities merger over the share of the purchaser in the fair value of possible to identify net assets.

After the initial recognition the goodwill is disclosed at the purchase price less accumulated impairment losses. The goodwill is allocated to cash generating entities and is not depreciated but is subject to annual impairment tests. Goodwill impairment losses are not reversed in the following period.

In case of acquisitions, for which the surplus of possible to identify net assets over the purchase price have been established, the amount is directly included into the financial result.

Research and development

Expenses incurred in the research phase with a view to obtaining new scientific or technical knowledge are reported in the financial result when incurred.

Expenditures incurred on the development work of which effects are used in the development or production of new or substantially improved product shall be capitalised if the creation of a new product (or process) is technically possible and economically reasonable and the Group has technical, financial and other necessary resources to complete the development work. Costs to be capitalised include: cost of materials, wages of employees directly engaged in the development work and a reasonable portion of indirect costs directly associated with the formation of the intangible asset.

Other development costs are recognised in the financial result when incurred. The capitalized development costs are recognised as intangible assets based on their purchase price less depreciation write-offs and impairment losses.

Other intangible assets

Other intangible assets acquired by the Group are initially valuated at the purchase cost or production cost and are reported in the financial statements prepared at the end of the accounting period in the net book value, i.e. minus amortisation and impairment losses together with consideration of grants related to assets.

Expenditures incurred at a later date

Subsequent expenditures on existing intangible assets are capitalized only when it increases future economic benefits to be generated by the asset. Other expenditures are recognised in the financial result when incurred.

Depreciation

Intangible property with a specified useful life are depreciated on a straight-line basis from the date they are available for use, i.e. since the adaptation of the asset to the place and the conditions necessary for its operation, for a period corresponding to the estimated period of their use. The goodwill and intangible assets of unlimited useful life are tested annually for impairment. Creation and reversal of write-downs of the intangible assets are recognised in other operating activities.

The estimated useful life of intangible property is as follows:

– Development costs	5 years
– Computer software	from 2 to 5 years
– Acquired property rights (concessions, licences, patents)	from 2 to 5 years
– Other intangible fixed assets	from 2 to 10 years

f) Financial assets and liabilities

Financial instruments

Non-derivative financial instruments

The Group recognises financial asset components or financial liabilities in the statements of financial condition if and only if it becomes bound under the provisions of the instrument agreement. Financial assets purchased or sold in the form of standardised purchase or sale transaction are respectively recognised or derecognised at the date of concluding the transaction or the date of its settlement

The Group ceases to recognise a financial asset at the time of expiry of the contractual rights to receive cash flows from that asset or until, when the rights to receive cash flows from the financial asset are transferred in a transaction substantially transferring all the significant risks and rewards of their property. Each share in the transferred financial asset that is created or held by the Company is treated as an asset or liability.
The Group derecognises the financial asset component also in case a significant modification of financial asset component occurs, among others, if an annex to the financial asset agreement results in a necessity of relevant change for this asset of the accounting category.

Assets and liabilities are set off together and reported in the statements of financial position on a net basis, only if the Group has valid legal title to the set-off of certain financial assets and liabilities and intends to settle the transaction in net terms subject to the set-off of assets and financial liabilities or intends to simultaneously realize the financial assets and settle the financial obligations that are subject to the set-off.

The Group classifies financial instruments, other than derivative financial assets into the following categories: financial assets valuated in amortised cost, financial assets valuated at fair value through other total revenues and financial assets valuated at fair value through the financial result.
The classification of financial assets is made at their initial recognition, depending on the nature and purpose of financial assets.

The classification of a financial asset into one of the categories is made on the basis of an analysis of two equivalent criteria:
- the Group's business model of financial assets management and
- the characteristics of contractual cash flows of a financial asset.

Reclassification of financial assets takes place solely when a business model, defining the way of the management of these assets, is changed.

The derivatives embedded in financial assets (in host contracts that do not constitute derivatives and are financial assets) should not be separated – the whole of a financial asset is classified in an appropriate accounting category in accordance with the aforementioned criteria.

Financial assets valuated at amortised cost
Financial assets valuated at amortised cost are the financial assets that meet both of the following conditions:

- a financial asset is held in accordance with a business model, the purpose of which is to hold financial assets in order to receive contractual cash flows and

- the conditions of an agreement concerning a financial asset give rise to cash flows at specific dates, which are solely the payment of principal amount and interest on the outstanding amount due in accordance with the guidelines of IFRS 9.

The assets in this category are recognised as fixed assets providing that their realisation date exceeds 12 months from the balance sheet date. Such assets are initially recognised at fair value increased by directly attributable transaction costs. After initial recognition they are valuated at amortised cost net of impairment write-offs.

Sale of financial assets valuated at amortised cost may take place on condition that specified by the Group sales principles compliance with business model criteria are adhered to, the goal of the model being maintaining financial assets to obtain cash flows resulting from the contract.

If financial assets valuated at amortised cost are derecognised from the balance sheet, the Group discloses the analysis of profits or losses recognised in the statements of comprehensive income and which result from derecognizing these financial assets as well as the information concerning the reasons for derecognizing these financial assets.

Financial assets valuated at fair value through other comprehensive income
Financial assets valuated at fair value through other comprehensive income are the assets that meet both of the following conditions:

- a financial asset is held in accordance with a business model, the purpose of which is to both receive contractual cash flows and to sale financial assets and
- the conditions of an agreement concerning a financial asset give rise to cash flows at specific dates, which are solely the payment of principal amount and interest on the outstanding amount due.

After initial recognition the financial assets in this category are valuated at fair value and the results of the fair value change, other than impairment write-offs and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in equity. As of the date the financial assets are derecognised from the books, the accumulated value of profits or losses recognised in equity is reclassified to profit or loss of the current period.

At the time of initial recognition of investments in equities not held for trading, the Group may take advantage of the possibility to refer their fair value change to equities, however, but the selection is irrevocable and is made at the level of a single investment in an equity instrument.
The assets of this category are recognised as fixed assets, provided that their realization date exceeds 12 months from the balance sheet date.

Financial assets valuated at fair value through financial result
Financial assets valuated at fair value through the financial result are the assets which:
- do not meet the criteria to be classified in the categories valuated at amortised cost or valuated at fair value through other comprehensive income,
- were assigned to this category by Group's decision at the moment of initial recognition.

Financial assets do not meet the criteria to be classified in other categories (i.e. they are valuated at fair value through the financial result), if:
- a financial asset is held in accordance with a business model, the purpose of which is not to hold financial assets in order to receive contractual cash flows (particularly when a financial asset is recognised by the Group in order to generate profit on its resale or is an equity instrument which the Group did not appoint to be valuated at fair value through other comprehensive income), or

- the conditions of an agreement concerning a financial asset give rise to cash flows at specific dates, which are not solely the payment of principal amount and interest on the outstanding amount due.

Modifications of financial assets

If a financial asset is modified, which is not valuated at fair value through the financial result, which does not result in derecognition of this financial asset from the balance sheet, the Group determines the new gross carrying amount of this asset after the modification and refers the change of this amount to gross carrying amount before the statements of comprehensive income was modified, as a financial assets modification result.

Initial valuation

At the moment of initial recognition the Group valuates the component of financial assets or financial liability at its fair value, which in case of financial assets or liabilities unmeasurable at fair value through the financial result is increased or decreased of transactional costs, which can be directly attributed to the purchase or issuance of these financial assets or financial liabilities.

At the moment of the initial recognition the Group valuates trade and other receivables that do not possess a significant financing component (established according to IFRS 15), in their transactional rice (according to the definition in IFRS 15).

Depreciation

An impairment write-off regarding trade receivables is created if objective evidence exists that the Group will not be able to receive all due amounts resulting from primary conditions of receivables. The incentives that the trade receivables have been impaired are: serious financial problems of the debtor, likelihood of debtor to declare bankruptcy or to be the subject of financial reorganisation, delays in payments. The amount of the write-off is the difference between the book value of the given asset component and the current value of the estimated future cash flows, discounted according to the effective interest rate. In case of trade receivables that are devoid of a significant financing element, the Group applies a simplified approach required by the IFRS 9 and valuates impairment write-offs in the amount of credit losses expected in the whole life cycle of the receivable since the date of its initial recognition. The Group applies a write-offs matrix, where write-offs are calculated for trade receivables included into various age brackets and periods of being overdue.

For each reporting date the Group valuates a write-off for expected credit losses for a financial instrument in the amount equal to expected credit losses in the whole life cycle, if the credit risk related to the given financial instrument has increased significantly since the initial recognition. The objective of the requirements in the scope of impairment is recognising the expected credit losses in the whole life cycle of all financial instruments, for which a significant increase of credit risk has been recorded since their initial recognition – regardless of the fact whether they have been estimated individually or collectively – considering all rational and possible to document information, including data regarding the future..

The Group valuates the expected credit losses of financial instruments in the manner that takes into account:

- unencumbered and weighted with probability amount, which is established by measuring a series of possible results,
- time value of money and
- rational and possible to document information, which is available without excessive costs or efforts as of the reporting date, regarding future events, current conditions and forecasts regarding future economic conditions.

The book value of an asset component is established with the use of a write-offs account and the amount of loss is recognised in the financial result in the costs of sale. In case of irrecoverability of trade receivables a write-off is conducted. Later payments of the prior written-off receivables are recognised in the item of cost of sales in the financial result.

Financial liabilities

The Group classifies all financial liabilities as valuated post initial recognition in amortised cost, excluding financial liabilities valuated at fair value through financial result. Such liabilities, including derivatives being liabilities, are valuated post initial recognition at fair value.

g) Inventories

Inventories, including compulsory reserves are: products, semi-finished products and work in process, goods and materials.

At the initial recognition the Group valuates inventories according to the purchase price.

Inventories at the end of the reporting period are valuated in the following manner:

- operational reserve and compulsory reserve pertaining to diesel oil are valuated at fair value according to IFS 2 par. 3b,
- the remaining inventories of goods are valuated at the purchase price or according to net value possible to be achieved, whichever is lower.

The identified in the course of inventory surpluses or shortages in inventories are recognised in the cost of sold goods or materials.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term bank deposits. Overdrafts that are payable on demand and form an integral part of the Group's cash management are recognised as a constituent of the cash and cash equivalents for the purpose of the statements of cash flows.

The valuation and disbursement in foreign currencies are determined using the FIFO method.

i) Impairment of intangible assets

The book value of intangible assets other than the stock and deferred tax assets is assessed at each reporting date to determine whether there are indications of their impairment. In the event of such indications, the Group estimates the recoverable amount of each asset. The recoverable amount of the goodwill, intangibles with indefinite useful lives and intangible assets that are not yet usable is estimated at each reporting date.

The impairment write-off is recognised when the book value of an asset or cash generating entity exceeds its recoverable amount. The impairment write-offs are recognised in the financial result. The impairment of the cash generating entity is firstly recognised as decrease in goodwill allocated to this cash generating entity (group of entities), and then as reduction of the book value of other assets of the entity (group of entities) on the principle of proportionality.

The recoverable amount of assets or cash-generating entities is defined as the greater of their net achievable value from sales and their value in use. In estimating the value in use, future cash flows are discounted using the pre-tax interest rate, which reflects the current market value of money over time and the risk factors specific to the asset. For assets that do not generate an independent cash flow, the value in use is estimated for the smallest identifiable cash-generating entity to which the asset belongs.

A goodwill write-down from impairment is not reversed. For other assets, an impairment write-down is reversed if the estimates used to estimate the recoverable amount have changed. The impairment write-down is reversed only to the extent of the book value of the asset less any depreciation write-off that would have been recognised if the impairment loss had not been recognised.

j) Equity

Share capital

The share capital of the Parent Entity is the share capital of the Group. The share capital is reported at face value of shares issued in accordance with the statute and registered in the National Court Register.

Other capitals

The other capitals include the spare capital and reserve capital, treasury shares. The spare capital is created from net profit write-offs in accordance with the requirements of the Commercial Companies Code. The reserve capital is created from the net profit for payment of dividends.

Dividends

The dividends are recognised as liabilities in the period when they were approved by virtue of a resolution.

Purchase of own shares

In case of the purchase of own shares, the payment amount, including direct transaction costs, adjusted by tax effects, is reported as a deduction of equity. The purchased treasury shares are recognised under other capitals. At the time of sale or reissue, the amounts obtained are recognised as an increase in equity and the surplus or deficit from the transaction is reported in equity.

k) Liabilities due to bank credits, loans and other debt instruments

At the time of the initial recognition, all bank credits, loans and debt securities are recognised at the fair value, less costs associated with obtaining a credit or loan. After the initial recognition, the interest-bearing credits, loans and debt securities are valuated in accordance with the depreciated cost using the effective interest method. Any difference between the amount received (less transaction costs) and the redemption value is recognised using the effective interest method in the financial result for the duration of the contracts.

The fair value, estimated for disclosure purposes, is calculated on the basis of the present value of future cash flows for return of capital and interests, discounted at the market interest rate as of the reporting date. In the case of a financial lease, the market interest rate is estimated based on the interest rate for a similar type of lease contracts.

l) Employee benefits

Defined Benefit Plan - Retirement Compensation

The Group recognises provisions for retirement compensations and other employee benefits on the basis of an actuarial valuation carried out at the reporting date. The valuation is carried out by an independent actuary. The basis for calculation of provisions for employee benefits is determined by internal regulations of the Group and other applicable regulations.

The value of the provisions for employee benefits is determined using actuarial techniques and the requirements of IFRS EU, and in particular of IAS 19 "Employee Benefits". The provisions are valuated at the level of the present value of the Group's future employee benefits obligations. The provisions are calculated using the projected entity credit method, separately for each employee.

The basis for the calculation of the provisions attributable to the individual employees is the projected value of the benefit that the Group is required to pay under the regulations listed above. The benefit value is projected until acquisition of the benefit by the employee. The employee benefit obligation is determined on the basis of the expected increase in the value of the benefit and proportionally to the employee's expected length of service. The estimated value is then discounted at the reporting date.

Short-Term Employee Benefits

Liabilities due to short-term employee benefits are valued without discount and are recognised as expenses at the time of performance.

The Group creates a provision charged to expenses in the amount of anticipated employee payments due under short-term cash bonuses if the Group is legally or customarily obliged to make such payments on the basis of past employee services, and that obligation can be fairly estimated.

ł) Provisions

The provisions are created when the entity is burdened with the present obligation (the legal or customarily expected one) resulting from past events, and it is probable that the fulfilment of this obligation will result in the necessity of the economic benefits outflow, and the amount of this obligation can be reliably estimated.

The provisions amount is verified on a regular basis during the accounting period in order to adjust them to reflect the current best estimate.

m) Trade and other liabilities

Liabilities, including trade liabilities are valuated when they arise at fair value, and then at the depreciated cost using the effective interest method. Current liabilities are not discounted.

n) Revenues

Group’s revenues include in particular:
- revenues on liquid fuels sales
- revenues on gas fuels sales, including gas fuels distribution
- revenues on electricity sales.

The Group recognises revenues so as to reflect the transfer of promised goods or services to the client in the amount that reflects the compensation, to which – according to the Group’s expectations – it will be entitled in return for these goods or services.

Recognition of revenue occurs at the moment when the obligation to perform the service through transfer of the promised good or service (an asset) to the client has occurred (or in its course). The asset is transferred at the moment when the client obtains the control over this asset.

The revenues comprise the fair value of the payment received or due to sales of goods and services within a normal operation of the Group. The revenues are presented in the net form without the tax on goods and services, having considered returns, rebates and discounts.

The revenues on sales of goods and services are recognised if the following conditions have been met:

- parties to the agreement have concluded an agreement (in the written, oral form or in accordance with other normal commercial practices) and are obliged to perform their duties,
- the Group is able to identify the rights of each party pertaining to goods or services that are supposed to be transferred,
- the Group is able to identify payment terms for goods or services for goods that are supposed to be transferred,
- the contents of the agreement is of economic nature (i.e. one can expect that the agreement will influence risk, time distribution or amount of future cash flows of the Group) and
- it is likely that the Company will receive remuneration, to which it is entitled in return for goods or services that have been transferred to the customer. While evaluating whether the receipt of the remuneration amount is likely the Group considers only the capacity and intention to pay the amount of remuneration by the customer within the specified term. Remuneration amount, which the Group is entitled to, may be lower than specified in the agreement, should the remuneration be variable, as the Company may offer the customer a price discount.

Requirements of identifying the client contract

The client contract is accordant with its definition when all the following criteria have been met: parties to the agreement have concluded an agreement and are obliged to perform their obligation under thereof; The Group is able to identify the rights of each party pertaining to goods or services that are supposed to be transferred; the Group is able to identify payment terms for goods or services for goods that are supposed to be transferred; the contents of the agreement is of economic nature and it is likely that the Group will receive remuneration, to which it is entitled in return for the goods or services that will be transferred to the customer.

Identification of obligations to execute services

The moment an agreement is concluded the Group evaluates the goods or services promised in the client contract and identifies as an obligation to execute service each promise to transfer to the customer: a good or service (or a package of goods and services), which can be distinguished or a group of distinguished goods or services, which are generally the same and in case of which the transfer to the customer is of the same nature, The Group within the confines of concluded contracts undertakes to supply to customers primarily petrochemical goods and gas. Within the confines of these contracts the Group acts as a principal.

Establishing transactional price

In order to establish the transactional price the Group considers the terms of agreement and applied normal commercial practices. The transactional price is the amount of remuneration, which – according to Group's expectations – it will be entitled to in return for the transfer of promised good and services to the customer, excluding the amounts charged on behalf of third parties (e.g. some taxes on sales). The remuneration specified in the client contract may cover fixed amounts, variable amounts or both. Transactional prices in the client contracts are not subject to limitations. The agreements that are in force in the Group do not foresee obligations to accept returns, reimbursements of remuneration and other alike obligations. The Group does not identify revenues for which a receipt of renumeration Is contingent.

Allocation of transactional price to particular obligations to perform services

The Group allocated transactional price to each obligation to perform a service (or a separate good or separate service) in the amount that reflects the amount of remuneration, which – according to the Group's expectations – it is entitled to in return for the transfer of promised goods or services to the customer. The guarantees issued within the guarantee agreements are the guarantees that ensure the customer that a given good complies with the agreed specification. They do not consist in performing a separate service.

Recognising revenues at the moment of fulfilling the obligations to perform a service

The Group recognises the revenues at the moment of fulfilling (or during fulfilling) the obligation to perform a service by transfer of the promised good or service (i.e. an asset) to the customer (the customers obtains the control over this asset). The revenues are recognised as amounts equal to transactional price, which has been allocated to the given obligation to perform a service.

Revenues on sales of goods and services are adjusted for profits or losses due to financial instruments regarding trading of fuels.

Revenues on sales of gas fuel, electricity, gas fuel distribution - uninterrupted

The Group transfers the control over a part of performed services (consisting in supplies of gas fuel and electricity, performing distribution services) in time, in this way fulfilling the obligation of services performance.

On every occasion gas fuel/electricity is supplied and consumed, a part of services is subject to transfer and the obligation to perform services is performed. The value of services transferred to a given moment, in relation to the remaining services promised within the contract is calculated on the basis of the result method based on given service utilization. Utilization of the service in the whole settlement period can be treated jointly, therefore the accumulated revenues from the settlement period are recognised monthly. If the Group is entitled to receive compensation from the client in the amount that directly corresponds to the value of the service previously performed by the Group to the client (e.g. contract for gas fuel supplies within which the client is charged fixed amount for each MWh), the Group recognises the revenue in the amount, which it is entitled to invoice.

The Group starts recognizing revenues once the utilization of services commences.

The volume of revenues from gas fuels/electricity sales and gas fuel distribution services results from sales documented with Vat invoices, increased by conducted estimation of supplied and not invoiced in the given period sale of electricity distribution services.

Sales estimation is conducted not less frequently than at the end of the accounting period.

Revenues on sales – supplies of goods/services settled at a given point

Revenues from supplies goods/services such as liquid fuels, connection fees, sales of property rights are recognised by the Group at a given point. Control transfer occurs when the contract between the parties is concluded and goods/services are made available to the client or given service has been performed.
In order to precisely determine the point of control transfer, the Group each time considers whether:

- The Group is currently empowered to payment for an asset,
- client holds legal title to an asset,
- the Group physically transferred an asset,
- client bears significant risk and obtains significant benefits resulting from the asset's property,
- client received an asset.

Revenues on sales – services provided continuously – passage of time

The Group transfers the control of services provided over time (e.g. licences granted) thus fulfilling obligations to provide services.

Such services are provided on a continuous basis; hence a part of services is subjected to transfer at any time while providing the service. Since the value of services passed on to the client does not differ over individual reference periods, the Group recognises revenues on provided services based on fixed monthly payments (independently of consumption

Recognising revenues on sales in the net compensation amount (the Group as an agent)

In case of comprehensive contracts for gas fuels supplies, where the Group supplies gas fuel and performs distribution services, it is each time evaluated if the Group acts as a contracting party.

In case another entity is involved in supplies of goods or services to the client, the Group determines if the nature of Group's promise constitutes an obligation to perform the service consisting in supplying specific goods or services (in this case the Group acts as a contracting party) or outsources another entity to supply such goods or services (in this case the Group acts as intermediary). If the Group being a contracting party fulfils the obligation to perform the service, it recognises the revenues in the gross compensation amount, to which – according to the expectations – it will be entitled in exchange for transferring goods or services.

If the Group being an intermediary fulfils the obligation to perform the service, it recognises the revenues in the amount of any charge or commission, to which – according to the expectations – it will be entitled in exchange for ensuring transfer of goods or services by another entity.

Fee or commission that is due to the Group may be the net compensation amount, which the Group retains having paid the compensation to another entity in return for goods or services provided by this entity.

Under the General Distribution Agreement of gas fuel concluded with Polska Spółka Gazownictwa Sp. z o.o. the Group acts as an intermediary that collects fees in favour of other gas market participants in distribution services contracts in the scope of selected elements of the fee charged for the distribution service. As a result, the Group recognises revenues on distribution services sales in the amount net of distribution service cost charged by the Distribution Network Operator.

Revenues and costs due to trading activity in the scope of purchase and sale of electricity are presented in the net form. In case of sales transactions of this type, the Group acts as an intermediary and does not sell electricity to final customers.

Contract assets

The Group recognises in the statements of financial position a component of assets under the contract being the Group's right to compensation in exchange for goods or services that the Group transferred to the client.

In this item of the statements of financial position the following are presented in particular:

- estimates of revenues from distribution and sales of electricity carried out in the given period which have not been invoiced yet;
- assets regarding carried out and provided construction works which have not been invoiced yet.
- assets pertaining to carried out and provided works related to the development of the chain of AVIA stations. The Group within the concluded franchise agreements with petrol stations in the scope of developing the AVIA brand, incurs expenditures for adjusting the stations to the Group's requirements.

Contract liabilities

The Group recognises in the statements of financial condition contract liabilities which are the Group's obligation to transfer for the client goods or services in exchange for which the Group has received compensation (or for which compensation is due) from the client.

In this item of the statements of financial position the following are presented in particular:

- received advance compensation for services that have not been carried out by the Group yet, e.g. paid in advance subscription and trade payments for distribution, services carried out through utilisation of prepayment gas metres.

Additionally, accounting period revenues that influence the profit or loss of the period are:

other operating revenues indirectly related with the business activity, among others:

- dissolution of unused provisions previously charged to other operating costs,
- trade receivables and other interest revenue,
- revenue from reimbursement of court costs,
- received donations,

financial revenues, which are mainly revenues related to funding of activities.

- revenues and profit from financial investments,
- revenues from dividends,
- reversal of impairment write-off of held-to-maturity financial assets, available-for-sale financial assets, loans and shares.

o) Profits or losses due to financial instruments pertaining to fuel trading

The Group recognises as profits or losses due to financial instruments pertaining to fuel trading the profits or losses that occur following the realisation of financial instruments pertaining to fuel trading included to financial assets/liabilities valuated at fair value through the balance of results and the effect of their valuation at fair value.

p) Costs

The costs are considered to be a reasonable reduction in the economic benefits of a reliably determined value in the accounting period in the form of a decrease in the value of assets or an increase in the value of liabilities and provisions which will lead to a decrease in equity or an increase in its deficit in other way than withdrawal of owner funds.

The costs are recognised in profit or loss on the basis of the direct link between the costs incurred and the achievement of specific revenue, i.e. by applying the principle of proportionality, through prepayments and accruals of expenses and liabilities.

The cost of sold goods and materials comprises:

- cost of sold goods and materials,
- valuation to the fair value of inventories,
- effect of settling financial instruments pertaining to compulsory reserve,
- valuation of financial instruments pertaining to compulsory reserve,
- exchange rate differences from credits for financing purchases of diesel oil,
- valuation of credits for financing purchases of diesel oil,
- realized exchange rate differences concerning settlements,
- balance sheet valuation of settlements.
- inventory shortages and surpluses,
- creating and releasing reserves for the cost of compulsory reserve maintenance.

In addition, the costs of the accounting period, affecting profit or loss of the period are:

other operating costs indirectly related with the business activity, among others:
- provisions for disputes, penalties, damages, and other costs related indirectly to the operating activities,
- interest expenses on trade payables and other using the effective interest method,
- costs of legal proceedings,
- donations given.

financial costs related with the external financing of the activities, including in particular:
- interest on bank overdrafts,
- interest on short-term and long-term loans, credits and other sources of financing.
- net losses from the foreign exchange gains on financial assets,
- impairment write-offs on held-to-maturity financial assets, available-for-sale financial assets, loans and shares.

q) Other net profit/loss

Other profit/loss net include:

- net profits/losses from disposals of tangible fixed assets and intangible assets.

r) Current and deferred income tax

The income tax reported in the financial result includes current and deferred part. The income tax is recognised in the financial result, excluding amounts related to items recognised in other comprehensive income or equity. Then they are recognised respectively in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous years.

The deferred tax is calculated using the balance sheet liability method, based on temporary differences between the value of the assets and liabilities for accounting purposes, and their estimated value for tax purposes. The deferred tax is not created on the following temporary differences: goodwill, initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, differences relating to investments in subsidiaries to the extent that it is unlikely that they will be realized in the foreseeable future. The recognised amount of deferred tax is based on expectations as to how to implement the carrying amount of assets and liabilities, using tax rates in force or enacted at the reporting date.

The deferred tax assets are recognised to the extent to which it is probable that taxable income is reached, which will allow for the implementation of the deferred tax asset. The deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

3.4 REPORTING SEGMENTS

On the basis of the conducted analysis of the organizational structure of the Group, its internal reporting system and the functioning management model, the Management Board of the Parent Equity has defined the following operating segments. The Management Board of the Parent e\Equity analyses the activity both in the operating perspective as well as geographical one.

The Management Board of the Parent Equity has distinguished the following operating segments:

1. **Liquid fuels trade -** The Group conducts wholesale and retail sale of diesel, LPG and biofuels.
2. **Gaseous fuel trade** - The Group operates in the scope of natural gas trading and distribution.
3. **Electricity trade** - the Group operates in the scope of electricity trading and distribution.
4. **Photovoltaics** – Group's operations pertaining to photovoltaics,
5. **Other activities** – this segment of Group's operations comprises, among other, the activity related to running petrol stations, sales of oils, bitumen, service and financial activity.
6. **Corporate functions** – this segment of Group's activity comprises the whole of the actions related to functioning of the companies (overheads), which cannot be attributed to particular operating segments.

Statements of total revenues in breakdown into operating segments

in PLN thousand **for the period 01.01.2020 - 31.12.2020**	**Liquid fuels trade**	**Gaseous fuels trade**	**Electricity**	**Photovoltaics**	**Other activity**	**Corporate functions**	**Reductions of settlements in the Group**	**Consolidated total**
Revenues from external customers	4 238 389	71 777	106 096	5 018	379 496	4 681	-	**4 805 457**
Profit/(loss) on trading activity related to electricity	-	-	14 031	-	-	-	-	**14 031**
Profits (losses) due to financial instruments pertaining to fuel trade	(49 494)	-	-	-	-	-	-	**(49 494)**
Revenues from customers from the Group	94	11 956	42 008	25	88 224	-	(142 307)	**-**
Total revenues	**4 188 989**	**83 733**	**162 135**	**5 043**	**467 720**	**4 681**	**(142 307)**	**4 769 994**
Cost of goods, products and materials, external sold to external customers	(3 997 786)	(51 001)	(102 099)	(4 352)	(365 235)	-	-	**(4 520 473)**
Cost of goods, products and materials, external sold to customers from the Group	(77)	(11 420)	(38 136)	-	(88 191)	-	137 824	**-**
Cost of goods, products and materials, in total	**(3 997 863)**	**(62 421)**	**(140 235)**	**(4 352)**	**(453 426)**	**-**	**137 824**	**(4 520 473)**
Segment results	**191 126**	**21 312**	**21 900**	**691**	**14 294**	**4 681**	**(4 483)**	**249 521**
Other operating revenues	2 406	201	342	-	29	76	(5)	**3 049**
Sale and overheads costs	(127 051)	(10 996)	(17 798)	(2 768)	(19 812)	(19 554)	4 402	**(193 577)**
Other net profits/losses	189	(192)	24	-	-	-	-	**21**
Other operating costs	(1 938)	(174)	(16)	-	(25)	(7 597)	(9)	**(9 759)**
Operating activity result	**64 732**	**10 151**	**4 452**	**(2 077)**	**(5 514)**	**(22 394)**	**(94)**	**49 255**
Financial revenues	525	7	655	-	59	556	(899)	**903**
Financial costs	(5 573)	(521)	(520)	(22)	(28)	(2 977)	3 215	**(6 426)**
Income tax	-	-	-	-	-	-	(719)	**(8 997)**
Net profit/(loss) for the period	**59 684**	**9 637**	**4 587**	**(2 099)**	**(5 483)**	**(24 815)**	**1 502**	**34 735**
Amortisation	**(3 464)**	**(1 525)**	**(336)**	**(171)**	**(1 693)**	**(1 836)**	**-**	**(9 025)**
Interests	**(7 875)**	**(824)**	**(313)**	**39**	**(199)**	**1 414**	**-**	**(7 757)**
EBITDA*	**71 023**	**11 986**	**5 236**	**(1 967)**	**(3 591)**	**(24 393)**	**-**	**58 293**

* EBITDA ratio --> defined as Earnings Before Interest, Taxes, Depreciation and Amortisation)

in PLN thousand **for the period 01.01.2019 - 31.12.2019**	**Liquid fuels trade**	**Gaseous fuels trade**	**Electricity**	**Photovoltaics**	**Other activity**	**Corporate functions**	**Reductions of settlements in the Group**	**Consolidated total**
Revenues from external customers	4 246 745	47 868	87 306	-	66 147	2 114	-	**4 450 180**
Profit/(loss) on trading activity related to electricity	-	-	14 763	-	-	-	-	**14 763**
Profits (losses) due to financial instruments pertaining to fuel trade	(4 760)	-	-	-	-	-	-	**(4 760)**
Revenues from customers from the Group	381	10 216	43 729	-	1 365	-	(55 691)	-
Total revenues	**4 242 366**	**58 084**	**145 798**	**-**	**67 512**	**2 114**	**(55 691)**	**4 460 183**
Cost of goods, products and materials, external sold to external customers	(4 043 357)	(43 137)	(78 282)	-	(57 895)	(1 144)	-	**(4 223 815)**
Cost of goods, products and materials, external sold to customers from the Group	(381)	(10 180)	(43 632)	-	(981)	-	55 174	-
Cost of goods, products and materials, in total	**(4 043 738)**	**(53 317)**	**(121 914)**	**-**	**(58 876)**	**(1 144)**	**55 174**	**(4 223 815)**
Segment results	**198 628**	**4 767**	**23 884**	**-**	**8 636**	**970**	**(517)**	**236 368**
Other operating revenues	1 972	15	100	-	17	100	-	**2 204**
Sale and overheads costs	(106 101)	(6 067)	(16 641)	-	(11 538)	(14 678)	812	**(154 213)**
Other net profits/losses	959	-	-	-	-	-	(32)	**927**
Other operating costs	(215)	(1 465)	(40)	-	(59)	-	-	**(1 779)**
Operating activity result	**95 243**	**(2 749)**	**7 302**	**-**	**(2 944)**	**(13 608)**	**263**	**83 507**
Financial revenues	256	407	128	-	6	970	(1 362)	**405**
Financial costs	(7 879)	(1 078)	(181)	-	(7)	(2 665)	2 609	**(9 201)**
Income tax	-	-	-	-	-	-	-	**(14 788)**
Net profit/(loss) for the period	**87 620**	**(3 421)**	**7 250**	**-**	**(2 945)**	**(15 303)**	**1 510**	**59 923**
Amortisation	**(1 518)**	**(1 938)**	**(352)**		**(869)**	**(1 765)**	**-**	**(6 442)**
Interests	**(7 623)**	**(671)**	**(53)**	**-**	**(1)**	**(1 695)**	**-**	**(10 043)**
EBIDTA	**96 761**	**(812)**	**7 655**	**-**	**(2 075)**	**(11 843)**	**263**	**89 949**

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

in PLN thousand **31.12.2020**	**Liquid fuels trade**	**Gaseous fuels trade**	**Electricity**	**Photovoltaics**	**Other activity**	**Corporate functions**	**Consolidated Total**
Segment assets	**468 223**	**78 029**	**54 301**	**20 496**	**65 031**	**104 255**	**790 335**
Segment liabilities	**357 808**	**14 467**	**37 664**	**5 505**	**48 686**	**60 324**	**524 454**
Main non-cash items							
Amortisation	(3 464)	(1 525)	(336)	(171)	(1 693)	(1 836)	**(9 025)**
Receivable revaluating write-offs	(5 373)	(541)	(1 440)	-	(302)	(39)	**(7 695)**
Inventories valuation to fair value	(30 340)	-	-	-	-	-	**(30 340)**
Balance sheet valuation of derivatives to fair value	2 939	-	-	-	-	-	**2 939**
Balance sheet valuation of credits	(3 284)	-	-	-	-	-	**(3 284)**
Balance sheet valuation of settlements	714	-	-	-	-	-	**714**
Main non-cash items in total	**(35 524)**	**(2 066)**	**(1 776)**	**(171)**	**(1 995)**	**(1 875)**	**(43 407)**

in PLN thousand **31.12.2019**	**Liquid fuels trade**	**Gaseous fuels trade**	**Electricity**	**Photovoltaics**	**Other activity**	**Corporate functions**	**Consolidated Total**
Segment assets	**514 253**	**40 866**	**65 210**	**-**	**21 876**	**44 915**	**687 120**
Segment liabilities	**338 343**	**11 456**	**40 254**	**-**	**7 883**	**42 248**	**440 184**
Main non-cash items							
Amortisation	(1 518)	(1 938)	(352)	-	(869)	(1 765)	**(6 442)**
Receivable revaluating write-offs	(5 152)	(1 371)	-	-	(100)	(101)	**(6 724)**
Inventories valuation to fair value	36 785	-	-	-	-	-	**36 785**
Balance sheet valuation of derivatives to fair value	(18 157)	-	-	-	-	-	**(18 157)**
Balance sheet valuation of credits	127	-	-	-	-	-	**127**
Balance sheet valuation of settlements	(1 097)	-	-	-	-	-	**(1 097)**
Main non-cash items in total	**10 861**	**(3 309)**	**(352)**	**-**	**(969)**	**(1 866)**	**4 365**

Expenses on tangible fixed assets and intangible assets

in PLN thousand	**Liquid fuels trade**	**Gaseous fuels trade**	**Electricity**	**Photovoltaics**	**Other activity**	**Corporate functions**	**Consolidated Total**
31.12.2020	**119**	**419**	**238**	**4 706**	**3 530**	**484**	**9 496**
31.12.2019	**450**	**228**	**137**	**-**	**790**	**527**	**2 132**

Revenues on sales - geographical breakdown according to location of final customers

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Poland	3 707 778	3 622 375
Czech Republic	397 642	258 600
Switzerland	2 842	4 388
Slovakia	8 034	13 061
Hungary	26 661	39 466
Austria	35 181	42 171
Belgium	14 473	4 119
Great Britain	273 966	1 085
Germany	186 392	40 111
The Netherlands	19 080	169 828
Estonia	18 698	70 439
Romania	123	91
Cyprus	29	22 059
India	1	-
Sweden	31	-
Ukraine	6 407	25 743
Serbia	1 570	-
France	-	6 450
Belarus	-	2
Taiwan	665	221
China	763	983
Bulgaria	63 299	127 166
Lithuania	6 359	11 825
Total	**4 769 994**	**4 460 183**

Main customers

In the period from 1st January to 31st December 2020 as well as in the comparable period none of the Group's customers exceeded 10% of consolidated revenues.

4. ADDITIONAL EXPLANATORY NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

4.1 REVENUES ON SALES

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Revenues on services sale	13 971	4 362
Revenues on sales of goods	4 791 486	4 445 818
Profit/loss on trading activity pertaining to electricity	14 031	*14 763
Profits (losses) from financial instruments pertaining to fuel trading	(49 494)	(4 760)
Total	**4 769 994**	**4 460 183**

**In the current period the Group reclassified the result on trading activity in the amount of PLN 14 763 thousand pertaining to electricity from financial activity to operating activity. Trading activity pertaining to electricity is Group's operating activity and therefore the result from this activity was reclassified to revenues on sales.*

The Group holds a liability in performing revenues for the period after the balance sheet date in the period up to 12 months in the amount of PLN 65.2 million. The Group holds a liability in performing revenues for the period after the balance sheet date in the period over 12 months in the amount of PLN 55.1 million.

4.2 COST BY TYPE

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Amortisation of tangible fixed assets and intangible assets	(3 082)	(3 266)
Asset amortisation due to the right to use assets	(5 943)	(3 176)
Electricity and materials consumption	(6 203)	(2 792)
Foreign services	(142 514)	(108 667)
Taxes and charges	(2 481)	(1 991)
Remunerations	(20 475)	(13 274)
Social security and other benefits	(2 772)	(2 655)
Other cost by type	(8 968)	(9 314)
Costs by type in total	**(192 438)**	**(145 135)**
Cost of sold goods and materials	(4 516 121)	(4 223 815)
Change in inventories and accruals	1 353	812
Other	(6 844)	(9 890)
Cost of sold goods, products and materials and overheads	**(4 714 050)**	**(4 378 028)**

4.3 COST OF SOLD GOODS, PRODUCTS AND MATERIALS

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Cost of sold goods and materials	(4 560 372)	(4 237 775)
Inventories valuation to fair value	(30 340)	36 785
Balance sheet valuation of financial instruments	3 923	(18 157)
Instrument realisation effect	60 920	-
Achieved exchange rate differences from credits	11 299	56
Balance sheet valuation of credits	(3 284)	127
Achieved exchange rate differences from settlements	1 019	(3 754)
Balance sheet valuation of settlements	714	(1 097)
Total	**(4 516 121)**	**(4 223 815)**
Manufacturing costs of sold products	(4 352)	-
Cost of sold goods, products and materials	**(4 520 473**	**(4 223 815)**

4.4 OTHER OPERATING REVENUES

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Insurance damages received	171	36
Costs of court proceedings subject to return	135	53
Interest revenues concerning trade and other receivables	1 530	1 646
Other	1 213	469
Total	**3 049**	**2 204**

4.5 OTHER NET PROFITS/(LOSSES)

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Net profit on sale of tangible fixed assets	21	927
Total	**21**	**927**

4.6 OTHER OPERATING COSTS

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Interest costs from non-financial liabilities	(63)	(74)
Costs of irrecoverable receivables	(311)	-
Investment impairment write-offs	(6 525)	-
Costs of court proceedings	(116)	(113)
Contractual penalties	(38)	(278)
Donations	(1 901)	(169)
Stoppage cost	-	(1 068)
Other	(805)	(77)
Total	**(9 759)**	**(1 779)**

4.7 NET FINANCIAL COSTS

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Financial revenues		
Interest on financial assets and financial commissions	750	405
Profit due to exchange rate differences	153	-
Total financial revenues	**903**	**405**
Financial costs		
Bank charges and transaction costs on credits and loans	(6 408)	(9 181)
Net loss due to exchange rate differences	(18)	(20)
Total financial costs	**(6 426)**	**(9 201)**
Net financial revenues/(costs)	**(5 523)**	**(8 796)**

4.8 INCOME TAX

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Current income tax		
Income tax for the current year	(17 347)	(12 840)
Deferred tax		
Arising/reversing temporary differences	8 350	(1 948)
Income tax recognised in the statements of total revenues	**(8 997)**	**(14 788)**

Effective discount rate

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Profit/(loss) before taxation	**43 732**	**74 711**
Tax based on applicable tax rate	(8 309)	(14 195)
Fixed costs not being the cost of obtaining revenues	(1 063)	(803)
Non-taxable fixed revenues	284	-
Other	91	210
Total	**(8 997)**	**(14 788)**
Effective discount rate	**20,6%**	**19,8%**

4.9 TANGIBLE FIXED ASSETS

in PLN thousand	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2019	**1 936**	**13 934**	**16 328**	**13 134**	**3 119**	**15 826**	**64 277**
Increase on:	**-**	**15 496**	**435**	**2 263**	**260**	**(14 475)**	**3 979**
- acquisition	-	54	406	231	289	963	1 943
- lease	-	-	-	2 032	-	-	2 032
- inventory	-	4	-	-	-	-	4
- reclassification	-	-	29	-	(29)	-	-
- transfer from fixed asset under construction	-	15 438	-	-	-	(15 438)	-
Reduction due to:	**(603)**	**(1 154)**	**(8 960)**	**(3 138)**	**(2 170)**	**-**	**(16 025)**
- sale	(603)	(1 154)	(8 960)	(3 138)	(2 170)	-	(16 025)
As of 31.12.2019	**1 333**	**28 276**	**7 803**	**12 259**	**1 209**	**1 351**	**52 231**
Means of transport presentation change in lease – transfer to rights due to use	**-**	**-**	**-**	**(9 356)**	**-**	**-**	**(9 356)**
As of 31.12.2019	**1 333**	**28 276**	**7 803**	**2 903**	**1 209**	**1 351**	**42 875**

in PLN thousand	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2020	**1 333**	**28 276**	**7 803**	**2 903**	**1 209**	**1 351**	**42 875**
Increase on:	**-**	**1 406**	**1 858**	**2 252**	**1 162**	**1 649**	**8 327**
- acquisition	-	-	1 674	-	1 162	3 239	6 075
- call of assets and transfer of rights to use	-	-	-	2 252	-	-	2 252
- transfer from fixed asset under construction	-	1 406	184	-	-	(1 590)	-
Reduction due to:	**-**	**(317)**	**(142)**	**(2 702)**	**(130)**	**(568)**	**(3 859)**
- liquidation	-	(282)	(137)	-	-	(568)	(987)
- sale		(35)	(5)	(2 689)	(130)	-	(2 859)
- exchange rate differences	-	-	-	(13)	-	-	(13)
As of 31.12.2020	**1 333**	**29 365**	**9 519**	**2 453**	**2 241**	**2 432**	**47 343**

Decommitments and write-offs due to impairment

in PLN thousand	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2019	**-**	**(3 215)**	**(8 138)**	**(6 073)**	**(1 026)**	**-**	**(18 452)**
Amortisation for the period	-	(877)	(1 705)	(1 906)	(203)	-	**(4 691)**
Reduction due to:	**-**	**1 087**	**6 159**	**2 285**	**724**	**-**	**10 255**
- sale	-	1 087	6 176	2 285	707	-	10 255
- reclassification	-	-	*(17)*	-	*17*	-	-
As of 31.12.2019	**-**	**(3 005)**	**(3 684)**	**(5 694)**	**(505)**	**-**	**(12 888)**
Means of transport presentation change in lease – transfer to rights due to use	**-**	**-**	**-**	**3 390**	**-**	**-**	**3 390**
As of 31.12.2019	**-**	**(3 005)**	**(3 684)**	**(2 304)**	**(505)**	**-**	**(9 498)**

in PLN thousand	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2020	**-**	**(3 005)**	**(3 684)**	**(2 304)**	**(505)**	**-**	**(9 498)**
Amortisation for the period	-	(1 321)	(902)	(378)	(196)	-	**(2 797)**
Increase due to:	-	-	-	(1 529)	-	-	(1 529)
- call of assets and transfer of rights to use	-	-	-	(1 529)	-	-	**(1 529)**
Reduction due to:	**-**	**90**	**71**	**2 152**	**2**	**-**	**2 315**
- liquidation	-	72	68	-	-	-	140
- sale	-	18	3	2 152	2	-	2 175
As of 31.12.2020	**-**	**(4 236)**	**(4 515)**	**(2 059)**	**(699)**	**-**	**(11 509)**

in PLN thousand	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
Net value							
As of 31.12.2019	**1 333**	**25 271**	**4 119**	**599**	**704**	**1 351**	**33 377**
Net value							
As of 31.12.2020	**1 333**	**25 129**	**5 004**	**394**	**1 542**	**2 432**	**35 834**

Tangible fixed assets:

in PLN thousand	31.12.2020	31.12.2019
Land	1 333	1 333
Buildings and structures	25 129	25 271
Machinery and equipment	5 004	4 119
Means of transport	394	*599
- Other tangible fixed assets	1 542	704
Fixed assets under construction	2 432	1 351
Total	**35 834**	**33 377**

** Change of presentation of leased means of transport – transfer of rights due to use in the amount of PLN 5 966 thousand. The comparative data was not converted. The change was conducted by movement over the period.*

in PLN thousand	31.12.2020	31.12.2019
Value of tangible fixed assets being security for the liabilities	29 254	27 420
Total	**29 254**	**27 420**

Hedges

As of 31.12.2020 tangible fixed assets of the carrying amount of PLN 29 254 thousand (31.12.2019: PLN 27 420 thousand) constituted a hedge of bank loans, overdrafts.

4.10 RIGHT TO USE ASSETS

The Group has analysed all the contracts that could be of a lease nature and implemented IFRS 16 as of 01.01.2019, with an application of a simplified approach. As a result of the analysis the contracts that include lease have been distinguished. These include office space rental contracts and petrol stations lease. As a result of the conducted analysis the Group recognised the following rights to use assets according to the breakdown into base assets components:

in PLN thousand	Buildings and structures	Means of transport	Total
Gross book value – impact of implementing IFRS 16 as of 01.01.2019	**5 841**	**10 640**	**16 481**
Increase on:	**2 038**	**2 032**	**4 070**
- new lease agreements, increase of lease remuneration	2 038	2 032	**4 070**
Reduction due to:	**-**	**(3 316)**	**(3 316)**
- call of assets and transfer of rights to use	-	(3 258)	**(3 258)**
- sale	-	(58)	**(58)**
As of 31.12.2019	**7 879**	**9 356**	**17 235**

in PLN thousand	Buildings and structures	Means of transport	Total
As of 01.01.2020	**7 879**	**9 356**	**17 235**
Increase on:	**44 497**	**4 375**	**48 872**
- new lease agreements, increase of lease remuneration	44 497	4 375	48 872
Reduction due to:	**-**	**(2 565)**	**(2 565)**
- call of assets and transfer of rights to use	-	(2 252)	(2 252)
- sale	-	(313)	(313)
As of 31.12.2020	**52 376**	**11 166**	**63 542**

Decommitments and write-offs due to impairment

in PLN thousand	Buildings and structures	Means of transport	Total
As of 01.01.2019	**-**	**(4 027)**	**(4 027)**
Amortisation	(1 504)	(1 672)	(3 176)
Reduction due to:	**-**	**2 309**	**2 309**
- call of assets and transfer of rights to use	-	2 251	2 251
- sale	-	58	58
As of 31. 12.2019	**(1 504)**	**(3 390)**	**(4 894)**

in PLN thousand	Buildings and structures	Means of transport	Total
As of 01.01.2020	**(1 504)**	**(3 390)**	**(4 894)**
Amortisation	(4 218)	(1 725)	(5 943)
Reduction due to:	**-**	**1 663**	**1 663**
- call of assets and transfer of rights to use	-	1 529	1 529
- sale	-	134	134
As of 31.12.2020	**(5 722)**	**(3 452)**	**(9 174)**

in PLN thousand	Buildings and structures	Means of transport	Total
Net value			
As of 01.01.2019	5 841	6 613	12 454
As of 31.12.2019	**6 375**	**5 966**	**12 341**
Net value			
As of 01.01.2020	6 375	5 966	12 341
As of 31.12.2020	**46 654**	**7 714**	**54 368**

Due to sub-rent a part of office spaces, a part of the right to use assets has been presented in the item other receivables.

in PLN thousand	31.12.2020	31.12.2019
Other long-term liabilities	-	17
Other short-term receivables	90	205
Total	**90**	**222**

in PLN thousand	31.12.2020	31.12.2019
Due to the above the value of the right to use assets as of 31st December amounts to	54 278	12 119
Total	**54 278**	**12 119**

Revenues from sub-rental of asset components under lease contract in 2020 and in 2019 amounted to PLN 128 thousand.

Lease liabilities analysis

Total value of expenditures due to lease contracts, presented in the financial activity in the statements of cash flows in 2020 amounted to PLN 6 563 thousand (in 2019: PLN 4 128 thousand).

Analysis of due financial lease liabilities

in PLN thousand	Balance value	Contracted value of flows	up to 1 month	from 1 month to 3 months	from 3 months to 1 year	from 1 year to 5 years	over 5 years
Lease liabilities as of 31.12.2020	53 176	72 790	1 009	1 977	7 122	25 404	37 278
Discount	19 614						

in PLN thousand	Balance value	Contracted value of flows	up to 1 month	from 1 month to 3 months	from 3 months to 1 year	from 1 year to 5 years	over 5 years
Lease liabilities as of 31.12.2019	10 866	12 221	324	633	2 815	8 449	-
Discount	1 355						

Cost of interests related to lease liabilities in 2020 amounted to PLN 1 055 thousand (in 2019: PLN 391 thousand).

4.11 INTANGIBLE ASSETS

Gross value

in PLN thousand	Goodwill	Other intangible assets	Acquired rights	Software- and other	Total
As of 01.01.2019	**17 882**	**-**	**210**	**966**	**19 058**
Increase on:	**-**	**-**	**22**	**167**	**189**
- acquisition	-	-	22	167	**189**
Reduction	**-**	**-**	**-**	**-**	**-**
As of 31.12.2019	**17 882**	**-**	**232**	**1 133**	**19 247**

in PLN thousand	Goodwill	Other intangible assets	Acquired rights	Software- and other	Total
As of 01.01.2020	**17 882**	**-**	**232**	**1 133**	**19 247**
Increase on:	**-**	**3 186**	**78**	**157**	**3 421**
- acquisition	-	3 186	78	157	**3 421**
Reduction	**-**	**-**	**-**	**-**	**-**
As of 31.12.2020	**17 882**	**3 186**	**310**	**1 290**	**22 668**

Decommitments and write-offs due to impairment

in PLN thousand	Goodwill	Other intangible assets	Acquired rights	Software- and other	Total
As of 01.01.2019	**-**	-	**(42)**	**(380)**	**(422)**
Amortisation for the year	-	-	(42)	(205)	**(247)**
Reduction	**-**	-	**-**	**-**	**-**
As of 31.12.2019	**-**	**-**	**(84)**	**(585)**	**(669)**

in PLN thousand	Goodwill	Other intangible assets	Acquired rights	Software- and other	Total
As of 01.01.2020	**-**	-	**(84)**	**(585)**	**(669)**
Amortisation for the year	-	-	(54)	(231)	**(285)**
Reduction	**-**	-	**-**	**-**	**-**
As of 31.12.2020	**-**	**-**	**(138)**	**(816)**	**(954)**

in PLN thousand	**Goodwill**	**Other intangible assets**	**Acquired rights**	**Software- and other**	**Total**
Net value					
As of 01.01.2019	17 882	-	168	586	18 636
As of 31.12.2019	**17 882**	**-**	**148**	**548**	**18 578**
Net value					
As of 01.01.2020	17 882	-	148	548	18 578
As of 31.12.2020	**17 882**	**3 186**	**172**	**474**	**21 714**

Amortisation of intangible assets and impairment write-offs

Amortisation and impairment write-offs have been recognised in the financial result in the following items:

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Overheads	(285)	(247)
Total	**(285)**	**(247)**

Impairment test for cash flow-generating units to which goodwill has been allocated

The units below have the goodwill allocated:

in PLN thousand	**31.12.2020**	**31.12.2019**
Activities relating to trading in liquefied petroleum gas LPG	**2 830**	**2 830**
Activities relating to trading in liquid fuels	**10 869**	**10 869**
Activities relating to natural gas trade in this:	**879**	**879**
- Blue LNG Sp. z o.o.	330	330
- Unimot System Sp. z o.o.	40	40
- PPGW Sp. z o.o.	7	7
- Unimot Paliwa Sp. z o.o.	57	57
- Unimot Energia i Gaz Sp. z o.o.	445	440
- Unimot Energia i Gaz Sp. z o.o. SK.A.	-	5
Activities relating to electricity trade in this:	**3 304**	**3 304**
- Tradea Sp. z o.o.	3 304	3 304
Total	**17 882**	**17 882**

Activity related to fuel trading, activity related to trading of liquefied petroleum gas (LPG), operations of natural gas companies and operations of electricity companies – fair values, net of costs of disposal of the means generating cash flows, are estimated based on the method of discounted cash flows. Calculation of the values according to the discounted cash flows are based on the results achieved in 2019 and 2020 and the estimates of results for the years 2021-2026 drawn up by the Management Board of the Parent Entity.

Company's goodwill of **the activity related to LPG trading** and **activity related to fuel trading** resulted from the difference between the values of conducted contribution of the organises part of enterprise and fair value of net assets taken over.

Company's goodwill of **the activity related to natural gas trading** and **activity related to electricity trading** resulted from the difference between the values of the purchase price of a given unit and fair value of the net assets taken over.

Basic assumptions used to calculate the fair value as of 31.12.2019:

in PLN thousand		Activities relating to trading in liquefied petroleum gas LPG	Activities relating to trading in fuels	Activities relating to natural gas trade in this:	Activities relating to electricity trade in this:
Discount rate	weighted average of equity and foreign capital cost	9,5% - 9,8%	9,0% - 9,1%	6,46%	11,8% – 12,2%
Equity cost		10,6%	9,3%	10,41%	12,16%
Foreign capital cost		3,80%	3,80%	3,71%	3,80%

Basic assumptions used to calculate the fair value as of 31.12.2020:

in PLN thousand		Activities relating to trading in liquefied petroleum gas LPG	Activities related to trading in liquid fuels	Activities relating to natural gas trade in this:	Activities relating to electricity trade in this:
Discount rate	weighted average of equity and foreign capital cost	9,1% - 9,4%	7,7% - 7,8 %	4,5% – 4,9%	11,3% – 11,7%
Equity cost		10,14%	7,94%	4,89%	11,70%
Foreign capital cost		3,34%	3,34%	3,34%	3,34%

The basis of evaluation were forecasted financial results of the activities associated with trading in fuels, LPG gas, natural gas and electricity in the form of a balance sheet, profit and loss account and statements of cash flows. These forecasts do not express certainty as to their implementation but were drawn up in accordance with the best knowledge of the Management Board of the Parent Equity, based on all available information, therefore, it is assumed that they are sufficiently accurate and complete, so that it is possible to draw up a credible analysis and evaluation.

The basic assumptions of the financial results forecasts for the years 2021-2026 which are the basis for valuating the activities associated with trading in fuels, LPG, natural gas and electricity:

1) it has been assumed that tax rates will remain at the previous level and the fiscal policy and the policy of international trade and also other conditions of Group's business activity will not change;
2) legal acts that regulate the fuel market, among others, Energy Law will not change significantly;
3) there will be no significant fluctuations of the macroeconomic situation of the country and associated with it demand for liquid and gaseous fuels, with relation to the present situation;
4) reference rate and margins of banks will not change significantly,
5) operations of „black market" in the fuel industry will be limited or at least it will not expand its operation;
6) applied by the Group hedging instruments on currency rates and price of diesel oil will eliminate the exchange rate risk and prices of diesel oil.
7) legal acts that regulate the market of electricity and natural gas will not change significantly.

The basic assumptions of the financial forecasts for the years 2021-2026 and also after the forecasted period, being the basis for valuating the activity related to fuel and LPG trading:

1) maintaining the sales volumes of all groups of LPG products at a similar level as in 2020;
2) maintaining an average margin on sales of all products at a similar level as in 2020;
3 change of transportations costs and foreign services costs proportionally to the change in the number of sold T of fuels;
4) amount of other cost by type maintained at the level of their average level in 2020;
5) change of financial revenues and financial costs excluding leasing proportionally to turnover change;
6) maintaining financial costs due to leasing at the level of average level of these costs in 2020;
7) maintaining investment expenditures in the amount of amortisation.

Detailed assumptions to financial forecasts for the years 2021-2026 and also after the forecasted period, being the basis for valuating the activity related to natural gas trading:

1) in the company Unimot System Sp. z o.o. conducting the exploitation of own natural gas distribution network, maintaining sales volumes and margin on sales at the level as in 2020 and incurring investment expenditures at the level indispensable to maintain technical infrastructure,
2) in the company Blue LNG Sp. z o.o., conducting the activity based on in-house regasification stations, maintaining sales volumes and margin on sales at the level as in 2020 and incurring investment expenditures at the level indispensable to maintain technical infrastructure;

3) in the company Unimot Energia i Gaz Sp. z o.o., conducting sales of gas to final customers, maintaining sales volumes and margin on sales at the level as in 2020 and maintaining investment expenditures in the amount of amortisation.

Detailed assumptions to the financial forecasts for the years 2021-2026 and also after the forecasted period, being the basis for valuating the activity related to electricity trade:

1) in the company Tradea Sp. z o.o., conducting the activity in the scope of wholesale of electricity, maintaining sales volumes and average margin on sale at a similar level as in 2020;
2) in the company Unimot Energia i Gaz Sp. z o.o., conducting sales of electricity to final customers, maintaining sales volumes and average margin on sales at a similar level as in 2020,
3) maintaining investment expenditures in the amount of amortisation.

As of 31.12.2020 and 31.12.2019 no goodwill impairment with relation to activity connected with trading fuels, LPG gas, natural gas and electricity was observed.

4.12 OTHER FINANCIAL ASSETS

in PLN thousand	**31.12.2020**	**31.12.2019**
Long-term investments		
Loans granted	-	131
Shares in related entities not subject to consolidation	260	2 785
Total	**260**	**2 916**
Short-term investments		
Loans granted	194	3 537
Total	**194**	**3 537**

As of 31.12.2020 an impairment write-off was created revaluating the shares of Green Electricity Sp. o.o. in the amount of PLN 2 525 thousand and the value of loan granted in the amount of PLN 4 million (in 2019: no write-offs revaluating investment value. The above are net amounts.

4.13 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Recognised assets and provisions due to deferred income tax

Deferred income tax assets and liabilities have been presented with relation to the following items:

	Assets		Provisions		Net value	
in PLN thousand	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
TANGIBLE FIXED ASSETS	87	20	(1 288)	(1 077)	(1 201)	(1 057)
INTANGIBLE ASSETS	-	-	(48)	(65)	(48)	(65)
OTHER INVESTMENTS	1 415	-	(101)	-	1 314	-
Trade and other receivables	1 527	1 250	(674)	(687)	853	563
Liabilities due to credits, loans and other debt instruments	182	-	-	-	182	-
Employee benefits liabilities	21	23	-	-	21	23
Provisions for pensions	151	118	-	-	151	118
Trade and other liabilities	5 882	1 644	(647)	-	5 235	1 644
Other	752	884	(179)	(4 409)	573	(3 525)
Tax losses subject to deduction recognized as possible to be used in future periods	1 187	2 216	-	-	1 187	2 216
Assets/provisions due to deferred income tax	**11 204**	**6 155**	**(2 937)**	**(6 238)**	**8 267**	**(83)**
To be used after 12 months	6 510	4 307	(1 437)	(1 139)		
To be used within 12 months	4 694	1 848	(1 500)	(5 099)		
Compensation	(2 937)	(4 160)	2 937	4 160		
Assets/provisions due to deferred Income tax recognised in the statements of financial condition – total short-term part	**8 267**	**1 995**	**-**	**(2 078)**		

Change of temporary differences in the period:

in PLN thousand	**01.01.2020**	**Change recognized in the financial result**	**Change recognized in equity**	**31.12.2020**
TANGIBLE FIXED ASSETS	(1 057)	(144)	-	(1 201)
INTANGIBLE ASSETS	(65)	17	-	(48)
OTHER INVESTMENTS	-	1 314	-	1 314
Trade and other receivables	563	290	-	853
Liabilities due to credits, loans and other debt instruments	-	182	-	182
Employee benefits liabilities	23	(2)	-	21
Provisions for pensions	118	33	-	151
Trade and other liabilities	1 644	3 591	-	5 235
Other	(3 525)	4 098	-	573
Tax losses subject to deduction recognised as possible to be used in future periods	2 216	(1 029)	-	1 187
Total	**(83)**	**8 350**	**-**	**8 267**

in PLN thousand	**01.01.2019**	**Change recognized in the financial result**	**Change recognized in equity**	**31.12.2019**
TANGIBLE FIXED ASSETS	(1 413)	356	-	(1 057)
INTANGIBLE ASSETS	(71)	6	-	(65)
Trade and other receivables	(12)	575	-	563
Employee benefits liabilities	(204)	227	-	23
Provisions for pensions	124	(6)	-	118
Trade and other liabilities	277	1 367	-	1 644
Other	957	(4 482)	-	(3 525)
Tax losses subject to deduction recognised as possible to be used in future periods	2 207	9	-	2 216
Total	**1 865**	**(1 948)**	**-**	**(83)**

4.14 INVENTORIES

in PLN thousand	31.12.2020	31.12.2019
Materials	2 231	97
Semi-finished products and work in process	673	-
Goods - mandatory reserve	132 886	155 923
Goods - operating reserve	30 905	83 238
Total	**166 695**	**239 258**

Inventories valuation at fair value - level 1

in PLN thousand	31.12.2020	31.12.2019
Cost of acquiring operating reserves	21 452	27 602
Cost of acquiring compulsory and operating reserves valuated at fair value	135 360	171 434
Inventories valuation to fair value	9 883	40 222
Total	**166 695**	**239 258**

Inventories achievement date

in PLN thousand	31.12.2020	31.12.2019
Of period longer than 12 months since the accounting period end	-	-
Of period up to 12 months since the accounting period end	166 695	239 258
Total	**166 695**	**239 258**

4.15 OTHER LONG-TERM RECEIVABLES

in PLN thousand	31.12.2020	31.12.2019
Other securities receivables	9 899	2 207
Other receivables	-	17
Other long-term receivables in total	**9 899**	**2 224**

4.16 TRADE AND OTHER RECEIVABLES

in PLN thousand	31.12.2020	31.12.2019
Trade receivables	225 835	220 170
Receivables due to taxes, subsidies, duties, insurance excluding income tax receivables	6 951	7 555
Trade advances	39 930	46 637
Receivables due to excise guarantee	23 061	24 792
Other securities receivables	35 762	5 590
Other receivables	1 132	1 570
Total receivables	**332 671**	**306 314**

As of 31.12.2020 trade and other receivables are presented in the net value less of revaluation write-offs in the amount of PLN 7 695 thousand (31.12.2019: PLN 56 724 thousand).

As of 31.12.2020 receivables of the carrying amount PLN 163 578 thousand (31.12.2019: PLN 161 149 thousand) constituted a security for bank credits, debt limit and factoring agreement.

4.17 CLIENT CONTRACTS ASSETS

Long-term client contracts assets:

in PLN thousand	31.12.2020	31.12.2019
Client contracts assets	5 223	9 184
Total	**5 223**	**9 184**

Short-term client contracts assets:

in PLN thousand	31.12.2020	31.12.2019
Client contracts assets	1 322	1 162
Total	**1 322**	**1 162**

Client contracts assets include investment expenditures incurred by the Group for adjusting petrol stations to the AVIA brand in accordance with franchise contracts and commissions. Client contracts assets include investment expenditures incurred by the Group for adjusting petrol stations covered by franchise contracts according to the standards of the AVIA brand and recognised in accordance with IFSR 15 as costs related to concluding the contract.

4.18 OTHER CURRENT ASSETS

Other current short-term assets:

in PLN thousand	31.12.2020	31.12.2019
Active accruals	9 773	5 497
Total	**9 773**	**5 497**

Active accruals include, among others, insurance costs, deferred subscriptions and costs incurred for NIT fulfilment (National Indicative Target – an obligation to introduce to the market transport fuels coming from Renewable Energy Sources) not related to sales of goods in the reported period.

4.19 FINANCIAL RESOURCES AND THEIR EQUIVALENTS

in PLN thousand	31.12.2020	31.12.2019
Financial resources in bank accounts	104 823	38 422
Restricted financial resources in bank accounts	29	41
Cash at hand	42	83
Cash in transit	11 169	290
Financial resources and their equivalents, value demonstrated in the statements of financial condition	**116 063**	**38 836**
Overdrafts	(172 440)	(205 350)
Financial resources and their equivalents, value demonstrated in the statements of cash flows	**(56 377)**	**(166 514)**

As of 31.12.2020 and as of 31.12.2019 cash resources and their equivalents did not hedge liabilities.

Detailed information on overdrafts has been presented in note 4.21.

4.20 EQUITY

Share capital

in PLN	31.12.2020	31.12.2019
Registered number of shares	8 197 818	8 197 818
Face value of one share	PLN 1	PLN 1

As of 31st December 2020 and as of 31st December 2019 the share capital of the Parent's Equity included 7 847 818 ordinary shares and 350 000 preference shares of the face value PLN 1 each.

The ownership structure as of 31st December 2020 has been presented in the table below:

Shareholder	Number of shares	Share in capital %	Number of votes	Share in votes at the General Meeting
Unimot Express Sp. z o.o.	3 593 625	43,84%	3 593 625	42,04%
Zemadon Limited	1 616 661	19,72%	1 966 661	23,01%
Others	2 987 532	36,44%	2 987 532	34,95%
Total	**8 197 818**	**100,00%**	**8 547 818**	**100,00%**

All shares have been paid for.

Dividend

On 03.06.2020 the Ordinary General Meeting of the Shareholders of Unimot S.A. adopted a resolution on allocating the profit for the year 2019 where the amount of PLN 16 149 thousand was decided to be allocated for dividend payment. The amount of dividend per one share amounted to PLN 1.97. The dividend payment day was decided to be 09.07.2020. The dividend was paid on 09.07.2020.

Profit/loss per one share

Basic profit/loss per one share

Calculation of basic risk per one share as of 31.12.2020 was made based on net profit attributed to ordinary shareholders of the Parent Entity in the amount of PLN 35 156 thousand (2019: net profit of PLN 60 407 thousand) and weighted average number of ordinary shares as of the preparation date of the consolidated financial statements in the amount of 8 198 thousand of shares (2019: 8 198 thousand of shares).

The weighted average of the shares used to calculate diluted results per share as of 31.12.2020 amounts to 8 198 thousand of shares (2019: 8 198 thousand of shares).

4.21 LIABILITIES DUE TO CREDITS, LOANS AND OTHER DEBT INSTRUMENTS AND OVERDRAFTS

The note presents data on Group's liabilities due to credits, loans and other debt instruments. Information regarding exchange rate risk and interest rate risk that the Group is exposed to has been presented in note 4.28.

in PLN thousand	31.12.2020	31.12.2019
Long-term liabilities		
Credits and loans secured on the assets of the Group	3 667	5 580
Lease liabilities	45 329	7 514
Total long-term liabilities	**48 996**	**13 094**
Short-term liabilities		
Short-term part of credits and loans secured on the assets of the Group	1 554	1 193
Other loans	-	322
Lease liabilities	7 847	3 352
Total short-term liabilities	**9 401**	**4 867**
Overdraft	**172 440**	**205 350**
Total	**230 837**	**223 311**

Repayment schedule for liabilities from credits, loans and other as of 31st December 2020 (without lease liabilities)

in PLN thousand	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years
Secured credits and loans	5 221	1 554	3 016	651	-
Total	**5 221**	**1 554**	**3 016**	**651**	**-**

Repayment schedule for liabilities from credits, loans and other as of 31st December 2019 (without lease liabilities)

in PLN thousand	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years
Secured credits and loans	6 773	1 193	2 273	1 932	1 375
Other loans	322	322	-	-	-
Total	**7 095**	**1 515**	**2 273**	**1 932**	**1 375**

Repayment schedule for lease liabilities

in PLN thousand	Payments due to lease	Interests	Share capital	Payments due to lease	Interests	Share capital
		31.12.2020			31.12.2019	
up toa year	10 108	2 261	7 847	3 772	420	3 352
from 1 to 5 years	25 404	7 809	17 595	8 449	935	7 514
over 5 years	37 278	9 544	27 734	-	-	-
Total	**72 790**	**19 614**	**53 176**	**12 221**	**1 355**	**10 866**

Lease contracts do not foresee the necessity for contingent payments.

4.22 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments - financial assets:

in PLN thousand	31.12.2020	31.12.2019
Long-term financial assets		
Futures and FX forward contracts	13 247	-
Total	**13 247**	**-**
Short-term financial assets		
Futures, swap and FX forward contracts	14 885	12 123
Total	**14 885**	**12 123**

Derivative financial instruments - financial liabilities:

in PLN thousand	31.12.2020	31.12.2019
Long-term financial liabilities		
Futures and FX forward contracts	3 438	5 648
Total	**3 438**	**5 648**
Short-term financial liabilities		
Futures, swap and FX forward contracts	17 700	2 421
Total	**17 700**	**2 421**

Maturity schedule/settlement period of derivative financial instruments - financial liabilities as of 31st December 2020:

in PLN thousand	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years
Futures , swap and FX forward contracts	21 138	17 700	3 438	-	-
Total	**21 138**	**17 700**	**3 438**	**-**	**-**

Maturity schedule/settlement period of derivative financial instruments – financial liabilities as of 31st December 2019:

in PLN thousand	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years
Futures , swap and FX forward contracts	8 069	2 421	5 648	-	-
Total	**8 069**	**2 421**	**5 648**	**-**	**-**

Futures contracts purchases -and sales of contracts ICE Gas Oil.

Swap contracts – simultaneous sales and purchases of contracts ICE Gas Oil.

FX forward contracts – purchases and sales of contracts FX forward.

Face value of concluded futures contracts

in PLN thousand	31.12.2020	31.12.2019
Futures contracts - sale of ICE Gas Oil	19 802	38 333
Swap contracts – purchases and sales of ICE Gas Oil	118 361	162 551
FX forward contracts – sales	61 891	61 493
Total	**200 054**	**262 377**

4.23 CREDIT AND LOAN AGREEMENT ANALYSIS

Credit and loan agreement analysis as of 31.12.2020

Name of financing company	Long-term-part	Short-term-part	Liability type	Date of granting	Repayment day	Securities
Bank Millenium S.A.	-	482	Overdraft Umbrella	2012-09-20	2021-10-20	declaration of submission to enforcement, pledge on cash resources, cumulative mortgage up to the amount of PLN 3 450 000 on property of Unimot Express Sp. z.o.o. and cession of insurance policy, cumulative mortgage up to PLN 8 500 000 on property of Unimot Express Sp. z.o.o and cession of insurance policy, declaration of Unimot Express Sp. z.o.o o on submission to enforcement from real estate (property) up to the mounts of PLN 8 500 000 and PLN 3 450 000, registered pledge on receivables, cumulative mortgage with 1st right to execution up to the amount of PLN 16 000 000,00 on property of: Unimot S.A., located in Zawadzkie, Unimot Express Sp. z o.o., located in Częstochowa, ul. Torowa 3B.
mBank S.A.	-	91 522	overdraft	2016-03-03	2021-10-28	promissory note together with promissory note agreement, registered pledge on stock, cession of receivables, cession of insurance policy of receivables of Atriadus, Hermes, authorization to current account, blocking bank accounts, cession of future compensations from Creditor's receivables insurance agreement in KUKE, registered and financial pledges on receivables from bank accounts.
mBank S.A.	-	-	overdraft	2012-10-01	2021-11-30	a blank promissory note and promissory note agreement, cash deposit in the amount of PLN 1 100 000, declaration of submission to enforcement.
ING Bank Śląski S.A.	-	80 436	overdraft working capital	2016-03-03	2021-05-31	registered pledge on stock, cession of other receivables, authorization to bank accounts, declaration of submission to enforcement, tripartite agreement, order to block specific accounts, bank collateral agreement.
BNP Paribas Bank Polska S.A.	-	-	payment guarantee	2011-08-11	2022-02-28	Registered pledge up to the top security amount of EUR 1.800.000,00, open unconfirmed cession of receivables, silent cession of receivables, own blank promissory note, pledge on accounts.
PKO Factoring S.A.	-	-	factoring limit	2020-06-22	for an indefinite period	tripartite agreement to the policy No 802002781 concluded by the Client, Factor and Compagnie Francaise D'Assufiance Pour Le Commerce Exterieur S.A.Oddział w Polsce.
Orzesko-Knurowski Bank Spółdzielczy z/s w Knurowie (Wieleń)	66	130	investment credit	2013-11-22	2022-06-20	own promissory note, contractual mortgage on real estate, cession from the policy; court registered pledge, surety of BLE SA, authorization to accounts, transfer from contracts with the customers from Wieleń.
Orzesko-Knurowski Bank Spółdzielczy z/s w Knurowie (Tuczno)	48	97	investment credit	2014-04-03	2022-06-20	own promissory note, contractual mortgage on real estate, cession from the policy; court registered pledge, surety of BLE SA, authorization to accounts, transfer from the contract with Trumpf Mauxion Chocolates.
Orzesko-Knurowski Bank Spółdzielczy z/s w Knurowie (Białowieża)	524	167	investment credit	2016-04-08	2025-03-30	own promissory note, contractual mortgage on real estate, cession from the policy, court registered pledge, surety of Unimot System Sp. z o.o. and Unimot S.A. authorization to accounts, transfer from contracts with the customers form Białowieża.
Bank Spółdzielczy w Płońsku	650	200	investment credit	2014-05-14	2023-12-31	contractual mortgage, surety of Blue Line Engineering S.A., Unimot S.A., Quantum 6, cession of receivables, authorization to current account and other accounts, own promissory note.
Bank Gospodarstwa Krajowego	2 379	960	investment credit	2016-01-27	2024-06-30	a blank promissory note; endorsement Unimot S.A.; surety under civil law BLE; contractual mortgage up to PLN 12.760.058; register pledge on the group of future movables; transfer of receivables; transfer of receivables from the insurance contract; statement on voluntary execution pursuant to Art. 777 Unimot SA, BLE, Unimot System.

Bank Millenium S.A.	-	-	overdraft/umbrella	2019-11-25	2021-10-20	Mutual sureties of Unimot S.A. and Tradea Sp. z o.o., declaration of submission to enforcement.
Total	**3 667**	**173 994**				

Lease agreement analysis as of 31.12.2020

Type of agreement	Long-term-part	Short-term-part	Liability type	Date of granting	Repayment day	Securities
Lease agreements pertaining to means of transport	3 579	2 320	lease	2013-08-01	2025-01-05	Promissory note declaration
Lease agreements pertaining to rental agreements	41 750	5 527	Lease	2014-11-24	2040-12-30	No agreements
Total	**45 329**	**7 847**				

Margin on liabilities from credits, loans and other debt instruments depends on variable interest rate to which it refers. Interval analysis of margin is presented below:

- WIBOR 1M – margin in the range 0.9% - 4.0%,
- WIBOR 3M – margin in the range 1.5% - 6.25%,
- LIBOR 1M – margin in the range 1.35% - 2%,
- EURIBOR 1M – margin in the range 1.1% - 1.45%.

For the purpose of the cash flows statements overdrafts at call that constitute an integral part of managing the Group's financial resources are recognised as an element of cash resources and their equivalents for the purpose of the statements of cash flows.

4.24 CHANGE OF LIABILITIES STATUS RESULTING FROM FINANCIAL ACTIVITY

in PLN thousand	As of 01.01.2020	Incurrence	Repayments	Interests paid	Exchange rate differences achieved	Unachieved exchange rate differences	As of 31.12.2020
Overdrafts	205 350	168 490	(205 350)	(4 065)	11 299	(3 284)	172 440
Bank credits	6 773	124	(1 403)	(273)	-	-	5 221
Short-term loans from related entities	322	576	(300)	(598)	-	-	-
Lease liabilities	10 866	48 872	(5 507)	(1 055)	-	-	53 176
Total	**223 311**	**218 062**	**(212 560)**	**(5 991)**	**11 299**	**(3 284)**	**230 837**

in PLN thousand	As of 01.01.2019	Incurrence	Repayments	Interests paid	Exchange rate differences achieved	Unachieved exchange rate differences	As of 31.12.2019
Overdrafts	215 232	213 124	(215 232)	(7 957)	56	127	205 350
Bank credits	8 168	179	(1 340)	(234)	-	-	6 773
Short-term loans from related entities	326	16	-	(20)	-	-	322
Lease liabilities	10 924	4 070	(3 738)	(390)	-	-	10 866
Total	**234 650**	**217 389**	**(220 310)**	**(8 601)**	**56**	**127**	**223 311**

** The Group has recognised financial lease since 1st January 2019 pursuant to IFRS 16*

4.25 EMPLOYEE BENEFITS LIABILITIES

in PLN thousand	31.12.2020	31.12.2019
Long-term liabilities due to retirement compensation and other	256	185
Short-term liabilities due to retirement compensation and other	539	435
Total	**795**	**620**

Employee benefits:

Retirement benefits liabilities have been calculated by an independent actuary based on the assumptions:

in %	31.12.2020	31.12.2019
Discount rate	2.0%	2,0%
Future wage growth	4.0%	4,0%
Inflation	2.0%	2.0%

Status change of defined benefit liability over the year:

in PLN thousand	Retirement allowances	Pension allowances	Equivalent for unused holiday leave, write-off to ZFŚS, death in service benefits	Total
As of 1st January 2019	**59**	**6**	**587**	**652**
Current employment cost	13	1	23	**37**
Interest costs	2	-	3	**5**
Actuarial profit/(loss) from change in assumptions	(5)	(1)	(9)	**(15)**
Benefits paid	-	-	(59)	**(59)**
As of 31.12.2019	**69**	**6**	**545**	**620**

in PLN thousand	Retirement allowances	Pension allowances	Equivalent for unused holiday leave, write-off to ZFŚS, death in service benefits	Total
As of 1st January 2020	**69**	**6**	**545**	**620**
Current employment cost	19	2	140	**161**
Interest costs	1	-	3	**4**
Actuarial profit/(loss) from change in assumptions	32	-	(4)	**28**
Benefits paid	(18)	-	-	**(18)**
as of 31.12.2020	**103**	**8**	**684**	**795**

Sensitivity of liabilities due to employee benefits to changes in basic assumptions:

as of 31.12.2020	Change in assumptions		Influence on benefits	
	Decrease	Increase	Increase/(decrease)	Increase/(decrease)
Discount rate	0,5%	0,5%	7 thousand	(23) thousand
Future wage growth	0,5%	0,5%	(22) thousand	25 thousand
Inflation	0,5%	0,5%	10 thousand	(10) thousand

Costs regarding changes of reserves are recognised in the financial result as overheads and other costs.

4.26 CLIENT CONTRACTS LIABILITIES

Short-term:

in PLN thousand	31.12.2020	31.12.2019
Client contracts liabilities	4 130	3 070
Total	**4 130**	**3 070**

Liabilities due to client contracts cover the advanced payment of remuneration for services that have not been provided by the Group yet, e.g. paid in advance subscription and commercial fees for electricity distribution, services provided by means of prepaid gas metres, contracts related to purchases of liquid and gaseous fuels.

4.27 TRADE AND OTHER LIABILITIES

Short-term:

in PLN thousand	31.12.2020	31.12.2019
Trade liabilities	89 902	92 766
Liabilities due to taxes, subsidies, duties, insurance excluding the income tax liabilities	143 285	93 992
Remuneration liabilities	809	732
Accruals	25 574	13 853
Other liabilities	5 363	193
Total	**264 933**	**201 536**

The amount of PLN 143 285 thousand as of 31.12.2020 (PLN 93 992 thousand as of 31.12.2019) covers primarily liabilities due to excise, backup chargé, emission fee, personal and corporate income tax, and VAT.

4.28 FINANCIAL INSTRUMENTS

Financial instruments classification

Assets

in PLN thousand	Financial assets valuated according to amortised costs	Financial assets valuated at fair value through financial result	Total
Assets according to the statements of financial condition as of 31.12.2020			
a) Fixed assets			
Derivative financial instruments	-	13 247	**13 247**
Other long-term liabilities	9 899	-	**9 899**
Client contracts assets	5 233	-	**5 233**
b) Current assets			
Client contracts assets	1 322	-	**1 322**
Receivables (except advances and receivables due to taxes)	285 790	-	**285 790**
Other financial assets	194	-	**194**
Derivative financial instruments	-	14 885	**14 885**
Financial resources and their equivalents (excluding cash at hand)	116 021	-	**116 021**
Total	**418 459**	**28 132**	**446 591**

in PLN thousand	Financial assets valuated according to amortised costs	Financial assets valuated at fair value through financial result	Total
Assets according to the statements of financial condition as of 31.12.201			
a) Fixed assets			
Other financial assets	131	-	**131**
Other long-term liabilities	2 224	-	**2 224**
Client contracts assets	9 184	-	**9 184**
b) Current assets			
Client contracts assets	1 162	-	**1 162**
Receivables (except advances and receivables due to taxes)	252 122	-	**252 122**
Other financial assets	3 537	-	**3 537**
Derivative financial instruments	-	12 123	**12 123**
Financial resources and their equivalents (excluding cash at hand)	38 753	-	**38 753**
Total	**307 113**	**12 123**	**319 236**

Liabilities

in PLN thousand	Financial liabilities valuated according to amortised costs	Financial liabilities valuated at fair value through financial result	Total
Liabilities according to the statements of financial condition as of 31.12.2020			
a) Long-term liabilities			
Liabilities due to credits, loans and other debt instruments (excluding financial lease liabilities)	3 667	-	**3 667**
Derivative financial instruments	-	3 438	**3 438**
b) Short-term liabilities			
Liabilities due to credits, loans and other debt instruments (excluding financial lease liabilities)	1 554	-	**1 554**
Overdrafts	172 440	-	**172 440**
Derivative financial instruments	-	17 700	**17 700**
Trade and other liabilities (excluding public and legal liabilities and remunerations)	120 839	-	**120 839**
Total	**298 500**	**21 138**	**319 638**

in PLN thousand	Financial liabilities valuated according to amortised costs	Financial liabilities valuated at fair value through financial result	Total
Liabilities according to the statements of financial condition as of 31.12.2019			
a) Long-term liabilities			
Liabilities due to credits, loans and other debt instruments (excluding financial lease liabilities)	5 580	-	**5 580**
Derivative financial instruments	-	5 648	**5 648**
b) Short-term liabilities			
Liabilities due to credits, loans and other debt instruments (excluding financial lease liabilities)	1 515	-	**1 515**
Overdrafts	205 350	-	**205 350**
Derivative financial instruments	-	2 421	**2 421**
Trade and other liabilities (excluding public and legal liabilities and remunerations)	106 812	-	**106 812**
Total	**319 257**	**8 069**	**327 326**

Financial assets valuated according to depreciated cost include loans and receivables include loans granted, trade and other receivables (net of taxes and advances) and cash and cash equivalents.

Financial liabilities valuated by depreciated cost method include overdrafts, liabilities from credits, loans, and other debt instruments, trade and other liabilities (excluding tax liabilities).

Financial instruments valuated at fair value

Fair value

Details of fair value of financial instruments for which it can be estimated are as follows:

- Cash and cash equivalents, short-term bank deposits, short-term bank credits and overdrafts: the carrying amount of the aforementioned instruments is close to their fair value due to the rapid maturity of these instruments.
- Trade receivables and other receivables, trade creditors and other liabilities, and prepayments and accruals: the book value of the aforementioned instruments is close to their fair value due to their short-term nature.

- Long-term liabilities from credits, loans and other debt instruments: the book value of the aforementioned instruments is close to their fair value due their versatile nature of interest.
- Liabilities towards related entities due to fixed interest rate instruments: the book value of the aforementioned instruments is close to their fair value due to the fact that the interest rate is close to market interest rate of similar risk.
- Derivatives: fair value is based on the market price resulting from listing, if it is available. If the market price resulting from the current quotation is not available for the instrument, then the fair value is determined by discounting the difference between the contract price and the current price of the instrument, taking into account the maturity of the contract. As of 31.12.2020 and 31.12.2019 derivatives applied by the Group (foreign currency FX Forward transactions and commodities Futures transactions) are estimated at fair value of Level 1, i.e. based on data coming from active market.

The main financial risks to which the Group is exposed regarding its business: market risks (including the risk of changes in currency exchange rates, the risk of changes in fair value or cash flows as a result of changes in interest rates and the risk of price changes), credit risk and liquidity risk. Understanding the threats which have their source in the Company's exposure to risk, proper organisational structure and procedures allow for better implementation of tasks. The company constantly identifies and makes the valuation of financial risk, as well as it takes measures to minimise its impact on the financial condition.

Financial risk

Financial risks the Group is exposed to within the conducted activity include:

- market risks that comprise:
  - currency exchange rate risk,
  - price risk,
  - interest rate risk .
- credit risk,
- liquidity loss risk.

Understanding the threats originating from the exposure of the Group to risks, proper organizational structure and procedures allow for better task accomplishment. The Group identifies and valuates financial risks on an ongoing basis and also takes actions aimed at minimizing them and their impact on the financial condition.

Market risk

By the market risk to which the Group is exposed, the possibility of negative impact on the results of the Company resulting from changes in exchange rates, market prices of goods and interest rates, is understood.

The Group actively manages the market the risk to which it is exposed. The main objectives of the risk management process are: to limit the volatility of the financial result, to increase the likelihood of implementation of the budget assumptions, to reduce the likelihood of loss of liquidity.

All the market risk management objectives should be dealt with together, and their performance is dependent primarily on the domestic situation in the Group and market conditions.

The main technique of market risk management is hedging strategies using derivatives (contracts forward, futures). Also, natural hedging is applied. The Group applies an integrated approach to the market risk management to which it is exposed. An example are hedging transactions on commodity and currency markets that are closely associated with the contracts concluded on the market and are implemented by an existing Hedging Department of the Group. Since 2017 the Group has not been applying hedge accounting.

Risk of exchange rate change

With regard to the risk of changes in the exchange rate the following types of exposure are identified:

- transactional exposure on volatility of the value of cash flows in the functional currency. The source of the transactional exposure to foreign exchange risk are contracts resulting in cash flows of which the functional currency is dependent on future levels of exchange rates of foreign currencies against the functional currency. The key source of transactional exposures to foreign exchange risk is the revenue from the sale of goods.

- the balance sheet exposure relating to the variation of the values of selected items of the statements of financial condition in the functional currency. The source of the balance sheet exposure to currency risk are the items of the statements of financial condition in foreign currencies which under applicable accounting principles are subject to conversion on the basis of the current exchange rate of a foreign currency relative to the functional currency in connection with the settlement or periodic measurement. The balance sheet exposure applies in particular to: receivables and liabilities denominated in foreign currencies, financial liabilities from debts in foreign currencies, cash in foreign currencies.

The Group applies the procedure for exchange rate hedging for calculated prices and margins of goods bought and sold in different currencies. The Group uses forward contracts and SWAPs for all asset and liability items in full subject to the exchange rate change risk. These are the simplest, but also the most effective tools allowing for the minimisation of the risk of exchange rate fluctuations since the purchase of goods until their sale for transactions in different currencies.

Group's exposure to foreign exchange risk

Data related to balances in foreign currencies as of 31.12.2020.:

in PLN thousand	**in EUR**	**in USD**	**Other currencies**	**Total**
Trade and other receivables	12 124	35 953	26 799	**74 876**
Cash resources	2 469	844	675	**3 988**
Liabilities due to credits, loans and other debt instruments	-	(172 440)	-	**(172 440)**
Derivative financial instruments	-	6 994	-	**6 994**
Trade and other liabilities	-	(594)	-	**(594)**
Exposition to exchange rate risk for balances in foreign currencies	**14 593**	**(129 243)**	**27 474**	**(87 176)**

Data related to balances in foreign currencies as of 31.12.2019

in PLN thousand	**in EUR**	**in USD**	**Other currencies**	**Total**
Trade and other receivables	3 391	13 423	3	**16 817**
Cash resources	515	6 774	2	**7 291**
Liabilities due to credits, loans and other debt instruments	(7 852)	(194 211)	-	**(202 063)**
Derivative financial instruments	-	4 054	-	**4 054**
Trade and other liabilities	(3 169)	(23 939)	(4)	**(27 112)**
Exposition to exchange rate risk for balances in foreign currencies	**(7 115)**	**(193 899)**	**1**	**(201 013)**

The drop in the exposure to currency risk as of 31.12.2020 results primarily from the decreased exposure of trade and other receivables, liabilities due to credits, loans and other debt instruments and trade and other liabilities.

Analysis of financial instruments sensitivity denominated in foreign currencies to exchange rate change

The influence of foreign currencies exchange rate on the financial result as of 31.12.2020 by 15% has been presented below. The analysis was conducted at the assumption that all remaining variables, and interest rates in particular, remain at the same level. The analysis for the year 2019 was conducted in the same manner.

Impact of exchange rate differences on the Group's financial result due to change of exchange rate:

	Gross profit/(loss)	
in PLN thousand	**Growth of exchange rate by 15 %**	**Decrease of exchange rate by 15 %**
31.12.2020	(13 076)	13 076
31.12.2019	(30 152)	30 152

The foreign currency exposure indicated above is to a large extent neutralised through the valuation of inventories – primarily diesel oil. This asset is subject to valuation both with regard to prices of resources expressed in a foreign currency (information below) as well as foreign currencies exchange rates – in particular USD/PLN and USD/EUR. Loan and credit liabilities in a foreign currency are natural hedging.

Price risk

The Group has no equity securities classified as available-for-sale or valuated at fair value through the financial result, which are exposed to price risk.

The Group is exposed to the risk of price change regarding the sold fuels, mainly diesel oil, which can consequently influence the results achieved by the Group. Change in prices on the world markets has also influence on the domestic market and, therefore, upon the sale of goods would generate a loss.

The Group secures the risk of price changes of goods with appropriate hedge transactions, securing the price of a product. With this end in view, the Group uses commercially available hedging instruments, i.e. futures contracts.

Applied in the Group procedure of diesel oil price hedging assumes concluding transactions of the denomination corresponding to 100% of diesel oil amount susceptible to price change (purchased and being owned by the Company). Strategies of concluding hedging transactions correspond to price formulas applied in purchase contracts. In case the duration of the hedging transactions expires before the goods are sold their rollover is applied or commodity swaps are concluded. An analogous approach is also applied to hedge compulsory reserve of diesel oil that is not subject to current trade.

Group's exposure to price risk

Data on balances:

as of 31.12.2020	**Amount in tonnes**	**Fair value in PLN thousand**
Non-financial assets		
Inventories valuated according to fair value net of sales cost	98 112	166 695
Total	**98 112**	**166 695**

as of 31.12.2020	**Type of instrument**	**Valuation period for which instruments are concluded**	**Amount in tonnes**	**Face value in PLN thousand**
Financial				
Futures – sales of contracts	ICE Gas Oil	January 2021-June 2023	(10 300)	(19 802**)**
Commodity swap – sales and purchases of contracts for various dates	ICE Gas Oil	January 2021-June 2021	(73 500)	(118 361)
Total			**(83 800)**	**(138 163)**
Exposure to price risk of derivatives transactions balances			*__14 312__	**__28 532__

** amount of inventories in T remaining the property of the Company not covered by transaction hedging the price of product*
*** value of inventories in PLN thousand remaining the property of the Company not covered by transaction hedging the price of product*

As of 31.12.2019	Amount in tonnes	Fair value in PLN thousand
Non-financial assets		
Inventories valuated according to fair value net of sales cost	109 100	239 258
Total	**109 100**	**239 258**

As of 31.12.2019	Type of instrument	Valuation period for which instruments are concluded	Amount in tonnes	Face value in PLN thousand
Financial				
Futures – sales of contracts	ICE Gas Oil	January 2020-July 2021	(20 300)	(38 333)
Commodity swap – sales and purchases of contracts for various dates	ICE Gas Oil	January 2020-June 2020	(71 200)	(162 551)
Total			**(91 500)**	**(200 884)**
Exposure to price risk of derivatives transactions balances			*__17 600__	**__38 374__

** amount of inventories in T remaining the property of the Company not covered by transaction hedging the price of product*

*** value of inventories in PLN thousand remaining the property of the Company not covered by transaction hedging the price of product*

Exposure level to price risk results primarily from the level of natural gas and LPG provisions, the value of which is not hedged with derivative transactions. Provisions of diesel oil are hedged with the abovementioned transactions.

Sensitivity analysis of financial instruments to fuel price change

The analysis considers the existent future contracts hedging. Strengthening/weakening the quotations of the base product (influencing the growth/drop of the fair value of inventories and growth/drop of the fair value of derivatives) by 15% as of 31st December 2020 would cause (drop)/growth of the financial result by the values presented below. The analysis was conducted on the assumption that all remaining variables remain at the same level. The analysis for the year 2019 was conducted in the same manner.

Impact of price differences on the Group's financial result:

	Gross profit/(loss)	
in PLN thousand	**Price growth by 15 %**	**Price decrease by 15 %**
31.12.2020	4 280	(4 280)
31.12.2019	5 756	(5 756)

Interest rate risk

The interest rate risk is a possibility of adverse influence of changes in interest rates on the Group's results. The Group in 2020 was exposed to this type of risk in connection granting of loans and use of external sources of financing. Working with a number of financial institutions, the Group constantly monitors the level of interest rates always negotiating the margin level of a bank or other financial institution for included products subject to the interest rate. The Group acts similarly with the interest rates on loans granted by the Group.

Group's exposure to interest rate change:

in PLN thousand	**31.12.2020**	**31.12.2019**
Fixed interest rare instruments		
Financial	-	(322)
Total	**-**	**(322)**
Variable interest rare instruments		
Financial liabilities due to credits and lease	(230 837)	(222 989)
Total	**(230 837)**	**(222 989)**

Amounts of instruments of fixed and variable interest rate comprise the items detailed in Note 4.21.

Interest rate change risk on fair values and cash flow

The Group has no significant interest-bearing financial assets, therefore the Group's revenue and cash flow from operating activities are largely independent of changes in market interest rates. The Group is more vulnerable to the risk of interest rates from loans and credits. The loans granted with variable interest rate expose the Group to the risk of interest rates from cash flow.

Sensitivity analysis of financial instruments with variable interest rate on changes in market interest rates

(Decrease)/increase in interest rate by 150 bp at the reporting date would increase (reduce) equity and financial result by the amount presented in the following table. The analysis was carried out on the assumption that all other variables, in particular currency exchanges, remain unchanged. The analysis for 2019 was carried out in the same manner.

Impact of interest rate change on the Group's financial result:

	Gross profit/(loss)	
in PLN thousand	**Growth by 1,5 %**	**Decrease by 1,5 %**
31.12.2020	(3 463)	3 463
31.12.2019	(3 345)	3 345

Credit risk

The credit risk is the possibility of incurring by the Group financial loss as a result of failure to comply with the obligations by debtors of the Group.

The credit risk is mainly associated with the following areas:
- the credit reliability of the customers with whom physical transactions for the sale of goods,
- the reliability of the credit financial institutions (banks/brokers) with which hedge transactions are concluded or who mediate in the conclusion of such transactions, as well as those in which free cash is invested,
- financial condition of the borrowers.

The credit risk is associated in particular with the following balance sheet items:
- trade receivables,
- derivative instruments,
- cash and bank deposits,
- granted loans,
- granted guarantees and warranties.

Maximum exposure to credit risk:

in PLN thousand	**31.12.2020**	**31.12.2019**
Loans and other financial assets	194	3 668
Receivables	295 689	254 346
Financial assets valuated at fair value through financial result	14 885	12 123
Total	**310 768**	**270 137**

As of the balance sheet date there was no significant risk concentration present. The book value of each financial asset presents a maximum exposure to credit risk.

Loans granted – estimated asset impairment

The Group has granted several educational loans for university students. The amount of the estimated impairment of these loans is negligible from the perspective of the results achieved by the Group as of 31st December 2020.

Trade receivables - asset impairment estimation

The Group has been cooperating for many years with a large number of customers, which influences the geographical distribution of trade receivables.

The Group limits the exposure to credit risk related to trade liabilities through evaluation and monitoring of financial condition of the contractors as well as application of a system for granting credit limits in accordance with the adopted by the Group policy.

The Group applies various types of credit limits hedging (e.g. a blank promissory note with promissory note declaration, notary acts of submission to enforcement, mortgages, bank guarantees). Managing credit risk is conducted through ongoing monitoring of receivables status (investigation of credit exposition against the granted limits, overdues monitoring) and internal system for reporting the procedure execution. Sales to customers without granted limits are conducted based on advance payments.

As a rule, the Group insures or hedges the receivables. In 2020 receivables were insured with Atradius, Euler Hermes, Coface and KUKE. The receivables that are not covered by insurance include the ones excluded from the insurance policy as large and safe (e.g. fuel concerns), from non-insurable entities, such as public administration bodies or physical persons, from related entities and customers who are simultaneously our suppliers of goods or services.

According to the situation as of 31st December 2020 the Group held the following forms of hedging receivables:
- 66.4% of the receivables insured with insurance companies (69.4% as of 31st December 2019)
- 4.0% of the receivables non-insured with security established by the contractor (3.1 % as of 31st December 2019)
- 29.6% of the receivables non-insured (27.5% as of 31st December 2019)

in PLN thousand	**31.12.2020**	**31.12.2019**
Trade receivables insured against credit risk - from unrelated entities	149 836	152 736

Age structure of trade receivables

Gross value

in PLN thousand	**31.12.2020**	**31.12.2019**
Not overdue	**197 472**	**176 888**
Overdue, in this:	**36 058**	**50 006**
1-30 days	23 216	37 916
31-60 days	2 143	3 086
60-180 days	1 018	1 206
181-365 days	2 911	2 461
Over 365 days	6 770	5 337
Total	**233 530**	**226 894**

Depreciation:

in PLN thousand	**31.12.2020**	**31.12.2019**
Not overdue	**(290)**	**(276)**
Overdue, in this:	**(7 405)**	**(6 448)**
1-30 days	(27)	(81)
31-60 days	(188)	(282)
60-180 days	(452)	(228)
181-365 days	(1 118)	(1 299)
Over 365 days	(5 620)	(4 558)
Total	**(7 695)**	**(6 724)**

Net value:

in PLN thousand	31.12.2020	31.12.2019
Not overdue	**197 182**	**176 612**
Overdue, in this:	**28 653**	**43 558**
1-30 days	23 189	37 835
31-60 days	1 955	2 804
60-180 days	566	978
181-365 days	1 793	1 162
Over 365 days	1 150	779
Total	**225 835**	**220 170**

Increases and decreases of write-offs revaluating trade receivables:

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Opening balance as of 1st January	(6 724)	(2 084)
Establishing	(4 115)	(6 824)
Utilization	276	246
Dissolution	2 868	1 938
Closing balance as of 31st December	**(7 695)**	**(6 724)**

As of 31st December 2020 trade receivables in the amount of PLN 197 182 thousand were not overdue nor impaired (31.12.2019: PLN 176 612 thousand). As of 31st December 2020 trade receivables in the amount of PLN 28 653 thousand (31.12.2019: PLN 43 558 thousand) were overdue, but not impaired. These receivables concern mainly customers with whom the Group has been cooperating for many years, whose receivables are insured or hedged.

As of 31st December 2020 trade receivables in the amount of PLN 7 695 thousand (31.12.2019: PLN 6 724 thousand) were overdue and impaired, therefore in 2020 they were subject to a write-off in the amount of PLN 7 695 thousand (31.12.2019: PLN 6 724 thousand). As of 31st December 2020 trade receivables in the amount of PLN 290 thousand were not overdue, however, they were recognised as impaired due to difficult financial situation of the customers (31.12.2019: PLN 276 thousand).

The Group expects that contractors will settle the overdue trade receivables not later than within twelve months since the end of the accounting period.

The event of default the Group recognises as an occurrence of a failure to settle the liability by the contractor after the period of 180 days starting on the day of receivables maturity. The receivables of recognised impairment include also receivables issued for the delays in making the payment by contractors (so called financial sanctions)

The receivables recognised as impaired receivables are subject to a full write-off, while for the non-insured receivables the basis for calculating the write-off is 100% of the receivables. For the insured receivables or covered by other form of security the basis for calculating write-offs is the own share of unpaid balance (amount of in-kind contribution of insurance/security).

For the remaining receivables, that is non-impaired receivables, the Group calculates the loss ratio based on weighted average percentage of unpaid receivables within 12 months in breakdown into groups of receivables and delays in payments, considering a three-year period in the analysis.

Similarly to previous years based on actual balance of the portfolio as of the balance sheet day the receivables were included in basket 3, as the impaired receivables and to basket 2 as non-impaired receivables.

in PLN thousand	**31.12.2020**	**31.12.2019**
Gross receivables in basket 2	226 444	220 901
Receivables impairment write-off in basket 2	(609)	(731)
Net receivables in basket 2	**225 835**	**220 170**
Gross receivables in basket 3	7 086	5 993
Receivables impairment write-off in basket 3	(7 086)	(5 992)
Net receivables in basket 3	**-**	**-**

The Group estimates that the risk of failure to settle the trade receivables by the contractor in the scope of non-overdue receivables and overdue receivables subject to a write-off is low, due to effective management of merchant credits and debt collection. The Group, among others, defines limits for particular contractors and establishes hedges and is able to compensate mutual liabilities.

Cash resources – estimated asset impairment

The Group deposits its free cash resources and their equivalents exclusively in entities operating in the financial sector. The analysis of the exposure to this type of risk, conducted as of 31st December 2020 for the amount of PLN 115 732 thousand, which constitutes 99.71 % of Company's total cash resources in the amount of PLN 116 063 thousand (Included in Note 4.19), the remaining ones are cash resources on the way and cash in hand, demonstrated that in the prevailing part these are banks and brokers of the highest, upper medium and medium ratings, and also possessing large equities and a leading and stable market position in Poland. This credit risk is being monitored on an ongoing basis through analysis of credit ratings and limiting the concentration level of resources at particular financial institution.

in PLN thousand	**31.12.2020**	**Rating Moody's**	**Rating Fitch**	**Rating S&P**	**31.12.2020**	**31.12.2019**
Bank1	68 940,7	A3	BBB-	BBB	59,6%	45,4%
Bank2	11 305,7	Aa3	A+	A+	9,8%	14,6%
Bank3	10 328,8	Caa1	CCC	-	8,9%	14,0%
Bank4	7 041,6	A2	A+	-	6,1%	10,5%
Bank5	6 044,9	Baa1	BBB-	-	5,2%	5,2%
Bank6	4 819,5	A2	-	-	4,2%	-
Other banks	7 250,8	-	-	-	6,3%	10,3%
Total	**115 732,0**				**100,0%**	**100,0%**

Despite concentration of credit risk connected with cash resources and deposits at one main bank and also lack of ratings for brokers, the Group estimates that due to the cooperation exclusively with renowned financial institutions as well as current monitoring of their financial results, it is not significantly susceptible to credit risk resulting from depositing financial resources in these institutions.

The value of the estimated impairment of cash resources is insignificant from the perspective of the results achieved by the Group as of 31st December 2020.

Derivatives transactions – estimated asset impairment

The Group concludes derivatives transactions in entities operating in the financial sector. The analysis of the exposure to this type of risk, conducted as of 31st December 2020 for the amount of PLN 9 226 thousand, demonstrated that in the prevailing part these are banks and brokers of the highest, upper medium and medium ratings, and also possessing large equities and a leading and stable market position in Poland. This credit risk is being monitored on an ongoing basis through analysis of credit ratings and limiting the concentration level of resources at particular financial institutions.

In order to limit cash flows and simultaneously limit credit risk the Group conducts net settlements to the level of a positive balance valuation of transactions in derivatives concluded with the given entity.

Concentration level of fair value and derivatives considering the credit evaluation of financial institutions

in PLN thousand	31.12.2020	Rating Moody's	Rating Fitch	Rating S&P	31.12.2020	31.12.2019
Broker1	24 294	-	-	-	263,3%	113,4%
Bank1	(10)	A2	A+	-	-0.1%	-55,6%
Bank2	(15 058)	A3	BBB-	BBB	-163,2%	42,2%
Total	**9 226**				**100,0%**	**100,0%**

Despite concentration of credit risk connected with revaluation of transactions in derivatives at one main broker, and also lack of ratings for this broker, the Group estimates that due to the previous good cooperation with this broker, and also monitoring their financial results and other market and non-market information that demonstrate its financial condition, it is not susceptible to credit risk resulting from valuation of transactions in derivatives.

Liquidity risk

The liquidity risk is a risk of occurrence of lack of repayment possibility by the Group of its financial liabilities at their maturity. The Group takes measures to ensure a stable and effective financing of activities.

In managing the liquidity, the Group adheres to the following principles
- ensuring stable and diversified financing from external institutions,
- allocating financial surpluses to repay interest debt or investing them in secure instruments,
- credit limits for trade partners,
- collection of receivables according to their payment date, possibly issuing interest notes in case they are overdue,
- - effective management of the remaining working capital components.

Analysis of financial liabilities maturity together with interest payments as of 31.12.2020

in PLN thousand	Balance value	Contracted value of flows	up to 1 month	from 1 m to 3 m	from 3 m to 1 year	from 1 year to 5 years	over 5 years
Financial							
Lease liabilities	53 176	72 790	1 009	1 977	7 122	25 404	37 278
Overdraft	172 440	172 440	172 440	-	-	-	-
Other interest-bearing liabilities	5 221	6 085	33	421	1 366	4 265	-
Derivative financial instruments	21 138	21 138	2 574	-	15 126	3 438	-
Trade and other liabilities and other liabilities (excluding public and legal liabilities and remunerations)	120 839	120 839	120 839	-	-	-	-
Total	**372 814**	**393 292**	**296 895**	**2 398**	**23 614**	**33 107**	**37 278**

Analysis of financial liabilities maturity together with interest payments as of 31.12.2019

in PLN thousand	Balance value	Contracted value of flows	up to 1 month	from 1 m to 3 m	from 3 m to 1 year	from 1 year to 5 years	over 5 years
Financial							
Lease liabilities	10 866	12 221	324	633	2 815	8 449	-
Overdraft	205 350	205 350	205 350	-	-	-	-
Other interest-bearing liabilities	7 095	8 237	53	325	1 354	5 003	1 502
Derivative financial instruments	8 069	8 069	2 186	235	-	5 648	-
Trade and other liabilities and other liabilities (excluding public and legal liabilities and remunerations)	106 812	106 812	106 812	-	-	-	-
Total	**338 192**	**340 689**	**314 725**	**1 193**	**4 169**	**19 100**	**1 502**

Capital management

In order to maintain the ability to continue its business activities, taking into account implementation of the planned investments, the Group manages the capital in the way that ensures its future development and simultaneously maximises return on equity for the shareholders. The level of return on equity is monitored by the Group with the use of ROE ratio (net profit/equity). The level of this ratio as of 31st December 2020 amounted to 13.1 % (respectively as of 31st December 2019 24.3 %).

Additionally, in the process of liquidity and capital management the Group also pays attention to the following ratios:

- asset coverage ratio (equity/total assets), the level of this ratio as of 31st December 2020 amounts to 33.6% (respectively as of 31st December 2019 35.9%).
- current liquidity ratio current assets/short-term liabilities, the level of this ratio as of 31st December 2020 amounts to 1.4 (respectively as of 31st December 2019, 1.4)

In order to manage optimally its capital, maintain the liquidity and creditworthiness that allow to obtain and maintain external financing the Group in the long term strives at maintaining the asset coverage ratio at the level not lower than 20%, and current liquidity ratio at the level not lower than 1.1.

4.29 CONTINGENT LIABILITIES

The Group held the following contingent liabilities as of 31st December 2020 and 31st December 2019:

The amount of guarantees of the Parent Entity Unimot S.A. towards third parties, issued in the course of current activity as of 31st December 2020 and 31st December 2019 amounted to respectively PLN 32 million and EUR 6.8 million and PLN 30.52 million and EUR 1.7 million. These concerned mainly: civil and law guarantees connected with securing proper execution of contracts, and public and law guarantees resulting from the valid law regulations securing the correctness of conducting licensed activities in the liquid fuels sector and resulting from this activity receivables of tax, customs nature, etc.

The value of standby letters of credit issued on request of the Parent Entity Unimot S.A. as of 31st December 2020 and as of 31st December 2019 amounted respectively USD 0 million and USD 19.4 million.

The Parent Entity granted a civil surety for the liabilities of a related nonconsolidated entity in the amounts as of 31st December 2020 and as of 31st December 2019 respectively PLN 2.5 million and PLN 2.5 million.

The Parent Entity Unimot S.A. issued guarantees, civil sureties and avals for the liabilities of consolidated related entities in the amounts as of 31st December 2020 and as of 31st December 2019 respectively PLN 38.4 million and PLN 36.7 million.

The amount of guarantees concerning liabilities of subsidiaries towards third parties issued in the course of the current activity as of 31st December 2020 and as of 31st December 2019 amounted to respectively PLN 21.9 million and PLN 21.74 million.

Entities issuing sureties receive remuneration for doing so. The risk of payment related to these liabilities has been included in the price. As of the balance sheet date 31.12.2020 the Group did not identify increased credit risk with reference to issued guarantees and sureties and a potential reserve due to expected loss is insignificant.

4.30 RELATED ENTITIES

Non-consolidated related entities:

- Unimot Express Sp. z o.o. (Parent Equity)
- Zemadon Limited (entity related to Unimot Express Sp. z o.o.)
- Ammerviel Limited (entity related to Unimot Express Sp. z o.o.)
- Unimot Truck Sp. z o.o. (entity related to Unimot Express Sp. z o.o.)

in PLN thousand	**31.12.2020**	**31.12.2019**
Short-term receivables:		
- related entities (non-consolidated)	83	45
Short-term liabilities:		
- related entities (non-consolidated)	324	283
Loans received:		
- related entities (non-consolidated)	-	322

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Revenues on sales of products		
- related entities (non-consolidated)	-	228
Revenues on services sale		
- related entities (non-consolidated)	45	-
Revenues on sales of goods and materials		
- related entities (non-consolidated)	232	22
Purchases of goods, materials and fixed assets		
- related entities (non-consolidated)	-	27
Purchases of services		
- related entities (non-consolidated)	648	592
Other revenues		
- related entities (non-consolidated)	-	-
Other costs		
- related entities (non-consolidated)	-	-
Financial revenues		
- related entities (non-consolidated)	-	-
Financial costs		
- related entities (non-consolidated)	294	292
Costs of write-offs for receivables		
- related entities (non-consolidated)	-	-
Costs of doubtful liabilities		
- related entities (non-consolidated)	-	-

Non-consolidated related units:

PZL Sędziszów S.A. (entity related to Unimot Express Sp. z o.o.)

in PLN thousand	31.12.2020	31.12.2019
Short-term receivables:		
- related entities (non-consolidated)	1 519	403

in PLN thousand	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Revenues on services sale		
- related entities (non-consolidated)	99	4
Revenues on sales of goods and materials		
- related entities (non-consolidated)	255	381
Purchases of goods, materials and fixed assets		
- related entities (non-consolidated)	28	88
Purchases of services		
- related entities (non-consolidated)	4	512
Other revenues		
- related entities (non-consolidated)	-	-
Other costs		
- related entities (non-consolidated)	150	-
Financial revenues		
- related entities (non-consolidated)	25	30
Financial costs		
- related entities (non-consolidated)	-	-
Costs of write-offs for receivables		
- related entities (non-consolidated)	-	-
Costs of doubtful liabilities		
- related entities (non-consolidated)	-	-

In the current accounting period no individual transactions have been identified conducted between the Companies of the Group, which would be significant due to their unusual scope and value. Transactions concluded by the Companies of the Group belong to the scope of normal, everyday business operations, conducted on market terms and principles. These transactions concerned mainly purchases of goods and materials for the needs of current operating activity (fuels, energy, rental services).

In the examined period and the comparable period, the Group granted civil sureties, avals sureties and issued guarantees for the liabilities of related entities – details in note 4.29.

4.31 EXPLANATORY NOTE TO THE REPORT ON CASH FLOWS

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Change of receivable status resulting from the report on financial condition	**(44 580)**	**(57 627)**
Status change of receivables due to interest receivables	(100)	100
Receivable status change due to the right to use assets	(131)	222
Status change of the receivable due to disposal of subsidiaries' shares	-	74
Status change of the receivable due to purchase of subsidiaries' shares	7 920	-
Change of receivable status in the statements of cash flows	**(36 891)**	**(57 231)**

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Inventories status change resulting from the statements of financial condition	**72 563**	**(48 758)**
Inventories status change due to disposal of subsidiaries' shares	-	(76)
Status change of inventories due to purchase of subsidiaries' shares	167	-
Inventories status change in the statements of cash flows	**72 730**	**(48 834)**

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Provisions status change resulting from the statements of financial condition	**-**	**1 197**
Provisions status change due to disposal of subsidiaries' shares	-	830
Provisions status change in the statements of cash flows	**-**	**2 027**

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Change of liabilities status resulting from the statements of financial condition	**64 518**	**48 550**
Liabilities status change due to disposal of subsidiaries' shares	-	5 695
Liabilities status change due to purchase of subsidiaries' shares	(7 694)	(4 950)
Status change of interest liabilities	574	(570)
Liabilities status change in the statements of cash flows	**57 398**	**48 725**

4.32 REMUNERATION OF STATUTORY BODIES

Remuneration of the Members of the Management Board of the Parent Entity and Subsidiaries

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Short-term employee benefits	304	349
Provisions for the bonuses of the Management Board	6 621	6 219
Total	**6 925**	**6 568**

Remuneration of the Members of the Supervisory Board of the Parent Entity and Subsidiaries

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Short-term employee benefits	280	172
Total	**280**	**172**

As of 31st December 2020 and as of 31 December 2019 there were no significant transactions of the related entities with:
- Members of the Management Board and Supervisory Board of the Company and their relatives,
- other key management personnel of the Company and their relatives.

4.33 REMUNERATION OF THE ENTITY AUDITING THE FINANCIAL STATEMENTS AND ITS RELATED ENTITIES

in PLN thousand	**01.01.2020-31.12.2020**	**01.01.2019-31.12.2019**
Due to agreements on auditing the financial statements	155	67,5
Due to agreements on reviewing the financial statements	35	67,5
Due to verification of the statements of the remuneration of the Management Board and Supervisory Board	22	-
Due to verification of financial statements in ESEF format	30	-
Due to agreements on auditing the financial statements of subsidiaries	43	44
Total	**285**	**179**

4.34 ESTIMATION OF THE INFLUENCE OF CORONAVIRUS COVID-19 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL SITUATION OF THE COMPANY

Detailed description of the impact of coronavirus COVID-19 pandemic on the operations and financial results of the Group has been included in item 2.5 of the Statements of the Management Board of the Unimot Group for the year 2020.

4.35 EVENTS AFTER THE BALANCE SHEET DATE

On 15.02.2021 Unimot S.A. purchased 6 000 of shares of the face value of PLN 100 each in the company Operator Klastra Energii Sp. z o.o., therefore, it obtained 80% of shares in the share capital of this company.

Zawadzkie, 23rd March 2021

………………………………………
Adam Sikorski
President of the Management Board of Unimot S.A.

………………………………………
Robert Brzozowski
Vice-President of the Management Board of Unimot S.A.

………………………………………
Marek Moroz
Vice-President of the Management Board of Unimot S.A.

………………………………………
Mikołaj Wierzbicki
Vice-President of the Management Board of Unimot S.A.

………………………………………
Małgorzata Walnik
Person preparing the report