



UNIMOT CAPITAL GROUP

CONSOLIDATED STATEMENTS FOR Q3 2020

17th November 2020

UNIMOT Group

Q3 2020

Total revenues

PLN 1 339 m

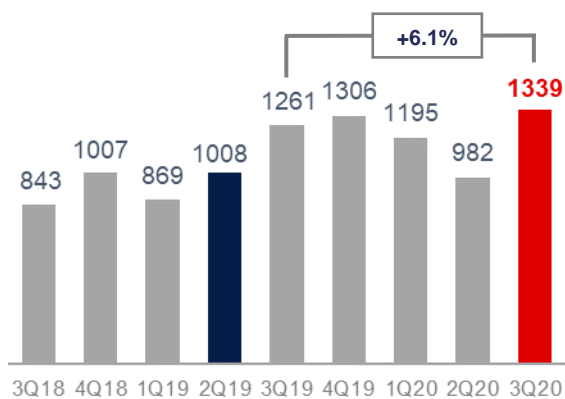
EBITDA

PLN 4.4 m

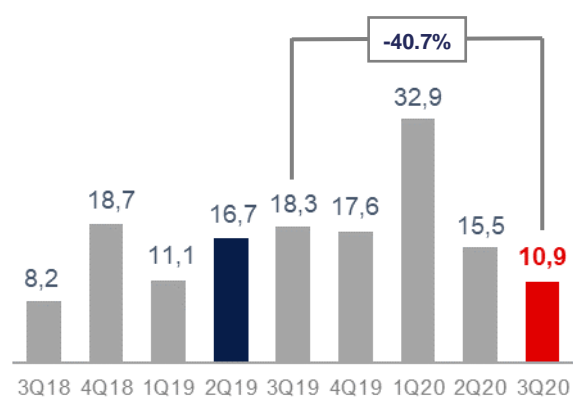
EBITDA adjusted

PLN 10.9 m

Total revenues [in PLN m]



EBITDA adjusted [in PLN m]



SELECTED DATA AND FINANCIAL INDEXES

in PLN thousand	01.01.2020 - 30.09.2020	01.07.2020 - 30.09.2020	01.01.2019 - 30.09.2019	01.07.2019 - 30.09.2019
Total revenues	3 515 899	1 338 937	3 139 135	1 261 429
Gross profit on sales	146 005	46 137	160 119	70 098
Gross margin on sales	4,2%	3,4%	5,1%	5,6%
Operating profit	6 283	2 610	56 296	29 456
Operating profit margin	0,2%	0,2%	1,8%	2,3%
EBITDA ²	20 738	4 414	72 153	34 359
EBITDA margin	0,6%	0,3%	2,3%	2,7%
EBITDA adjusted	59 193	10 863	46 070	18 311
EBITDA margin adjusted	1,7%	0,8%	1,5%	1,5%
Net profit	8 859	914	48 137	23 816
Net margin	0,3%	0,1%	1,5%	1,9%
Net profit adjusted ³	47 314	7 362	22 054	7 768
Net margin adjusted	1,3%	0,5%	0,7%	0,6%

1. Realised and unrealised exchange rate differences as well as assets and liabilities valuation, including inventories, are recognised in the item.

2. Earnings Before Interest, Taxes, Depreciation and Amortization.

3. Adjusted for the impact of liquid fuels inventories valuation (driven by a significant spread between the spot and futures quotations of fuels, moving over time the costs related to fulfilment of NIT, NRT, and maintaining compulsory reserves of fuels as well as other one-time events).

CONTENTS

1.	LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD	4
2.	SELECTED FINANCIAL DATA	6
2.1	UNIMOT CAPITAL GROUP	7
2.2	UNIMOT S.A.	8
3.	COMMENTARY ON THE FINANCIAL RESULTS OF THE UNIMOT GROUP	9
3.1	PRINCIPAL EVENTS IN Q3 2020 WITH A DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS AND FAILURES OF THE CAPITAL GROUP	10
3.2	PRESENTATION OF BASIC ECONOMIC AND FINANCIAL SIZES OF THE CAPITAL GROUP	13
3.3	THE INDEX AND COMPARATIVE ANALYSIS OF-THE CAPITAL GROUP	15
3.4	PRINCIPAL FACTORS AND EVENTS INFLUENCING GROUP'S RESULTS IN Q3 2020 . THAT MAY AFFECT THE GROUP'S OPERATIONS IN SUBSEQUENT QUARTERS	18
3.5	LEVEL OF GROUP'S STRATEGY IMPLEMENTATION AND REFERENCE TO FINANCIAL RESULTS FORECASTS	23
3.6	SHARES OF UNIMOT S.A. ON WSE	26
4.	BASIC INFORMATION ABOUT UNIMOT CAPITAL GROUP	27
4.1	PARENT ENTITY'S DATA	28
4.2	COMPOSITION OF THE UNIMOT CAPITAL GROUP.....	28
4.3	ISSUER SHAREHOLDER'S STRUCTURE	29
4.4	SUMMARY OF ISSUER'S SHARES HELD BY MANAGING AND SUPERVISING PERSONS	30
4.5	COURT PROCEEDINGS	31
4.6	SEASONABILITY OF OPERATIONS	31
4.7	DESCRIPTION OF FACTORS AND EVENTS, INCLUDING UNUSUAL ONES, SUBSTANTIALLY INFLUENCING THE INTERIM FINANCIAL STATEMENTS	31
4.8	DESCRIPTION OF BASIC THREATS AND RISKS CONNECTED WITH THE REMAINING MONTHS OF THE FINANCIAL YEAR	31
4.9	CORPORATE SOCIAL RESPONSIBILITY.....	33
4.10	TRANSACTIONS WITH RELATED ENTITIES	33
5.	INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	34
6.	EXPLANATORY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	40
6.1	INFORMATION ABOUT THE PRINCIPLES ADOPTED WHILE PREPARING THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	40
6.2	NEW AND AMENDED ACCOUNTING STANDARDS AS WELL AS INTERPRETATIONS OF THE COMMITTEE FOR INTERPRETATIONS OF INTERNATIONAL FINANCIAL REPORTING (IFR)	40
6.3	REPORTING SEGMENTS	42
7.	SUPPLEMENTARY EXPLANATORY NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	48
7.1	COST BY TYPE	48
7.2	COST OF SOLD GOODS AND MATERIALS AS WELL AS MANUFACTURING COSTS OF SOLD PRODUCTS	48
7.3	OTHER OPERATING REVENUES	48
7.4	OTHER NET PROFITS/(LOSSES)	48
7.5	OTHER OPERATING COSTS.....	49
7.6	NET FINANCIAL REVENUES/(COSTS)	49
7.7	INCOME TAX	49
7.8	LIABILITIES DUE TO CREDITS, LOANS AND OTHER DEBT INSTRUMENTS AND OVERDRAFTS	50
7.9	DERIVATIVE FINANCIAL INSTRUMENTS	50

7.10	VALUATION AT FAIR VALUE METHODS (FAIR VALUE HIERARCHY)	51
7.11	TRANSACTIONS AND SETTLEMENTS OF GROUP'S COMPANIES WITH RELATED UNCONSOLIDATED ENTITIES	51
7.12	CONTINGENT LIABILITIES	52
7.13	ESTIMATION OF THE INFLUENCE OF CORONAVIRUS COVID-19 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL SITUATION OF THE CAPITAL GROUP	52
7.14	EVENTS AFTER THE REPORTING PERIOD	53
8.	INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS	54
9.	CONDENSED SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS	60
9.1	REPORTING SEGMENTS	60
10.	ADDITIONAL EXPLANATORY NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS.....	63
10.1	COST BY TYPE	63
10.2	COST OF SOLD GOODS, PRODUCTS AND MATERIALS	63
10.3	OTHER OPERATING REVENUES	63
10.4	OTHER NET PROFITS/{LOSSES)	63
10.5	OTHER OPERATING COSTS	64
10.6	NET FINANCIAL REVENUES/(COSTS)	64
10.7	INCOME TAX	64
10.8	OTHER CURRENT ASSETS	64
10.9	LIABILITIES DUE TO CREDITS, LOANS AND OTHER DEBT INSTRUMENTS AND OVERDRAFT	65
10.10	TRANSACTIONS AND SETTLEMENTS OF THE COMPANY WITH RELATED ENTITIES	65
10.11	ESTIMATION OF THE INFLUENCE OF CORONAVIRUS COVID-19 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL SITUATION OF THE ISSUER	66

1. LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD

Dear Sirs, Dear Shareholders,



I invite you to read the financial statements of the UNIMOT group for Q3 2020. This quarter was extremely demanding for us, primarily due to the difficult external environment in the majority of business segments, including the pressure of the competition.

Despite this, we managed to achieve the highest consolidated quarterly total revenues in the history. In Q3 they reached the level of PLN 1 339 million, and were higher by 6.1% than in the corresponding period of the past year.

The adjusted EBITDA (cleaned for the estimate valuation of compulsory reserve, justified movements and one-time events) amounted to PLN 10.9 million, and the net profit PLN 0.9 million. In the period of first 9 months of 2020 we achieved the total revenues in the amount of PLN 3 516 million (up by 12.0% yoy), adjusted EBITDA reached the level of PLN 59.2 million (up by 28.5% yoy), and the net profit PLN 8.9 million (down by 81.6% yoy). The adjusted EBITDA at the level of PLN 59.2 million in the period of Q1-Q3 2020 means achieving the current forecast for the entire year 2020 in 74.0% (PLN 80 million), and initial forecast in 95.0%. This year will be undoubtedly the best one in our history of our Group.

A negative impact on our results was primarily driven by an increased supply and pressure on the margins of our key products. In addition, we experienced the observed for several quarters drop in demand for B100 bio-fuel and bitumen products resulting from the suspension of road building projects by local governments. We also achieved lower margins on the wholesale market of electricity due to the adopted during the COVID-19 strategy – however, we expect the turnover and results to grow in Q4 2020 in this segment through the intensification of the trade. Also, after the presidential elections in Belarus the planned subsequent supplies of petroleum have been suspended in Q3 and Q4 2020.

In Q3 2020 we also incurred higher yoy costs related to the development of the AVIA retail chain and expenditures incurred for the development of the business of photovoltaics. We are still expanding our sales forces and assembly teams in the segment of photovoltaics. We are satisfied with the number of installed PV panels. We have also decided to commence the production of own photovoltaic panels – the production line will be located in Sędziszów Małopolski. Presently, our partner, which makes the space available for us, is receiving first installation elements. We are planning the release the AVIA Solar panels to the market in Q3 of the next year, and the CAPEX of the investment will not exceed EUR 500 thousand.

Q3 2020 was also a very intense development period for the AVIA chain. The chain was joined by two new stations, and several more will join the chain in the oncoming months – franchise contracts for part of them have already been signed. In July of the present year we introduced an innovative catering concept Eat&Go, which is already present at our first stations. This is primarily new design with trendy colours, modern interior, restaurant zone and high-quality coffee. Also in July 2020 we launched the second edition of our image campaign “Big plus for...”, which is a continuation of the brand’s story about its Swiss roots, quality competitive offer, both in terms of prices of fuels as well as products and services available at AVIA stations. What is more, it stresses the dynamic development of the brand through launching new facilities with the Eat&Go concept.

The chain of AVIA stations and RES area are now our primary directions of development and what follows – investment projects. In the scope of AVIA stations, apart from the classical franchise model we would like to observe facilities with respect to their potential purchase. In case of RES – we look, among others, at the possibility of involvement in the development of photovoltaic farms, both with regard to the development of own portfolio as well as acquisition of projects from the market. This could supplement well our portfolio in the scope of green energy. We are also planning to increase the scale of our business of gas trading with the use of space in caverns.

Our financial ratios at the end of Q3 2020 remain at good levels. The current liquidity ratio amounted to 1.2, interest coverage ratio 12.48, and share of own capitals reached the level of 34.3%. The ROCE ratio currently represents the level of 29.5%, significantly higher than the one assumed in the strategy 15%. The total net debt ratio amounts to 65.7%.

Our cooperation with banks is highly successful, but due to the investment plans of the Group – in November 2020 we decided to establish a bond issuance scheme up to the amount of PLN 150 million. The first

issuance is planned to take place within 3 months.

Upcoming weeks will be for us a period of intense works on finalising our loyalty programme for our Shareholders - „UNIMOT Klub+“. We are aware of the fact that the process has been lasting for some time, but I want to assure you that our Investor Relations team treats this matter as one of our top priorities. Please be understanding – this is a big project for us, and it requires cooperation with a number of external entities. I believe that at the turn of the year we will be able to launch it and the offered benefits will compensate you for the period of waiting for its commencing.

Q3 2020 is another quarter of functioning at the time of COVID-19 pandemic, which has an impact on our organisational and technical aspects of our operations. I can already admit that our employees passed this exam with the top grade, and the system of remote work is functioning exceptionally well. I would like to thank them for the effort and commitment which they demonstrate every day. I would also like to thank our Supervisory Board for the support and Shareholders for their trust.

Although we faced a number of market challenges at the beginning of Q4 2020, we can currently notice that the situation is improving. Market margins are growing and our team is working hard to make the most of this situation. We will be working at top speed until the end of the year and strive to achieve the assumptions that we presented to you in June in the form of an increased financial forecast.

Yours faithfully

Adam Sikorski

President of the Management Board of UNIMOT S.A.

2. SELECTED FINANCIAL DATA



2. SELECTED FINANCIAL DATA

2.1 UNIMOT CAPITAL GROUP

	in PLN thousand		in EUR thousand	
	30.09.2020	Comparable data*	30.09.2020	Comparable data*
I. Revenues on sales	3 515 899	3 139 135	791 512	728 574
II. Profit/loss on operating activity	6 283	56 296	1 414	13 066
III. Gross profit/(loss)	11 262	60 952	2 535	14 147
IV. Net profit/(loss) attributable to the owners of Parent Equity	8 856	48 476	1 994	11 251
V. Net profit/(loss)	8 859	48 137	1 994	11 172
VI. Net operating cash flows	99 778	(17 559)	22 462	(4 075)
VII. Net investment activity cash flows	(4 892)	(4 016)	(1 101)	(932)
VIII. Net financial activity cash flows	(26 705)	(10 851)	(6 012)	(2 518)
IX. Total net financial flows	62 337	(40 743)	14 033	(9 456)
X. Total assets	698 827	687 120	154 375	161 353
XI. Liabilities and provisions for liabilities	459 083	440 184	101 414	103 366
XII. Long-term liabilities	32 632	21 005	7 209	4 932
XIII. Short-term liabilities	426 451	419 179	94 206	98 433
XIV. Equity	239 744	246 936	52 961	57 987
XV. Share capital	8 198	8 198	1 811	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 (in PLN/EUR)**	1,08	5,91	0,24	1,37
XVIII. Diluted profit/(loss) per one ordinary share attributable to the owners of Parent Equity (in PLN/EUR)**	1,08	5,91	0,24	1,37
XIX. Book value per one share (in PLN/EUR)***	29,24	30,12	6,46	7,07
XX. Diluted book value per one share (in PLN/EUR)***	29,24	30,12	6,46	7,07

* Data for items concerning the statements on financial condition is presented as of 31st December 2019 and for the items concerning the statements on total profits and the statements on cash flows for the period from 1st January 2019 to 30th September 2019

** as of 30.09.2020 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 30.09.2019 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 30.09.2020 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 statement of financial position were converted into EUR according to the average exchange rate announced by the National Bank of Poland valid as of 30.09.2020 PLN/EUR 4,5268 and for the comparative data as of 31.12.2019 PLN/EUR 4,2585

Particular items concerning the profit and loss balance and other total profits and cash flows have been calculated according to the exchange rate being an arithmetical average of average NBP exchange rates valid at the last calendar day of particular months, which amounted respectively PLN/EUR 4,4420 (9 months of 2020), PLN/EUR 4,3086 (9 months of 2019).

2.2 UNIMOT S.A.

	in PLN thousand		in EUR thousand	
	30.09.2020	Comparable data*	30.09.2020	Comparable data*
I. Revenues on sales	3 398 603	3 052 797	765 106	708 535
II. Profit/loss on operating activity	12 346	62 348	2 779	14 471
III. Gross profit/(loss)	9 069	56 250	2 042	13 055
IV. Net profit/(loss)	7 160	45 061	1 612	10 458
V. Net operating cash flows	80 346	(13 499)	18 088	(3 133)
VI. Net investment activity cash flows	(4 744)	(3 352)	(1 068)	(778)
VII. Net financial activity cash flows	(18 742)	(12 062)	(4 219)	(2 800)
VIII. Total net financial flows	51 016	(37 230)	11 485	(8 641)
IX. Total assets	660 952	640 479	146 009	150 400
X. Liabilities and provisions for liabilities	426 334	396 872	94 180	93 195
XI. Long-term liabilities	27 797	15 183	6 141	3 565
XII. Short-term liabilities	398 537	381 689	88 039	89 630
XIII. Equity	234 618	243 607	51 829	57 205
XIV. Share capital	8 198	8 198	1 811	1 925
XV. Number of shares (in thousands of shares).	8 198	8 198	-	-
XVI. Profit (loss) per one ordinary share (in PLN/EUR)**	0,87	5,50	0,20	1,28
XVII. Diluted profit (loss) per one ordinary share (in PLN/EUR)**	0,87	5,50	0,20	1,28
XVIII. Book value per one share (in PLN/EUR)***	28,62	29,72	6,32	6,98
XIX. Diluted book value per one share (in PLN/EUR)***	28,62	29,72	6,32	6,98

* Data for items concerning the statements on financial condition is presented as of 31st December 2019 and for the items concerning the statements on total profits and the statements on cash flows for the period from 1st January 2019 to 30th September 2019

** as of 30.09.2020 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 30.09.2019 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 30.09.2020 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 statement of financial position were converted into EUR according to the average exchange rate announced by the National Bank of Poland valid as of 30.09.2020 PLN/EUR 4,5268 and for the comparative data as of 31.12.2019 PLN/EUR 4,2585

Particular items concerning the profit and loss balance and other total profits and cash flows have been calculated according to the exchange rate being an arithmetical average of average NBP exchange rates valid at the last calendar day of particular months, which amounted respectively PLN/EUR 4,4420 (9 months of 2020), PLN/EUR 4,3086 (9 months of 2019).

3. COMMENTARY ON THE FINANCIAL RESULTS OF THE UNIMOT GROUP



3. COMMENTARY ON THE FINANCIAL RESULTS OF THE UNIMOT GROUP

3.1 PRINCIPAL EVENTS IN Q3 2020 WITH A DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE CAPITAL GROUP

Development of the AVIA stations chain

Following the public issuance of J series shares the Issuer obtained from investors the amount of PLN 96.6 million (net), of which PLN 23 million has been destined for building the chain of AVIA petrol stations based on *master franchising* contracts. The new distribution channel allows for reaching the new segment of fuel customers – retail customers.

In July 2020 having conducted an analysis of the market and customer expectations the Group launched a new catering concept Eat&Go, which is characterised by new design of petrol stations as well as modern interiors and restaurant zone.

The new solutions of the Eat&Go concept at AVIA chain stations include also ergonomics of a new-style *convenience* shop, a comfortable relaxation zone with regular sockets and USB ports for charging phones, modern lighting, and proper planning of communication paths.



First stations launched according to the new concept were the ones in Poznan and Siedlce. Next implementations will take place successively and will comprise rebranding of new stations joining the chain as well as change of catering concepts at the selected, already functioning stations.

After the balance sheet date already the Group launched a new AVIA petrol station, this time in Gorzów Wielkopolski. This is the first flag facility of the brand that fully exposes the new shop concept Eat&Go with a well-developed coffee corner, relaxation zone and used for the first time in the AVIA chain apart from Digital Signage screens, aroma- and audiomarketing. Photovoltaic panels AVIA Solar have been installed on the station's roof, which will provide the station with green energy.

Apart from introducing the new design of the stations, since May AVIA Poland is executing its marketing strategy “A big plus on your way”, where “plus” presented in the form of a Swiss cross is supposed to bring the connotations of the roots of the brand. The campaign will be conducted on the Internet, social media, radio, outdoor carriers in the vicinity of the stations and BTL communication at the stations, including modern large format screens Digital Signage.

At the end of Q3 2020 the AVIA chain included 53 stations, of which 2 were connected to the chain in Q3 2020. Slower than previously dynamics of including new objects into the chain results primarily from the Group's concentration on stations of highest efficiency potential. The Group is conducting negotiations and talks in several other locations in the territory of Poland and upholds its plan to acquire 65-70 stations until the end of 2021 and 200 stations until 2023.

Apart from the classical franchise model the Group is also observing facilities with regard to their potential purchase.

Development of the AVIA chain in Ukraine

In 2019 the Group also commenced developing the AVIA chain in the territory of Ukraine. Having signed franchise contracts, the process of first stations rebranding began. The Issuer is introducing the brand as franchise at petrol stations, however, for the time being it does not supply fuels to petrol stations in the territory of Ukraine. Experience shows that the brand was positively welcomed by the market and it produced measurable business profits to the companies that operate petrol stations in this country. As of the day of present statements publication the AVIA chain in Ukraine includes in total 10 stations. The plan of AVIA chain development in Ukraine assumes 20 stations until the end of 2020.



Activity under the AVIA brand in China

The company UNIMOT Asia LLC conducts sales and distribution of automotive oils and lubricants under the AVIA brand in China and other countries of the Far East.

Following the pandemic of the coronavirus, the peak of which in China occurred in Q1 2020 and the introduced by the government restrictions in movements and contacts of people and also limitations regarding the exchange of goods inside the country as well as other countries, the sales of the company were very limited.

In Q3 of the present year the situation improved. However, not to the extent that had been expected. This is impacted by the economic situation in other countries of the world, which weakens Chinese export, and so the economic activity of Chinese enterprises. Fortunately, the state is very supportive and helps to maintain economic activity, which allowed to resume production.

Retail sales in China and other export markets in Q3 2020 increased by 36.5% compared to Q2 2020, yet it is still lower than assumptions.

It needs to be mentioned that as of the preparation date of the present statements the internal Chinese market is enjoying its revival and everyday life (including internal trade) is largely coming back to its state prior the crisis.

Sales of photovoltaics under AVIA Solar brand

In May 2020 Unimot Energia i Gaz commenced sales of photovoltaic installations under the AVIA brand on the Polish market. The offer is dedicated to retail and business customers. The company launched a wide marketing action and image campaign through various channels of communication with potential customers.

Unimot Energia i Gaz, making use of its experience on the electricity and gas market provides the customers with a comprehensive offer of delivery and assembly of photovoltaic installations combined with a possibility of purchasing the energy from the installations, storing energy, and supplementing it with supplies from the grid.

The product offer is based on cooperation with leading producers of photovoltaic panels, ensuring highest quality of products and longest guarantee of efficiency of the installed devices on the market.

In Q3 salespersons continued active sales of package offerings for photovoltaic installations. Sales forces and assembly teams have been expanded continuously.

In June the offer of photovoltaic panel installation was directed to the chain of AVIA petrol stations, managed by Unimot S.A. – with the use of special stands that include tablets station’s customers can leave their contact data and receive even PLN 6 thousand of discount for the photovoltaic installation.

On 25th August 2020, UNIMOT Energia i Gaz signed a cooperation agreement with Banking Ratail System Sp. z o.o. This is a nationwide bank operator acting on behalf of credit intermediation firms in the scope of company credits, lease, and mortgages, owning a network of 1750 business partners. Banking Ratail System acquires business customers for photovoltaic installations and also brokers in acquisition of financing for photovoltaic installations, which is a particularly important element of the comprehensive offer of AVIA Solar.

As of the preparation date of the present statements agreements have been signed with individual and business customers of the total capacity of photovoltaic installations amounting to over 1.3 MWp. The Group has been carrying out the plan of becoming one of the top players on the solar energy market in Poland within 3 years.

Production of photovoltaic panels

Within 9 months the Group is planning to commence the production of own photovoltaic panels, which will be sold under the brand of AVIA Solar. The production line, which will be financed by UNIMOT S.A., will be located in the production plant of PZL Sędziszów S.A. in Sędziszów Małopolski near Rzeszów.

Possessing own production line will increase the security of panel supplied for Unimot Energia i Gaz and will allow to obtain



additional margins in the whole supply chain.

The capacity of the planned production line in the initial period is assumed to be about 15 MW/year. The line for the production of photovoltaic panels will be supplied by the German company, which will also launch it in the premises of the plant in Sędziszów Małopolski, ensure necessary training for the personnel, certification, and support in building the supply chain for production resources. Currently, first elements of the production line are being delivered to the plant. The line can be upgraded to the level of 150 MW/year.

The Group foresees that photovoltaic panels of AVIA Solar will be released to the market in Q2 2021, and CAPEX of the investment will not exceed EUR 500 thousand.

Access to own photovoltaic panels and development of this technology within the Capital Group will allow to win a competitive advantage and will provide additional incomes in the future.

Further development of the RES market

The UNIMOT Group is observing the RES market in a wider perspective than just selling installation and producing photovoltaic panels. Presently, the RES market is very attractive and therefore the Group thoroughly analyses new areas in this scope.



The Group is considering possible opportunities of involvement into the RES market of larger capacities, that means photovoltaic farms, both from the perspective of developing its own portfolio as well as acquiring projects from the market. Such investments would supplement well the Group's portfolio in the scope of green energy.

Petroleum trading

In May 2020 Unimot S.A. took over 75% of shares in 3 SEAS ENERGY LLC with its registered office in Tulsa (USA), which was established to carry out deliveries of American petroleum to the market of Central and Eastern Europe. The second partner is Getka Energy LLC, which ensures solutions in the scope of storing, blending, and transporting petroleum in the territory of the USA. Unimot S.A. is responsible for the physical delivery of the product to the customer.



In Q3 Unimot S.A. carried out first deliveries of petroleum to the countries of the Central Europe region (mainly to Belarus).

Due to the political situation in Belarus following the presidential elections the subsequent planned deliveries of petroleum have been suspended in Q3 and Q4 2020.

Events after the balance sheet date

Bond issuance scheme

Unimot S.A. adopted a resolution regarding an establishment of a three-year scheme of bonds issuance up to the amount of PLN 150 million, at the same time signing a progress contract with Santander Bank Polska S.A., acting as the scheme organiser.

Within the scheme UNIMOT will be able to issue dematerialised, unorganised, unsecured bearer bonds, of a maturity up to 5 years and standalone nominal value of at least PLN 1 thousand. The bonds will bear fixed and variable interests and will include exclusively cash benefits. The bonds will be introduced into the trade in the alternative trading system operated by the Warsaw Stock Exchange. The offer of the bonds will be directed exclusively to qualified investors.

Unimot S.A. decided to establish the scheme with regard to the development plans of the Group as a supplement to the possessed and increased credit facilities and bank limits to finance attractive business opportunities, among others such as further development of the chain of AVIA petrol stations, investments into RES projects, including the photovoltaics market and natural gas trading with the use of space in caverns.

Final decisions regarding particular issuances will be conditioned primarily by the financial needs of the Group and occurrence of satisfactory conditions on the market of debt securities. The conditions of bonds issuance will be determined by the Company separately for particular series. The Company is considering conducting the first issuance within the three forthcoming months.

3.2 PRESENTATION OF BASIC ECONOMIC AND FINANCIAL SIZES OF THE CAPITAL GROUP

Interim consolidated statements on financial situation

<i>in PLN thousand</i>	30.09.2020	31.12.2019
Fixed assets	188 115	80 393
Current assets	510 712	606 727
Inventory	174 239	239 258
Trade and other receivables	266 503	306 314
Financial resources and their equivalents	52 838	38 836
Other current assets	17 132	22 319
TOTAL ASSETS	698 827	687 120

<i>in PLN thousand</i>	30.09.2020	31.12.2019
Equity	239 744	246 936
Liabilities	459 083	440 184
Long-term liabilities	32 632	21 005
Short-term liabilities	426 451	419 179
TOTAL LIABILITIES	698 827	687 120

A significant growth of fixed assets results from an increase of long-term liabilities by PLN 53.2 million, derivative financial instruments by PLN 25.7 million (transactions securing fuel prices) and rights for using assets by PLN 23 million (representing in the statements a growing number of leased petrol stations according to IFRS 16 leasing).

Inventory level considers operating inventories level and value of the level due to compulsory reserve in the amount of PLN 104.2 million as of 30th September 2020 against PLN 115.1 million as of 31st December 2019.

Short-term liabilities include working capital facilities for working capital financing and the credit for financing the compulsory reserve in the amount of PLN 56.7 million as of 30th September 2020 against PLN 85.2 million as of 31st December 2019.

Interim consolidated statements on total revenues

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019
Revenues on sales	1 342 516	1 261 093
Profits (losses) on realised financial instruments regarding fuel trade	(3 579)	336
Cost of sold goods, products, and materials	(1 292 800)	(1 191 331)
Gross profit on sales	46 137	70 098
Other operating revenues	1 372	549
Sales costs	(38 514)	(32 865)
Overheads	(6 397)	(8 104)
Other net profits/losses	58	195
Other operating costs	(46)	(417)
Profit on operating activity	2 610	29 456
Financial revenues	399	3 331
Financial costs	(2 027)	(2 453)
Net financial revenues/(costs)	(1 628)	878
Profit/(loss) before taxation	982	30 334
Income tax	(68)	(6 518)
Net profit/(loss) for the accounting period	914	23 816

In Q3 2020 the Group achieved a growth of revenues on sales at the level of 6.1%. In this period the Group recorded the net result at the level of PLN 0.91 million against the net profit of PLN 23.8 million in Q3 2019. Such a level of book results is primarily driven by the impact of liquid fuels inventories valuation and movements of costs over time related to NIT achievement and maintaining compulsory reserves of fuels. The total negative impact of these factors on the book result amounted to PLN -6 448 thousand. The details have been presented in item 3.4 of the present interim statements.

Cost by type structure

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019
Amortisation	(2 729)	(1 606)
Electricity and materials consumption	(1 659)	(763)
Foreign services	(35 137)	(29 215)
Taxes and charges	(352)	(168)
Remunerations	(3 352)	(2 899)
Social security and other benefits	(567)	(560)
Other cost by type	(1 111)	(2 280)
TOTAL COST BY TYPE	(44 907)	(37 491)

In Q3 2020 the majority of costs by type is at the level slightly higher than in Q3 2019. A higher value of foreign services results from a larger scale of Group's operating activity.

Results

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019
GROSS PROFIT ON SALES	46 137	70 098
EBIT *	2 610	29 456
EBITDA **	4 414	34 359
NET RESULT	914	23 816

* **EBIT ratio** --> defined as Earnings Before Interest and Taxes)

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

In Q3 2020 the Group recorded the EBIT result in the amount of PLN 2.61 million against the result of PLN 29.5 million in Q3 2019 (down by 91.1% yoy). In the scope of EBITDA result in Q3 2020 the Group recorded the result of PLN 4.4 million against PLN 34.4 million in Q3 2019 (down by 87.2% yoy).

Such a level of the results is primarily driven by the impact of liquid fuels inventories valuation and movements of costs over time related to NIT and NRT achievements and maintaining the compulsory reserve of fuels as well as other one-time events. The total negative impact of these factors on the book results amounted to PLN -6 448 thousand. The details have been presented in item 3.4 of the present interim statements.

Results adjusted

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019
EBITDA adjusted	10 863	18 311
NET RESULT adjusted	7 362	7 768

The results in Q3 2020 have been adjusted for the following factors:

- Impact of liquid fuels inventories valuation and movements of costs over time related to NIT and NRT fulfilment, and maintaining compulsory reserve of fuels: PLN -5 894 thousand,
- Impact of moving over time revenues due to transactions hedging petroleum trade: PLN -431 thousand,
- Impact of moving over time cost of cavern, whose sale will be carried out in 2021: PLN +985 thousand.

The abovementioned events of the cumulative negative influence on the book results in Q3 2020 in the amount of PLN -6 448 thousand have been described in detail in item 3.4 of the present interim statements.

Data regarding the value of adjusted EBITDA in particular periods has been presented on page 1 of the present statements in the chart „Adjusted EBITDA”.

3.3 THE INDEX AND COMPARATIVE ANALYSIS OF THE CAPITAL GROUP

The presented below indicator evaluation of the Group was conducted on the basis of the consolidated financial statements for Q3 2020 and the reference period.

Financial liquidity

The following ratios were used to assess the financial liquidity:

- **Current ratio - a ratio of current assets to short-term liabilities.** The ratio determining the ability of the Group to repay its current short-term liabilities in the medium term, this is after the realisation of owned stock, short-term financial assets, collection of short-term receivables and use of cash.
- **Quick ratio - a ratio of current assets net of stock to short-term liabilities.** The ratio determining the ability of the Group to repay its current short-term liabilities within a short time, this is after the realisation of short-term financial assets, collection of short-term receivables and use of cash on bank accounts.
- **Cash ratio - a ratio of cash balance to short-term liabilities.** The ratio determining the ability of the Group to immediately repay its current short-term liabilities within a short time, this is only after the realisation of owned cash on bank accounts.

FINANCIAL LIQUIDITY RATIOS	30.09.2020	31.12.2019
Current liquidity ratio	1,20	1,45
Quick liquidity ratio	0,79	0,88
Cash liquidity ratio	0,12	0,09

Liquidity ratio achieved at the end of Q3 2020 remains at safe levels. The possessed experience in the scope of receivables hedging, systematic policy of controlling trade credits and long-term cooperation with financial institutions allow to maintain liquidity ratios at proper levels.

Profitability

Profitability analysis is based on a group of ratios allowing to assess the effectiveness of the sales activities of the Group and the impact of individual groups of costs on its financial result:

- **Rate of return on sales** - return on sales sets the efficiency of carried out sales activities, that is, it allows you to specify the part of profit remaining in the company to cover the costs of its operation – after taking into account the direct costs of sale. Similarly, this ratio allows you to determine the effect of Group's direct sale costs on its result.
- **Gross profitability** - determines the performance of activities carried out by the Group, that is, in general allows the assessment part of the income remaining in the Group to cover tax, after taking into account the costs of financial activities and abnormal events. Similarly, this ratio, interpreted in conjunction with the above ratios of profitability, allows the assessment part of the result that is built not by operating activities, but results from the financial activities or impact of the events of extraordinary nature.
- **Net profitability** - determines the revenue percentage of the Group representing its net result, that is after the costs of its activities have been covered: sales, operating, financial and after taxes have been paid.
- **ROE - Return on equity:** a ratio of net profit to average state of equity during a financial year. The ratio allows the investors to assess the performance of utilisation of capital entrusted to the Group. It means the percentage share of funds earned by the Group (net result) that can be paid in the form of a dividend, to the capital brought by investors plus part of cash earned by the Group in previous years (equity).
- **ROA - Return on assets:** a ratio of net profit to average state of assets during a financial year. The ratio allows the investors to assess the performance of utilisation of all assets owned by the Group.

PROFITABILITY RATIO	Q3 2020	Q3 2019
ROE	0.4%	9,9%
ROA	0,1%	3,0%

PROFITABILITY RATIO	Q3 2020	Q3 2019
GROSS PROFIT RATE ON SALES	3,4%	5,6%
EBIT PROFITABILITY	0,2%	2,3%
EBITDA PROFITABILITY	0,3%	2,7%
NET PROFITABILITY	0,1%	1,9%

The drop of profitability ratios at all the analysed levels has been driven by a drop of the achieved result against the corresponding period of the past year. The lower book results in Q3 2019 resulted from the factors that have been presented in detail in item 3.4 of the present statements.

PROFITABILITY RATIOS adjusted	Q3 2020	Q3 2019
EBITDA PROFITABILITY adjusted	0.8%	1.5%
NET PROFITABILITY adjusted	0,5%	0,6%

The results in Q3 2020 have been adjusted for the impact of liquid fuels inventories valuation and movements of costs over time related to NIT and NRT fulfilment as well as maintaining compulsory reserves of fuels and other one-time events.

The above-mentioned events of the cumulative positive impact on the book results in Q3 2020 in the amount of PLN -6 448 thousand have been described in detail in item 3.4 of the present interim statements.

Efficiency of action

The following ratios were used to assess the efficiency of action:

- **Average collection period (days):** a ratio of trade receivables at the end of a financial year to revenue from net sales x 360. The ratio determines the average period in days which is followed by collection of receivables from invoices issued by the Group. In general, you should strive to minimise this ratio.
- **Creditor (days):** a ratio of short-term receivables against suppliers at the end of a financial year to revenue from net sales x 360 days. The ratio determines the average period in days which is followed by repayment of Group's liabilities. In general, you should strive to maximise this ratio.
- **Inventory turnover (days):** a ratio of average state of inventory at the end of a financial year to revenue from net sales x 360. The ratio determines the average period in days during which the Group holds the stock before sale thereof. Considering the performance, you should strive to minimise this ratio.

OPERATION EFFICIENCY RATIOS	Q3 2020	Q3 2019
Rotation of trade receivables (days)	18	24
Rotation of trade liabilities (days)	17	20
Inventory rotation (days)	12	23
Inventories rotation (days) adjusted for compulsory reserve	5	15

The inventory rotation ratio decreased from 23 days in Q3 2019 to 12 days in Q3 2020, in this due to compulsory reserve. The inventory rotation ratio adjusted for the value of the compulsory reserve decreased from 15 days in Q3 2019 to barely 5 days in Q3 2020, which means a very fast rotation of inventories (primarily diesel).

Cash conversion cycle = a cycle from cash to cash

Cash to Cash = inventory cycle + receivable cycle – liability cycle

Cash to Cash = 12 days + 18 days – 17 days = 13 days

Adjusted for the value of compulsory reserve cash conversion cycle amounts:

Cash to Cash = 5 days + 18 days – 17 days = 6 days

The cash to cash cycle in Q3 2020 decreased from 27 to 13, i.e. by 14 days compared to the corresponding period of the past year. The cash to cash cycle adjusted for the value of compulsory reserve decreased from 19 to 6, i.e. by 13 days compared to the end of the past year.

Debt assessment

The assessment of the degree of debt of the Group was made based on the following ratios:

- **Asset coverage ratio:** a ratio of the sum of equity value to the sum of total assets. The ratio determines the degree of coverage of the assets of the Group by its owned equities.
- **Debt ratio:** a ratio of total liabilities amount to value of assets in total. The ratio specifies to what extent the Group's assets were financed with debt.

DEBT RATIO	30.09.2020	31.12.2019
Total debt ratio	65,7%	64,1%
Equity/assets ratio	34,3%	35,9%
Equity to fixed assets ratio	127,4%	307,2%
Total debt ratio adjusted for credit for compulsory reserve	62,7%	59,0%

Debt ratios at the end of Q3 2020 remain at a safe level, similarly to the end of 2019, which means that significant sources of external financing of the activity conducted by the Group have not changed.

A positive evaluation of the above-mentioned ratios constitutes a basis for a positive evaluation of Group's capability to fulfil contracted liabilities and proves lack of threats in this scope.

3.4 PRINCIPAL FACTORS AND EVENTS AFFECTING THE GROUP'S RESULTS IN Q3 2020 THAT MAY AFFECT GROUP'S OPERATIONS IN THE SUBSEQUENT QUARTERS

LIQUID FUELS TRADE SEGMENT

Diesel and bio-fuels

In Q3 2020 the Group continued sales of diesel, petrol and bio-fuels.

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	change %
Sales volume [m3]	395 576	304 144	30,1%
Total revenues	967 983	1 093 502	-11,5%
EBITDA	8 086	34 394	-76,5%
EBITDA adjusted	13 980	18 933	-26,2%
Profit/(loss) for the period	6 072	31 870	-80,9%
Profit/(loss) for the adjusted period	11 966	16 409	-27,1%

In Q3 2020 the Group sold over 395 thousand m3 of liquid fuels and bio-fuels, which was up by 30.1% against the corresponding period of the past year. Despite the growth of volumes, driven by a significant drop of prices, a decrease of revenues was recorded to PLN 968.0 million (down by 11.5% yoy).

The results in Q3 2020 have been adjusted for the impact of liquid fuels inventories valuation and movements of costs over time related to NIT and NRT fulfilment as well as maintaining compulsory reserves of fuels, of total negative impact on the book result in Q3 2020 in the amount of: PLN -5 894 thousand.

The achieved EBITDA in Q3 2020 amounted to PLN 8.1 million (down by 76.5% yoy), and adjusted EBITDA PLN 14.0 million (down by 26.2% yoy). The net profit for Q3 2020 amounted to PLN 6.1 million (down by 80.9% yoy), and the profit for the adjusted period PLN 12.0 million (down by 27.1% yoy).

The following factors contributed to a lower yoy adjusted EBITDA in Q3 2020:

- Lower than last year standalone margins and lower sales volumes of bio-fuels primarily driven by a **drop in demand for B100 bio-fuel**,
- **Difficult external environment** in the diesel business – large competition on the market and lower (particularly in the second half of the quarter) levels of land premium (higher yoy volumes, but lower margins,

Diesel compulsory reserve valuation and justified movements - prices of diesel stored by Unimot for compulsory reserve are hedged by the Group through futures transactions, therefore, they are not affected by a nominal change in the level of fuel prices. However, the valuation is affected by the spread between the spot price (according to which the Group is obliged to value stock levels) and the and forwards price (according to which the Group is obliged to value hedging financial transactions). On the day of transaction maturity the spot and forwards prices and the impact of valuations will be neutral. In connection with the abovementioned and the market situation – the book result achieved by the Group consider the impact of reserve valuation following the change in the difference between the spot and future price. In the future, on the assumption that the compulsory reserve is physically maintained, one should expect further burdens to the book result for this reason (in the long term the moment the hedging futures are mature, the differences in reserve and futures valuation will be offset).

The results of future periods will primarily be affected by the following factors:

- **Land premium level** (difference between the price on the local market and price in the ports where fuel is supplied to the country) for diesel – the dominant assortment in the Group's sales structure. The level of land premium determines the area of possible to achieve trade margin net of logistics costs (transport costs, costs of transshipment services, quality examination), costs of renting the capacity of fuel bases, costs of securing receivables (following the trade security policy adopted by the Group), and also costs of NIT obligation fulfilment.
- **Dynamics and direction of diesel prices changes** – high dynamics of growth has a negative impact, high dynamics of drops - a positive impact.
- **Market structure** (contango/backwardation).

- **Market situation and competition** after the purchase of shares of Grupa Lotos S.A. by PKN Orlen S.A.,
- **Volume of working capital** indispensable to finance achieved turnovers, which depends on the level of fuel prices on the markets and prolonging possessed working capital facilities.
- **Demand and supply situation in Europe, especially in Poland**, especially in the context of the restrictions introduced following the pandemic of coronavirus COVID-19.

LPG

In Q3 2020 the Group continued LPG trading, primarily focusing on wholesale.

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	change %
Sales volume [T]	42 994	47 826	-10,1%
Total revenues	83 709	88 462	-5,4%
EBITDA	1 706	2 524	-32,4%
Profit/(loss) for the period	1 496	2 386	-37,3%

Since Q2 2020, following the coronavirus COVID-19 pandemic one could observe a very distinct drop in demand for autogas, the main product sold by the Group in this segment. In Q3 this demand was gradually restored, among others due to the holiday season, and despite the still difficult market, the LPG segment managed to restore the sales volumes.

In Q3 2020 the Group achieved lower by 10.1% volumes, which amounted to 43.0 thousand of tonnes. This translated into lower revenues : PLN 83.7 million (down by 5.4% yoy).

The achieved in Q3 2020 EBITDA amounted to PLN 1.7 million (down by 32.4% yoy). The profit for Q3 2020 amounted to PLN 1.5 million (down by 37.3% yoy).

The results in Q3 2020 in this segment were primarily driven by the following factors:

- **problems with product availability and logistic challenges in Belarus** – lower yoy volumes and margins on sales,
- **demand not fully restored** with regard to the on-going COVID-19 pandemic,
- **improved efficiency and concentration on most margin-effective channels of sale and distribution** – utilising a railway siding for purchases of domestic product for own bottler and large purchases of gas from the west.

In the future periods the greatest impact on the Group's operations in the LPG area will constitute the demand and supply situation on the market connected with the planned limitation of product supplies to Poland by the major supplier and development of the situation related to the pandemic of coronavirus COVID-19.

GASEOUS FUELS

The Group conducts activity in the scope of trading, sales, and distribution of natural gas with the use of inhouse infrastructure (gas network, LNG regassification stations), foreign infrastructure, Polish Power Exchange and abroad.

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	change %
Sales volume [GWh]	67,9	134,5	-49,5%
Total revenues	6 551	10 763	-39,1%
EBITDA	(309)	(1 041)	-
EBITDA adjusted	676	(1 186)	-
Profit/(loss) for the period	(1 067)	(1 668)	-
Profit/(loss) for the adjusted period	(82)	(1 813)	-

The segment recorded a drop of sales volumes from 134.5 GWh in Q3 2019 to 67.9 GWh in Q3 2020 (down by 49.5% yoy). The drop was primarily recorded in the wholesale area in Unimot S.A. The consequence of the drop of volumes is the recorded drop of revenues to PLN 6.6 million (down by 39.1% yoy).

As of the preparation date of the present statements the coronavirus COVID-19 pandemic does not influence negatively the operations of the companies in the natural gas area.

The results of the segment in Q3 2020 have been adjusted for the impact of movements over time of the cavern cost,

whose sales will be carried out in 2021, of the cumulative negative impact on the book result in the amount of PLN -985 thousand.

EBITDA achieved in Q3 2020 amounted to PLN -309 thousand, and adjusted EBITDA PLN +676 thousand. The result for the period in Q3 2020 amounted to PLN -1 067 thousand, and the result for the adjusted period PLN -82 thousand.

The results of future periods will be influenced primarily by market prices of natural gas, level of new tariffs in UNIMOT System and Blue LNG, acquisition of new customers and level of wholesale.

ELECTRICITY

The Group continues the development of electricity sales project as an element of implementing its strategy of creating a multi-energy sales offer. This segment comprises wholesale electricity trading through exchange and brokerage platforms of Tradea Sp. z o.o. and sales of electricity by Unimot Energia i Gaz Sp. z o.o. to final customers with the use of foreign infrastructure.

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	change %
Sales volume [GWh]	717,7	522,7	37,3%
Total revenues	33 043	50 841	-35,0%
EBITDA	(1 479)	1 841	-
Profit/(loss) for the period	(1 032)	1 754	-

The segment recorded a growth of sales volumes from 522.7 GWh in Q3 2019 to 717.7 GWh in Q3 2020 (up by 37.3% yoy). The growth was recorded primarily in the area of electricity wholesale through exchange and brokerage platforms of Tradea Sp. z o.o.

According to the valid since 2018 IFRS 15 revenues on the trading activity of Tradea Sp. z o.o. are included directly into the financial revenues/costs (this refers to the amount of PLN 141.0 million of revenues in Q3 2020 and PLN 93.2 million of revenues in Q3 2019) and therefore the level of revenues in the statements is not proportional to the level of presented volumes.

In Q3 2020 the segment recorded the result in the amount of PLN -1.03 million and EBITDA in the amount of PLN -1.5 million. In Q3 2020 following the coronavirus COVID-19 pandemic one could observe a difficult to foresee volatility of commodity prices on the energy market, which translated negatively into the results in this quarter. Tradea, carrying out its trade strategies expects the results to improve in Q4 2020.

The company Unimot Energia i Gaz Sp. z o.o. achieved results accordant with the budget for 2020.

Future revenues from contracts signed with customers by Unimot Energia i Gaz Sp. z o.o. as of 30th September 2020 are as follows:

<i>in PLN thousand</i>	01.10.2020 - 31.12.2024
Future revenues in the period of 01.10.2020 - 31.12.2024	127 714
Gross profit on sales	21 285
Cost of contract acquisition	(7 087)
Profit on sales	14 198

The surge of the coronavirus COVID-19 in Poland affected the operations of Unimot Energia i Gaz Sp. z o.o.

Expecting problems for a number of companies from the SME sector (main group of the Company's customers) and also due to lack of credible forecasts as to the end of the spring wave of pandemic, in Q2 of the present year the Company ceased to sign new contracts for the supplies of electricity and gas.

The proces of reopening the economy commenced at the end of Q2 caused that since 01.07.2020 the Company returned to active acquisition of new contracts for supplies of electricity and natural gas. At the same time a procedure was implemented with respect to a more precise than previously verification of potential customers, also with regard to the industries particularly threatened by the consequences of the pandemic. Nevertheless, the sale of new contracts in Q3 was not restored to the level prior the coronavirus pandemic.

AVIA Solar

Operating activity of the AVIA Solar segment was commenced at the end of Q2 2020.

The description of business activities undertaken in Q3 2020 related to the development of sale, assembly, and servicing of photovoltaic panels for the business segment and individual customers under the AVIA Solar brand were described more widely in item 3.1 of the present statements.

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	change %
Volume of signed contracts [kWp]	605,9	-	-
Volume of contracts settled in books [kWp]	321,0	-	-
Total revenues	1 202	-	-
EBITDA	(595)	-	-
Profit/(loss) for the period	(642)	-	-

The operating activity and business processes in this segment in Q3 2020 were not significantly affected by the coronavirus pandemic in Poland.

In Q3 2020 in the AVIA Solar segment contracts were signed for the assembly of installations of the total capacity in the amount of 605.9 kWp, simultaneously book accounting was conducted with regard to the completed installations of the total capacity in the amount of 321.0 kWp. The Group foresees growth of these volumes in future quarters.

The segment recorded revenues in the amount of PLN 1 202 thousand. EBITDA achieved in Q3 2020 amounted to PLN -595 thousand, and the result for the period in Q3 2020 amounted to PLN -642 thousand.

The results were influenced by the costs of incurred expenditures for the development of the segment at the initial stage of its functioning.

OTHER ACTIVITY

Other petroleum products

The segment comprises sales of bitumen products as well as engine oils and lubricants under the AVIA brand, and since Q2 2020 also petroleum trading. The business of bitumen products as well as oils appeared in the Group in H2 2019.

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	change %
Sales volume of bitumen, oils, and petroleum [T]	91 260,0	5 703,0	1500,2%
Total revenues	223 465	8 938	2400,2%
EBITDA	366	168	117,8%
EBITDA adjusted	(65)	168	-138,4%
Profit/(loss) for the period	377	168	124,4%
Profit/(loss) for the adjusted period	(54)	168	-131,9%

The segment of bitumen products was strongly affected by the coronavirus COVID-19 pandemic and resulting restrictions. In Q3 2020 one could observe on the market lower demand for bitumen products due to suspension of road building projects by local governments.

Engine oils were also affected by the coronavirus pandemic – as a result the sales both to China as well as Ukraine were much hindered. In Q3 of the present year the situation improved, yet not to the expected extent.

Due to the political situation after the presidential elections in Belarus the subsequent planned deliveries of petroleum have been suspended in Q3 and Q4 2020.

In the entire Q3 2020 within the segment the sales in total amounted to 91.3 thousand of tonnes of bitumen, oils, and petroleum.

Results of the segment in Q 3 2020 have been adjusted for the impact of movement over time of revenues due to transactions hedging sales of petroleum, of cumulative impact on book results in the amount of PLN +431 thousand.

The achieved EBITDA in Q3 2020 amounted to PLN 366 thousand (up by 117.8% yoy), and adjusted EBITDA PLN -65 thousand. The result for the period in Q3 2020 amounted to PLN 377 thousand (up by 124.4% yoy), and the result for the adjusted period PLN -54 thousand.

Petrol stations

The segment's revenues include the revenues on fuel sales at the Issuer's own stations and investment charges, fixed and other charges received from franchised AVIA station. EBITDA includes additionally a fixed charge for each sold litre of fuel at franchise stations (moved from the segment Diesel and bio-fuels – wholesale of fuel).

<i>in PLN thousand</i>	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	change %
Sales volume [M litres]	30,5	21,2	43,9%
Total revenues	21 931	8 855	147,7%
EBITDA	(829)	(140)	-
Profit/(loss) for the period	(1 190)	(331)	-

In Q3 2020 all the AVIA stations in Poland sold 30.5 million litres of fuels, which constitutes a growth by 43.9% against Q3 2019. The growth of volume was primarily driven by the greater number of stations in the AVIA chain and growth of average sale per one station.

Revenues in this segment grew by 147.7% yoy and in Q3 2020 amounted to PLN 21.9 million. EBITDA reached the level of PLN -0.8 million and the result for the period PLN -1.2 million.

The negative result of the segment was primarily driven by lower than a year ago costs related to the chain development.

3.5 LEVEL OF GROUP'S STRATEGY IMPLEMENTATION AND REFERENCE TO FINANCIAL RESULTS FORECASTS

In June 2018, the UNIMOT Group prepared and announced the Strategy for the years 2018-2023. Below, the Issuer presents major strategic goals together with a comment on their implementation:

- **Achieving PLN 75 million EBITDA in 2023**

The UNIMOT Groups strives for annual growth of EBITDA by adopting a series of strategic initiatives, developing the diesel business as well as LPG, natural gas, and electricity, and for several months also bitumen products. Ultimately, the EBITDA result will be also largely contributed by the systematically expanded chain of AVIA petrol stations.

An element of the published strategy constituted the forecasts of the consolidated adjusted EBITDA for the years 2018-2023. The Company assumed the following levels: 2018 = PLN 12 million (book EBITDA), 2019 = PLN 34.0 million, 2020 = PLN 44.2 million, 2021 = PLN 54.3 million, 2022 = PLN 64.9 million, 2023 = PLN 74.8 million.

For the year 2018 the UNIMOT Group achieved the consolidated EBITDA result (book one) in the amount of PLN 13.5 million, i.e. exceeding the forecast value of PLN 12 million by 12.6%.

During 2019 the Company several times updated the forecast of the consolidated adjusted EBITDA for 2019. On 5th August 2019 (CR 21/2019) to the level of PLN 46.2 million, on 14th November 2019 to the level of PLN 57.6 million (CR 30/2019) and on 11th December 2019 (CR 32/2019) to the level of PLN 61.4 million. The achieved result reached the level of PLN 63.7 million, which means that the last forecast was exceeded by 3.7%.

On 11th December 2019, the Company informed in the current report NO 32/2019 about the update to the forecast of consolidated adjusted EBITDA for 2020 to the level of PLN 62.3 million. Simultaneously, it informed about changes to its previous information policy in the scope of publishing financial forecasts for the years to come. The Management Board of the Company decided to cancel the forecast of the consolidated adjusted EBITDA for the subsequent years (2021-2023) and publish it each time at the end of the preceding year.

The decision of the Management Board was related to external factors, independent of the Company, primarily significant market changes that occurred since the Strategy had been adopted (problems of one of the competitors) and which may (according to the announcements will) occur in the future (among others, a fusion of the two main fuel concerns). The aforementioned circumstances are highly likely to have an impact on the forecasts for the future years and assessing this impact as of the present statements publication date was impossible.

- **Increased business efficiency measured by the ROCE index (calculated as EBITDA / assets net of short-term liabilities) – in 2023 ROCE = 15%**

The UNIMOT Group is going to systematically improve efficiency of all businesses ultimately reaching the ROCE index at the level of 15%. To do so, it undertakes a number of actions – both on the revenue as well as cost side. At the end of 2019, the ROCE index (calculated as EBITDA / fixed assets net of working capital) amounted to 28.3%, that is more than the assumed level 15% for the year 2023.

- **Activity diversification – generating in 2023 70% of EBITDA from intensively developing businesses beyond diesel**

The UNIMOT Group is developing and enlarging the scale of all conducted businesses. However, the fastest changes are assumed in the areas beyond diesel, which previously constituted the basis of the Issuer's activity. This is carried out primarily through:

- growth of the number of stations in the AVIA chain to 200 in 2023, currently with an assumption to concentrate on most prestigious locations,
- creation of a new source of profits in the form of non-fuel products sold at AVIA stations,
- developing the sales of LPG, mainly through further development of wholesale and intensification of sales in the scope of autogas,

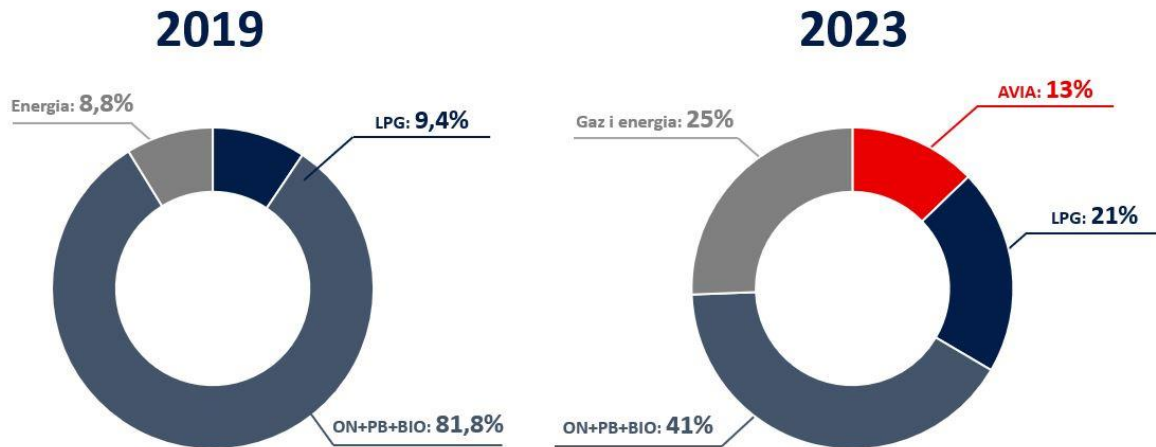
development of attractive business areas in the scope of electricity and natural gas in response to future market trends (e.g. LNG stations).

In addition, in August 2019 the UNIMOT Group decided to enter into a new segment of operation and commence import and sales of bitumen products in Poland – this supplemented the Group's offer in the area of petroleum, products. Bitumen products are sold on the Polish market under the AVIA Bitumen brand.

Since 2019 the Unimot Group has been also developing sales of oils in China and Ukraine, assuming for the oncoming years a growth in sales and entering new markets in Europe and Asia.

In H1 2020 the Group commenced trading of petroleum importing it from the USA and Near East and supplying onto the Central European market.

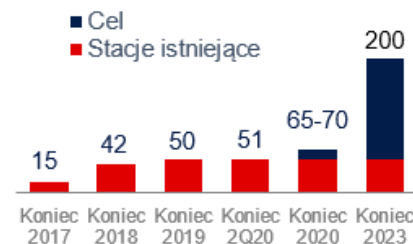
In H1 2020 the Group also commenced sale, assembly, and service of photovoltaic panels for the business segment and individual customers under the AVIA Solar brand. This segment was intensively developed in Q3 2020. Since Q3 2020 the Group presents the results of this business in a separate segment “Photovoltaics”.



▪ **Development of AVIA chain in Poland – 200 petrol stations until the end of 2023**

One of the most important elements of the strategy for the years 2018-2023 is a dynamic development of the AVIA chain. The Issuer’s goal is to own 200 of AVIA petrol stations in 2023. To achieve this assumption the Company wants, among others, to increase the attractiveness of franchise offer through: introduction and development of a fleet card, increased elasticity of cooperation terms depending on the station’s potential, creating several flagship stations, and expanding the offer with new products and services. In 2019 the Company focused on the changes in the team in charge of the chain’s development and streamlining the shop concept following the current trend of moving the weight from the fuels themselves to non-fuel products and services.

Liczba stacji w sieci AVIA w Polsce



In July 2020, having conducted the analysis of the market and customer expectations the Group launched a new catering concept Eat&Go, which is characterised by new design of petrol stations as well as modern interiors and restaurant zone.

The new solutions of the Eat&Go concept at AVIA chain stations include also ergonomics of a new-style *convenience* shop, a comfortable relaxation zone with regular sockets and USB ports for charging phones, modern lighting, and proper planning of communication paths.

At the end of Q3 2020 the AVIA chain in Poland included 53 stations.

The lower dynamics of connecting new facilities to the chain than before results mainly from the Group's concentration on stations with the highest efficiency potential and restrictions related to the COVID-19 pandemic. Because of the pandemic the Group initially ceases to acquire new stations and resigned from or suspended a series of advanced projects. Execution of the projects has been resumed. However, it seems that the number of stations at the end of 2020 will be lower than previously assumed 100. The Group expects the number of stations will reach 65-70 facilities.

Simultaneously, the UNIMOT Group has been developing the AVIA chain in Ukraine. At the end of 2019 there were 5 stations operating there and at the end of Q3 2020 10 stations. Until the end of 2020 the number of stations in the chain in Ukraine is expected to reach 20.

▪ **Annual dividend payment in the amount of min. 30% of net profit of UNIMOT S.A.**

According to the dividend policy in force, in case net profit is achieved in the given fiscal year, the Management Board will recommend to the General Meeting of the Company to pay an annual dividend in the amount of min. 30% of the standalone net profit achieved in the given financial year.

Dividend for the year 2017 was paid on 19th June 2018. The Ordinary General Meeting of the Company decided to pay PLN 13.9 million of dividend (PLN 1.70 per share), which constituted 55.1% of standalone net profit.

In 2018 the standalone net result of UNIMOT S.A. was negative.

On 3rd June 2020, the General Meeting of UNIMOT S.A. decided to pay dividend from the profit for 2019 in the amount of PLN 16.1 million, that is PLN 1.97 per one share, which constituted 30% of standalone net profit.

▪ **Asset optimisation**

Disinvestment in the natural gas area

On 31st December Unimot S.A. concluded an agreement regarding a partial disinvestment in the natural gas area, which covers a venture carried out jointly with Blue Line Engineering S.A. under the investment agreement of 12 February 2014 (Current Report NO 6/2014) as amended.

Under the signed agreement Blue Line Engineering S.A. and Unimot S.A. transferred the ownership of shares in the companies:

- Blue Line Engineering S.A. transferred to Unimot S.A. owned shares in Unimot System Sp. z o.o., which also includes the company Blue LNG Sp. z o.o.,
- Unimot S.A. transferred to Blue Line Engineering S.A. shares owned in Blue Cold Sp. z o.o.

According to the disinvestment agreement the parties also settled mutual receivables and liabilities related to previous financing of the operations of the aforementioned subsidiaries. The total amount of the transaction is PLN 12.64 million. Following the settlement of the transaction Unimot S.A. will pay Blue Line Engineering S.A. the amount of PLN 4.0 million. Based on the negotiated disinvestment agreement the Supervisory Board of the Issuer expressed its consent to implement the process.

The decision was made in relation to the adopted Capital Group's Strategy for the years 2018-2023, in which the Issuer assumes, among others, gas assets optimisation and concentration on most margin-efficient businesses. The Issuer's Capital Group will continue the development of natural gas sales and distribution by UNIMOT System Sp. z o.o., whose operating and financial standing has been gradually improving since mid-2018.

The Company assumes that the optimisation of gas assets will enable the gas segment to generate positive EBITDA in the years to come, which will positively contribute to the EBITDA of the whole Group. In 2019 EBITDA of Unimot System amounted to PLN 1.2 million and Blue LNG PLN 0.9 million.

Sale of LPG cylinders business

In June 2019, the process of selling the business of LPG cylinders was completed, which resulted from the assumption to concentrate only on the most margin-effective businesses in the Group. According to the agreement concluded in December 2018, Unimot transferred for payment the rights and obligations arising from the contracts concluded with customers of LPG in cylinders along with a part of assets related to this business. This allows the Unimot Group to concentrate in the LPG segment on other more promising areas – primarily the wholesale.

3.6 SHARES OF UNIMOT S.A. ON WSE

On the Warsaw Stock Exchange the indexes in Q3 did not record such significant changes as in the previous quarter: WIG lost 0.32%, and sWIG80 gained 6.04%. Much larger changes were recorded by some of the trade indexes, including WIG-PALIWA- which lost 18.74% and this was the largest drop out of all the indexes on the WSE.

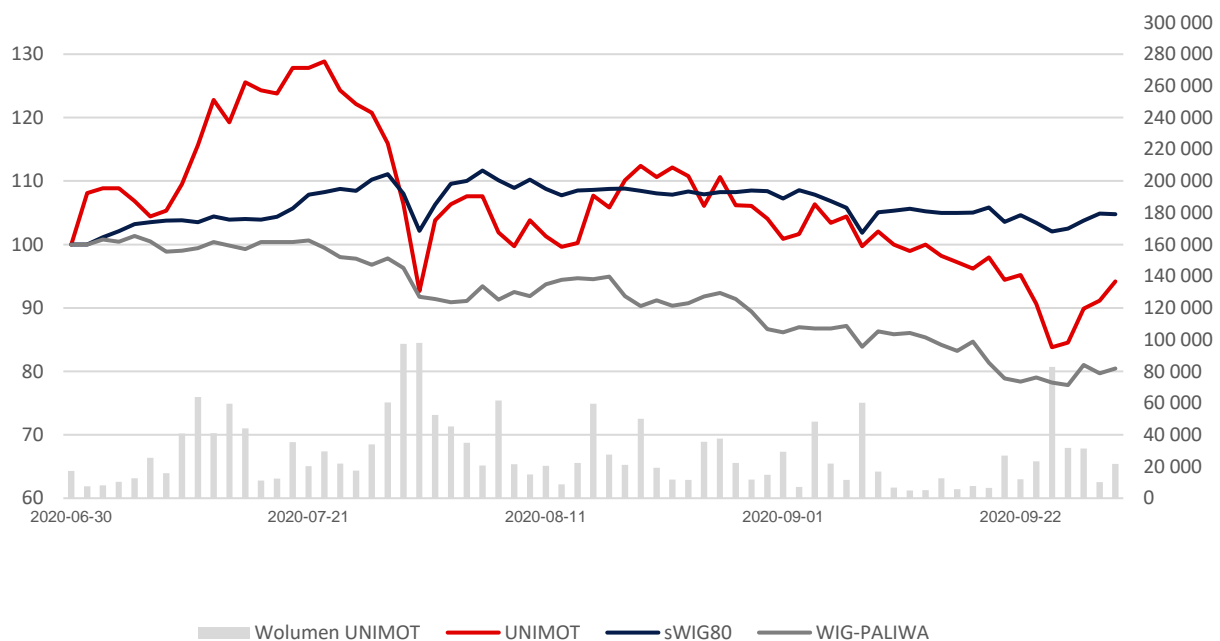
The price of UNIMOT S.A. shares behaved similarly to the index WIG-PALIWA, losing in Q3 14.68% after the prior large increase (about 117% in Q2). However, at the end of Q3 the price of shares was still higher by approx. 25% than the price of shares from before the drop of prices caused by the information on the surge of COVID-19 pandemic in the world.

At the end of September 2020 the market value of the Company amounted to PLN 305.0 million, the book value PLN 234.6 million and the value of ratios: C/Z = 7,0, C/WK = 1.3, dividend rate = 5.3%. The trade volume at that time amounted to PLN 1 876 thousand of shares (average volume 28.4 thousand of shares), turnover amounted to PLN 79.3 million (average turnover PLN 1.2 million), and the average price amounted to PLN 41.99. The return rate in Q3 2020 reached the level of -14.68%, and in the period of 9 months of 2020 amounted to 39.98%.

On 6th July 2020 at the price of shares PLN 43,00 May the Department of Analyses and Recommendations of the Brokerage House BOŚ S.A. decreased the recommendation from "Buy" to "Hold", pricing the shares in the 12-month horizon at PLN 45.00. After the balance sheet date the Department of Analyses and Recommendations of the Brokerage House BOŚ S.A. sustained the recommendation "Hold" pricing the shares in the 12-month horizon at PLN 32.00.

Price of UNIMOT shares compared to the indexes sWIG80 and WIG-Paliwa

[left axis: change of price in %, right axis: trade volume in items]



source: gpw.pl, bankier.pl, stockwatch.pl

4. BASIC INFORMATION ABOUT THE UNIMOT CAPITAL GROUP



4. BASIC INFORMATION ON THE UNIMOT CAPITAL GROUP

4.1 PARENT ENTITY'S DATA

Unimot Spółka Akcyjna ("Unimot S.A.", "Company", "Parent equity") with its registered office in Zawadzkie, at 2A Świerklańska, is a Parent equity 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.

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 and development and construction of natural gas distribution network.

As of the date of this interim condensed consolidated financial statements, the composition of the management and supervisory bodies of the Parent Equity was as follows:

Composition of the Management Board:

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

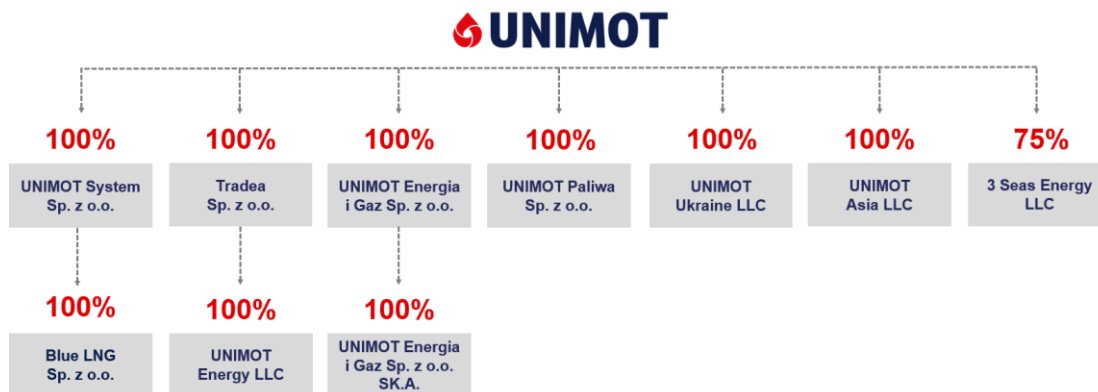
Composition of the Supervisory Board:

- 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

4.2 COMPOSITION OF THE UNIMOT CAPITAL GROUP

As of 30th September 2020 the Parent Entity Unimot S.A. held directly or indirectly the shares in the following subsidiaries:

Name of subsidiary	The Seat	Scope of unit's basic operations	Owned shares and voting rights	Date of obtaining control
Unimot System Sp. z o.o.	Poland	distribution of gas fuels through mains	100,00%	20.01.2014
Blue LNG Sp. z o.o.	Poland	distribution of gas fuels 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 and liquid fuels distribution	100,00%	30.12.2015
Unimot Energia i Gaz Sp. z o.o. SK.A.	Poland	liquid fuels distribution	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 Asia LLC	China	liquid fuels distribution	100,00%	04.09.2018
Unimot Energy LLC	Ukraine	electricity distribution	100,00%	02.04.2019
3 Seas Energy LLC	USA	Petroleum distribution	75,00%	21.05.2020



The following changes occurred in 2020 in the organisational structure of the Unimot Capital Group:

- On 25th February 2020, the subsidiary Unimot System Sp. z o.o. increased capital in Blue LNG Sp. z o.o. acquiring 22 000 of new shares at PLN 100 each, as a result the share capital of this company increased by PLN 2.2 million. The percentage share of the subsidiary in Blue LNG Sp. z o.o. has not changed and amounts to 100%.
- On 7th May 2020, the Parent Entity Unimot S.A. increased capital in Unimot Paliwa Sp. z o.o. acquiring 10 000 of new shares at PLN 100 each, as a result the share capital of this company increased by PLN 1 million. The percentage share of the Parent Entity in Unimot Paliwa Sp. z o.o. has not changed and amounts to 100%.
- On 21st May 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 16th July 2020, the Parent Entity Unimot S.A. increased capital in Unimot Energia i Gaz Sp. z o.o. acquiring 1 500 of new shares at PLN 1 000 each, as a result the share capital of this company increased by PLN 1.5 million. The percentage share of the Parent Entity in Unimot Energia i Gaz has not changed and amounts to 100%.
- On 20th August 2020, the Parent Entity Unimot S.A. increased capital in Unimot Energia i Gaz by PLN 1.25 million. The percentage share of the Parent Entity in Unimot Energia i Gaz has not changed and amounts to 100%.

The Issuer does not hold any foreign or domestic investments into the securities, intangible and legal assets, and property.

4.3 ISSUER SHAREHOLDER'S STRUCTURE

Shareholders holding directly or indirectly through subsidiaries at least 5% of the total votes at the General Meeting of the Issuer as of 30.09.2020 and the date of submitting the present interim statements:

Shareholder	Number of	Share in capital %	Number of votes	Share in votes %
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%

The level of holding the Issuer's shares by the shareholders holding at least 5% of the total votes at the General Meeting, in the period since the submission of the previous interim statements has not changed.

Shareholder's structure :



4.4 SUMMARY OF ISSUER'S SHARES HELD BY MANAGING AND SUPERVISING PERSONS

Mr Robert Brzozowski – the Vice-President of the Management Board of the Issuer as of 30.09.2020 held 51 860 of the Issuer's shares entitling to 51 860 votes at a General Meeting, whose share in the share capital amounted to 0.61%, and the share of the total number of votes at a General Meeting represented 0.61%. As of the date of submitting the statements, Mr. Robert Brzozowski holds 51 860 shares of the Issuer, entitling to 51 860 votes at the General Meeting, whose share in the share capital amounts to 0.63%, and the share in the total number of votes at the General Meeting represented 0.61%. In the period from the date of submission of the previous interim statements, Mr. Robert Brzozowski purchased 220 shares of the Issuer entitling to 220 votes at the General Meeting, whose share in the share capital amounted to 0.003%, and the share in the total number of votes at the General Meeting constituted 0.003 %.

Mr Robert Brzozowski used the entire cash premium granted for the year 2019 to purchase Issuer's shares within the adopted by the Supervisory Board on 13th November 2019 the Scheme for Rewarding the members of the Issuer's Management Board.

Mr Marek Moroz – the Vice-President of the Management Board of the Issuer as of 30.09.2020 held 19 970 of the Issuer's shares entitling to 19 970 votes at the General Meeting, whose share in the share capital amounted to 0.24%, and the share of the total number of votes at a General Meeting represented 0.23%. As of the date of submitting the statements, Mr. Marek Moroz holds 19 970 shares of the Issuer, entitling to 19 970 votes at the General Meeting, whose share in the share capital amounts to 0.24%, and the share in the total number of votes at the General Meeting constitutes 0.23%. In the period from the date of submission of the previous interim statements, Mr. Marek Moroz purchased 5 325 of the Issuer's shares entitling to 5 325 votes at the General Meeting, whose share in the share capital amounted to 0.065%, and the share in the total number of votes at the General Meeting represented 0.062%.

Mr Marek Moroz used the entire cash premium granted for the year 2019 to purchase Issuer's shares within the adopted by the Supervisory Board on 13th November 2019 the Scheme for Rewarding the members of the Issuer's Management Board.

Mr Adam Antoni Sikorski – the President of the Management Board of the Issuer, owns indirectly 100% of shares of Zemadon Ltd. in Cyprus through "Family First Foundation" seated in Vaduz in Liechtenstein which he controls and of which the beneficiary is the family of Mr Adam Antoni Sikorski.

Zemadon Ltd. (Company) with its registered office in Nicosia, Cyprus, is a major shareholder of the Issuer, which as of 30.09.2020 and as of the publication date of the interim statements owns 19.72% in the Issuer's share capital and 23.01% in votes at the Issuer's General Meeting.

Zemadon Ltd., with its registered office in Nicosia, Cyprus, is also a shareholder in Unimot Express Sp. z o.o. (the main shareholder of the Issuer) which has 49.75% of share in the share capital and votes as of 30.09.2020 and as of the publication date of the interim statements. The second partner of Unimot Express Sp. z o.o. is Mr. Adam Władysław Sikorski (nephew of Mr. Adam Antoni Sikorski) with 49.75% share and votes at a meeting of partners as of 30.09.2020 and as of the publication date of the interim statements. The remaining minority share which is 0.5% in the share capital and votes in Unimot Express Sp. z o.o., as of 30.09.2020 and as of the publication date of the interim statements, is owned by Mrs Magdalena Sikorska, wife of Adam Antoni Sikorski – the President of the Management Board.

As of 30.09.2020 Unimot Express Sp. z o.o. owned 43.84% in the share capital and 42.04% in votes at the General Meeting of Unimot S.A.

Since 5th December 2016 spouses Adam Antoni Sikorski and Magdalena Sikorska, due to their oral agreement on conducting common policy towards Unimot Express Sp. z o.o. and Unimot S.A., indirectly through Unimot Express Sp. z o.o. and Zemadon Ltd. they controlled a total of 63.56% of the share capital and 65.05% of votes in the General Meeting of Unimot S.A.

The entity related with the Issuer, due to being subject to joint control by Unimot Express Sp. z o.o. is Unimot-Truck sp. z o.o. seated in Warsaw, where Unimot Express Sp. z o.o. has 52.02% of share in the share capital and Ammerviel Ltd., seated in Nicosia, Cyprus, in which Unimot Express Sp. z o.o. has 100% of shares.

The company related with the Issuer is also PZL Sędziszów S.A. with its registered office in Sędziszów Małopolski, in which Mr. Adam Antoni Sikorski owns 48.78% and Unimot Express SP. z o.o. owns 48.78% of share in the share capital.

The unit related with the Issuer, due to being subject to common control by Mr. Adam Antoni Sikorski (indirectly by Zemadon Ltd.) is U.C. Energy Ltd. seated in Cyprus.

4.5 COURT PROCEEDINGS

Neither the Issuer nor any of its subsidiaries are a party to the proceedings before a Court, a competent authority for the arbitral proceedings or a public authority concerning the liabilities or claims, which would significantly have an effect on the financial results.

Neither the Issuer nor any of its subsidiaries are a party to two or more proceedings before a Court, a competent authority for the arbitral proceedings or a public authority concerning the liabilities or claims, which would significantly have an effect on the financial results.

4.6 SEASONABILITY OF OPERATIONS

The Group's operations are subject to seasonability. With respect to diesel fuel (the dominant product in the Group's sales), seasonality is manifested by higher demand in the summer and lower in the winter.

4.7 DESCRIPTION OF FACTORS AND EVENTS, INCLUDING UNUSUAL ONES, SUBSTANTIALLY INFLUENCING THE CONDENSED FINANCIAL STATEMENTS

The most important factors that influence the financial results in the Group's operating segments (diesel, bio-fuels, LPG, natural gas, electricity, petrol stations and other petroleum products) have been presented in item 3.4 of the present statements.

Additionally, the factor that influences the financial results is independent maintenance of compulsory reserve of fuels:

- In accordance with the Law on Obligatory Stocks (the Law of 16 February 2007 on stocks of petroleum, petroleum products and natural gas and the principles of proceedings in the situations of state's fuel security threat and disturbances on oil market, i.e. (Journal of Laws. 2014 pos. 1695, with future amendments) the Company is obliged to maintain compulsory reserves of fuels.

The company fulfils this obligation primarily in the form of physical maintenance of fuel reserves (a small part is fulfilled in the form of charges (tickets) for external companies – fulfilling this obligation on behalf of the Issuer).

In H1 2020 the Company signed an annex to the credit agreement, which enabled purchases of diesel oil stored for an independent creation of compulsory reserve, prolonging its validity period until 31st May 2021. In Q1 2020 the Company signed annexes to agreements with fuel depots operators, which enable the Issuer to use storage space for independent creation of diesel oil compulsory reserve for the period until 31st December 2020. Additionally, the Company signed an agreement with another fuel depot operator to use storage space for independent creation of diesel oil compulsory reserve for an indefinite period of time.

Concluding the aforementioned agreements and independent maintenance of compulsory reserve combined with concluding transactions hedging diesel market price, significantly decrease the cost of maintaining compulsory reserves, compared to charges (tickets) for external companies.

4.8 DESCRIPTION OF BASIC THREATS AND RISK CONNECTED WITH THE REMAINING MONTHS OF THE FINANCIAL YEAR

In the Group's opinion, one of the most important factors that may affect the Group's operations in the future is the availability of working capital necessary to finance a further increase in turnover, as well as to finance the purchase of mandatory reserves in subsequent periods. The amount of working capital necessary to finance depends on the level of fuel prices in the markets (especially diesel prices). It will also be important to extend working capital loans and to allocate cash resources in the amount enabling repayment of loans from related entities, or in an optimal scenario to extend the repayment deadline for these loans.

Other factors significant for the development of the Capital Group:

- **Interest rate level** – the Group uses external sources of financing (mainly credits and loans in PLN, and also USD and EUR) the cost of which depends on the level of interest rates. In recent years there has been a significant decline in market interest rates which had a positive impact on debt servicing costs. The negative impact of the coronavirus pandemic on the economy in H1 2020 resulted in a decrease of interest rates to the level below 1 %, which influences the drop of interest costs. In the perspective until the end of 2020 the Group foresees these levels will be maintained.

- **Exchange rate level** – the Group sells on the domestic market and exports, while purchases of fuels are mostly carried out on foreign markets and settled in foreign currencies. The main currencies used for export transactions are EUR and USD. In case of an acquisition the settlement currencies are USD, EUR, and PLN. The effect of the exchange rates on the Group's activity is neutralised by the used hedging instruments.
- **Costs of renting tanks at fuel depots** – in several previous years they were at a stable level, the Group does not also foresee significant changes of these costs in the future. However, further growth of fuel sales volumes will result in a growth of total costs. Rates of taxes and charges and other administrative regulations related to the fuel market – their increase may limit the demand on the side of customers and therefore influence the growth of competition and decrease of Group's revenues or margins.
- **Level of raw material prices** – the business model of the Group mainly relies on the purchase of liquid and gaseous fuels abroad or in Poland, its distribution and subsequent sale. The lack of price stability of liquid and gaseous fuels in Poland and abroad has a significant impact on the margins achieved and consequently on the results obtained by the Group. Additionally, a sharp increase in prices of energy carriers may lead to decrease in consumption, which may translate into deterioration of the financial standing of the Group.
- **Land premium level** (difference between local market price and the price in the port fuel is delivered to the country) for diesel – the dominant assortment in the Group's sales structure. In practice, the amount of land premium results from the level of trade margin achieved by domestic petrochemical concerns in the segment of production and trade. The amount of land premium determines the area of possible to achieve by the Issuer trade margin net of logistics costs (costs of transport, transshipment, quality control), costs of fuel bases capacity hiring, receivables insurance costs (following the adopted by the Group trade security policy) and also cost of fulfilling the NIT obligation.
- **The grey market in fuel trading** - unfair practices of some entities concern the sale of fuels without paying due fees and taxes and in violation of applicable regulations and laws. This results in decrease in competitiveness and reduction in demand for products offered by the Issuer and its subsidiaries, which may adversely affect the financial results achieved. The Group, having many years of experience on the market, is aware of all kinds of restrictions and risks associated with the grey market. The Group takes into account the possible impact of additional costs related to concession fees or hedge of the risk of solidary VAT in the business and the financial forecasts. Transport package adopted in 2017 imposing the obligation of digital registration of transported goods, including liquid fuels, which enables to register and monitor them by means of satellite systems together with fuel package adopted in 2016, significantly limited the grey market in fuel trade, in the opinion of the Group. In the perspective until the end of 2020 the Group assumes that the present situation will remain the same.
- **Costs of achieving National Indicative Target** - The Group's business is affected by the necessity to achieve a minimum annual share of biocomponents and other renewable fuels in the total volume of liquid fuels and liquid biofuels sold or disposed of, or used in any other form for own use, in accordance with the coefficients – the National Indicative Target and the National Reductive Coefficient. Revision of the legislation of 22 July 2016, introduced an obligation to realise the National Indicative Target to at least 50% (calculated according to the calorific value) using the biocomponents contained in liquid fuels to the act on Biocomponents and Liquid Biofuels. This causes the need for use of logistics or storage infrastructure in order to carry out the required blending (physical composition of fuels with biocomponents). The required under the new law activities are performed as services by operators of fuel depots utilised by the Issuer. The costs of NIT achievement that comprise the level of the National Indicative Target, the level of the National Reductive Coefficient, costs of fuel blending, have an impact on the achieved trade margin, which directly influences the Group's results.

4.9 CORPORATE SOCIAL RESPONSIBILITY

In all the areas of its operation the Group complies with the principles of professionalism and business honesty – simultaneously taking care of the quality and safety of products that it trades. We also scrupulously respect the relationships with customers, suppliers, employees, local community, and investors, resting them on respect and mutual trust.

The UNIMOT Group also endeavours to respect the natural environment and the surrounding in which it operates. As a fuel company it strives to minimise the negative impact on the natural environment, among others, through a diligent implementation of the National Indicative Target and development of alternative means of transport powered with electricity. In June 2019 UNIMOT S.A. made an investment into the Internet platform blinke.city, therefore entering a new area of operations - electromobility. The investment also involves promotion of the idea of sharing vehicles.

The Group, being simultaneously also an electricity seller strives to ensure that it comes to the largest extent from renewable energy sources. It can be already stated that the total of electricity sold by the company UNIMOT Energia i Gaz is “green” energy, which comes primarily from photovoltaic farms.

The UNIMOT Group also undertakes a series of actions that are aimed to develop positive and responsible relationships with the social groups that surround us.

UNIMOT is also involved in the local community through promotion of sports activities and education. Within the undertaken actions it, among others, supports the cycling race President of Częstochowa Cup, development of sports interests of young persons through sponsoring the cycling club Kolejorz-Jura, and it also cooperates with the Czestochowa University of Technology.

At the end of 2019, the UNIMOT Group started the cooperation with the Zawadzkie Municipality, one of the poorest municipalities in Poland, where the registered office of UNIMOT S.A. is located. Within the cooperation UNIMOT provided for the municipality the amount of PLN 100 thousand, which will be used to build a modern and safe playground for children in the centre of Zawadzkie and will support two local clubs that develop sports passions among the youths: the Karate Club NIDAN and Autonomous Section of Handball.

The UNIMOT group is very socially involved at the time of COVID-19 pandemic. At the very beginning of the pandemic it supported the Polish Ministry of Health and destined over PLN 1.5 million for the purchase of quick test for the presence of coronavirus SARS-CoV-2, which were supplied to the Central Base of Sanitary and Epidemiological Reserves in Poręby near Zduńska Wola. Other actions followed and UNIMOT founded for the senior citizens from the district of Strzelce Opolskie and Zawadzkie Municipality 10 000 of reusable protective masks. Also, over 750 items of hand disinfectants were provided to various governmental institutions in the Opolskie Voivodeship. This support reached, among others, the branch of the National Health Fund in Opole and County Office in Strzelce Opolskie.

4.10 TRANSACTIONS WITH RELATED ENTITIES

Transactions concluded by the Issuer and its subsidiaries with the related entities were conducted on market terms.

5. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



5. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim condensed consolidated statements on financial situation

<i>in PLN thousand</i>	<i>Note</i>	31.09.2020 (unexamined)	31.12.2019
Fixed assets			
TANGIBLE FIXED ASSETS		41 753	39 343
Right to use assets		29 151	6 153
INTANGIBLE ASSETS		18 577	18 578
Other financial assets		2 785	2 916
Other long-term liabilities		55 465	2 224
Client contracts assets		5 119	9 184
Derivative financial instruments	7.9	25 676	-
Deferred income tax assets		9 589	1 995
Total fixed assets		188 115	80 393
Current assets			
Inventory		174 239	239 258
Client contracts assets		1 168	1 162
Trade and other receivables		266 503	306 314
Other financial assets		3 001	3 537
Derivative financial instruments	7.9	2 718	12 123
Income tax receivables		1 472	-
Financial resources and their equivalents		52 838	38 836
Other current assets		8 773	5 497
Total current assets		510 712	606 727
TOTAL ASSETS		698 827	687 120

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

Małgorzata Walnik

Interim condensed consolidated statements on the financial situation should be analysed jointly with explanatory information which constitute an integral part of the interim condensed consolidated financial statements

Interim condensed consolidated statements on financial situation (continued)

<i>in PLN thousand</i>	<i>Note</i>	31.09.2020 (unexamined)	31.12.2019
Equity			
Share capital		8 198	8 198
Other capitals		218 816	181 140
Exchange rate differences from foreign units conversion		(29)	(127)
Previous years' results and current year result		12 652	57 725
Equity of Parent Entity's owners		239 637	246 936
Non-controlling interests		107	-
Equity in total		239 744	246 936
Long-term liabilities			
Liabilities due to credits, loans and other debt instruments	7.8	32 447	13 094
Employee benefits liabilities		185	185
Derivative financial instruments	7.9	-	5 648
Deferred income tax reserve		-	2 078
Total long-term liabilities		32 632	21 005
Short-term liabilities			
Overdrafts	7.8	157 015	205 350
Liabilities due to credits, loans and other debt instruments	7.8	8 842	4 867
Derivative financial instruments	7.9	3 350	2 421
Employee benefits liabilities		435	435
Income tax liabilities		-	1 500
Client contracts liabilities		5 315	3 070
Trade and other liabilities		251 494	201 536
Total short-term liabilities		426 451	419 179
Total liabilities		459 083	440 184
Total liabilities		698 827	687 120

President of the Management Board

Adam Sikorski

Person preparing the report

Małgorzata Walnik

*Vice-President of the
Management Board*

Robert Brzozowski

*Vice-President of the
Management Board*

Marek Moroz

Interim condensed consolidated statements on the financial situation should be analysed jointly with explanatory information which constitute an integral part of the interim condensed consolidated financial statements

Interim condensed consolidated statements on total revenues

<i>in PLN thousand</i>	<i>Note</i>	01.01.2020 - 30.09.2020 (unexamined)	01.07.2020 - 30.09.2020 (unexamined)	01.01.2019 - 30.09.2019 (unexamined)	01.07.2019 - 30.09.2019 (unexamined)
Revenues on sales		3 560 729	1 342 516	3 138 319	1 261 093
Profits (losses) on realised financial instruments regarding fuel trade		(44 830)	(3 579)	816	336
Cost of sold goods, products, and materials	7.2	(3 369 894)	(1 292 800)	(2 979 016)	(1 191 331)
Gross profit/(loss) on sales		146 005	46 137	160 119	70 098
Other operating revenues	7.3	2 819	1 372	1 493	549
Sales costs	7.1	(114 404)	(38 514)	(86 748)	(32 865)
Overheads	7.1	(22 203)	(6 397)	(18 569)	(8 104)
Other net profits/losses	7.4	204	58	1 090	195
Other operating costs	7.5	(6 138)	(46)	(1 089)	(417)
Profit/loss on operating activity		6 283	2 610	56 296	29 456
Financial revenues	7.6	9 464	399	11 378	3 331
Financial costs	7.6	(4 485)	(2 027)	(6 722)	(2 453)
Net financial revenues/(costs)	7.6	4 979	(1 628)	4 656	878
Share of related entities in net result		-	-	-	-
Profit/(loss) before taxation		11 262	982	60 952	30 334
Income tax	7.7	(2 403)	(68)	(12 815)	(6 518)
Net profit/(loss) for the financial year		8 859	914	48 137	23 816
in this attributable to					
Parent Entity's owners		8 856	911	48 476	23 960
Non-controlling interests		3	3	(339)	(144)
Net profit/(loss) for the financial year		8 859	914	48 137	23 816
Other total revenues that will be reclassified as profits or losses after complying with defined conditions					
Other total net profits for the financial year, after taxation		-	-	-	-
Total profits for the financial year		8 859	914	48 137	23 816
in this attributable to					
Parent Entity's owners		8 856	911	48 476	23 960
Non-controlling interests		3	3	(339)	(144)
Total profits for the financial year		8 859	914	48 137	23 816
Profit/(loss) per one share attributable to Parent Equity's owners (in PLN)		1,08	0,11	5,91	2,92
Diluted profit (loss) per one share attributable to Parent Entity's owners (in PLN)		1,08	0,11	5,91	2,92

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

Małgorzata Walnik

Interim condensed consolidated statements on the financial situation should be analysed jointly with explanatory information which constitute an integral part of the interim condensed consolidated financial statements

Interim condensed consolidated statements on cash flows

<i>in PLN thousand</i>	<i>Note</i>	01.01.2020 - 30.09.2020 (unexamined)	01.07.2020 - 30.09.2020 (unexamined)	01.01.2019 - 30.09.2019 (unexamined)	01.07.2019 - 30.09.2019 (unexamined)
Operating cash flows					
Profit/(loss) before taxation		11 262	982	60 952	30 334
Adjustments					
Tangible fixed asset amortisation		6 034	2 654	4 502	1 537
Intangible assets impairment		208	75	185	69
Loss (profit) due to exchange rate differences		5 943	759	8 439	10 322
(Profit)/loss on sales of tangible fixed assets	7.4	(204)	(58)	(1 090)	(195)
Net interests, transactional costs (concerning credits and loans) and dividends		3 497	931	6 449	2 387
Receivables status change		(25 846)	(8 987)	(86 161)	(50 274)
Inventory status change		65 019	25 955	(135 804)	(78 131)
Client contracts assets status change		4 059	4 179	(1 755)	(419)
Client contracts liabilities status change		2 245	(1 105)	(9 998)	1 600
Trade and other short-term liabilities status change		49 032	(27 826)	130 192	85 233
Status change of assets/(liabilities) due to hedging instruments		(20 990)	(2 604)	16 726	(7 294)
Provisions status change		(2 078)	-	2 619	2 073
Creating/reversing impairment loss		4 000	-	-	-
Income tax (paid)/returned	7.7	(2 403)	(68)	(12 815)	(6 518)
Operating cash flows		99 778	(5 113)	(17 559)	(9 276)
Investment activity cash flows					
Revenues on tangible fixed assets sale		915	408	2 820	566
Received interests		710	277	208	34
Revenues on loans		8 601	12	47	9
Tangible fixed assets purchase		(2 973)	(2 018)	(1 411)	(585)
Intangible assets purchase		(209)	(1)	(162)	(12)
Loans granted		(11 936)	(2 871)	(3 500)	(3 500)
Other investments acquisition		-	-	(2 018)	-
Net investment activity cash flows		(4 892)	(4 193)	(4 016)	(3 488)
Net financial activity cash flows					
Contracting credits, loans, and other debt instruments		107	26	132	49
Repayment of credits, loans, and other debt instruments		(1 573)	(415)	(1 230)	(453)
Paid dividends		(16 149)	-	-	-
Payment of liabilities due to financial lease contracts		(1 966)	(769)	(2 069)	(881)
Payment of liabilities due to lease (other rent and lease contracts unrecognised before)		(2 422)	(1 296)	(1 033)	(344)
Interests and transactional costs (concerning credits and loans) paid		(4 702)	(1 207)	(6 651)	(2 420)
Net financial activity cash flows		(26 705)	(3 661)	(10 851)	(4 049)
Financial resources and their equivalents status change					
Influence of exchange rate changes concerning financial resources and their equivalents		(5 844)	(762)	(8 317)	(10 207)
Financial resources and their equivalents status change		62 337	(13 729)	(40 743)	(27 020)
Financial resources and their equivalents net of overdrafts as of 1st January/1st July		(166 514)	(90 448)	(168 217)	(181 940)
Financial resources and their equivalents net of overdrafts as of 30th September		(104 177)	(104 177)	(208 960)	(208 960)

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

Interim condensed consolidated statements on the financial situation should be analysed jointly with explanatory information which constitute an integral part of the interim condensed consolidated financial statements

Interim condensed consolidated statements on changes in equity

in PLN thousand	Equity of Parent Entity's owners						Total	Non-controlling interests	Total equity
	Share capital	Hedge accounting capital	Other capitals (including own shares)	Exchange rate differences from foreign units conversion	Previous years' results	Current year result			
Equity as of 1st January 2019	8 198	-	174 437	-	4 731	110	187 476	5 769	193 245
Application effect of IFRS 16	-	-	-	-	-	-	-	-	-
Data adjusted for the influence of IFRS 16 as of 1st January 2019	8 198	-	174 437	-	4 731	110	187 476	5 769	193 245
Total profits for the financial year	-	-	-	-	-	48 476	48 476	(339)	48 137
- Net profit/(loss) for the period	-	-	-	-	-	48 476	48 476	(339)	48 137
Transactions with Parent Entity's owners recognised directly in equity									
Components of other total revenues	-	-	-	123	-	-	123	-	123
Profit/(loss) transfer	-	-	6 703	-	(6 593)	(110)	-	-	-
equity as of 30th September 2019	8 198	-	181 140	123	(1 862)	48 476	236 075	5 430	241 505

(unexamined)

in PLN thousand	Equity of Parent Entity's owners						Total	Non-controlling interests	Total equity
	Share capital	Hedge accounting capital	Other capitals (including own shares)	Exchange rate differences from foreign units conversion	Previous years' results	Current year result			
Equity as of 1st January 2019	8 198	-	174 437	-	4 731	110	187 476	5 769	193 245
Application effect of IFRS 16	-	-	-	-	-	-	-	-	-
Data adjusted for the influence of IFRS 16 as of 1st 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

(approved data)

in PLN thousand	Equity of Parent Entity's owners						Total	Non-controlling interests	Total equity
	Share capital	Hedge accounting capital	Other capitals (including own shares)	Exchange rate differences from foreign units conversion	Previous years' results	Current year result			
Equity as of 1st January 2020	8 198	-	181 140	(127)	(2 682)	60 407	246 936	-	246 936
Total profits for the financial year	-	-	-	-	-	8 856	8 856	3	8 859
- Net profit/(loss) for the period	-	-	-	-	-	8 856	8 856	3	8 859
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	-	-	-	-	(104)	-	(104)	104	-
Components of other total revenues	-	-	-	98	-	-	98	-	98
Profit/(loss) transfer	-	-	37 676	-	6 582	(44 258)	-	-	-
equity as of 30th September 2020	8 198	-	218 816	(29)	3 796	8 856	239 637	107	239 744

(unexamined)

President of the Management Board

Adam Sikorski

Person preparing the report

Małgorzata Walnik

Vice-President of the Management Board

Robert Brzozowski

Vice-President of the Management Board

Marek Moroz

Interim condensed consolidated statements on changes in equity should be analysed jointly with explanatory information which constitute an integral part of the interim condensed consolidated financial statements

6. EXPLANATORY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6.1 INFORMATION ABOUT THE PRINCIPLES ADOPTED WHILE PREPARING THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

a) Statement of conformity

The present interim condensed consolidated financial statements ("consolidated financial statements") has been prepared in accordance with the International Accounting Standard 34 "Interim financial reporting" and pursuant to the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (consolidated text: Journal of Laws of 2014 pos.133, as amended Journal of laws of 2016 pos. 860) („Regulation”) and presents financial situation of the Unimot Capital Group ("Group", "Unimot Group") as of 30 September 2020 and 31 December 2019, the results of its operation and cash flows for the period of 6 and 3 months ended on 30 June 2020 and 30 June 2019.

b) Principle of operation continuity

Interim condensed consolidated financial statements as of the day and period ended on 30 September 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 condensed interim consolidated financial statements the circumstances that may indicate threats to continue the operations by the Unimot Group have not been observed.

Time of operation of the Parent Equity and the remaining entities included in the Unimot Group is indefinite.

The present interim condensed consolidated financial statements, except for the consolidated statements of cash flows, has been prepared in accordance with the accrual principle.

c) Significant accounting principles

The present interim consolidated financial statements were drawn up according to the accounting principles in the scope unchanged with relation to the principles that were applied while preparing the consolidated financial statements for 2019.

d) Significant estimates and judgements

Preparation of the financial statements in conformity with International Financial Reporting Standards requires the Management Board of the Parent Entity 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.

Significant estimates and accounting principles as well as estimated uncertainties applied by the Management Board of the Parent Entity while drawing up the present interim condensed consolidated financial statements are identical as the ones applied while drawing up the annual consolidated financial statements for 2019.

6.2 NEW AND AMENDED ACCOUNTING STANDARDS AS WELL AS INTERPRETATIONS OF THE COMMITTEE FOR INTERPRETATION OF INTERNATIONAL FINANCIAL REPORTING (IFR).

A. In the present consolidated 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 have 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.

6.3 REPORTING SEGMENTS

Operating segments identification has not changed and is compliant with the principles described in the consolidated financial statements as of the day and financial year ending on 31st December 2019 (since Q3 2020 a new segment is recognised „Photovoltaics“).

<i>in PLN thousand</i>	in this:							in this:		Corporate functions	Reductions of settlements in the Group	Total - consolidated
for the period 01.01.2020 - 30.09.2020	Liquid fuels trade	Diesel and Bio-fuels	LPG	Gaseous fuels trade	Electricity	Photovoltaics	Other activity	Petrol stations	Other petroleum products			
Revenues from external customers	3 106 416	2 868 947	237 469	37 036	85 440	1 202	327 110	40 505	286 605	3 525	-	3 560 729
Profits (losses) on realised financial instruments regarding fuel trade	(44 830)	(44 830)	-	-	-	-	-	-	-	-	-	(44 830)
Revenues from customers from the Group	52	52	-	8 548	31 043	-	88 119	33	88 086	-	(127 762)	-
Total revenues	3 061 638	2 824 169	237 469	45 584	116 483	1 202	415 229	40 538	374 691	3 525	(127 762)	3 515 899
Cost of goods, products, and materials, sold to external customers	(2 941 413)	(2 719 090)	(222 323)	(28 194)	(82 557)	(1 108)	(316 622)	(35 963)	(280 659)	-	-	(3 369 894)
Cost of goods, products, and materials, sold to customers from the Group	(40)	(40)	-	(8 275)	(28 097)	-	(88 086)	-	(88 086)	-	124 498	-
Cost of goods, products, and materials, in total	(2 941 453)	(2 719 130)	(222 323)	(36 469)	(110 654)	(1 108)	(404 708)	(35 963)	(368 745)	-	124 498	(3 369 894)
Segment results	120 185	105 039	15 146	9 115	5 829	94	10 521	4 575	5 946	3 525	(3 264)	146 005
Other operating revenues	2 210	1 601	609	112	245	5	180	176	4	66	1	2 819
Sale and overheads costs	(91 008)	(80 689)	(10 319)	(7 419)	(12 423)	(729)	(12 542)	(7 046)	(5 496)	(15 454)	2 968	(136 607)
Other net profits/losses	193	-	193	11	-	-	-	-	-	-	-	204
Other operating costs	(190)	(116)	(74)	(28)	(7)	-	(14)	(12)	(2)	(5 890)	(9)	(6 138)
Operating activity result	31 390	25 835	5 555	1 791	(6 356)	(630)	(1 855)	(2 307)	452	(17 753)	(304)	6 283
Financial revenues	498	287	211	4	9 120	-	31	6	25	63	(252)	9 464
Financial costs	(3 855)	(3 780)	(75)	(407)	(339)	(12)	(6)	(1)	(5)	(8)	142	(4 485)
Income tax	-	-	-	-	-	-	-	-	-	-	(204)	(2 403)
Profit/(loss) for the period	28 033	22 342	5 691	1 388	2 425	(642)	(1 830)	(2 302)	472	(17 698)	(618)	8 859
Amortisation	(2 289)	(1 740)	(549)	(1 154)	(316)	(12)	(1 095)	(1 029)	(66)	(1 376)	-	(6 242)
Interests	(3 151)	(3 090)	(61)	(288)	349	(35)	244	250	(5)	61	(414)	(3 234)
EBITDA*	33 473	27 172	6 301	2 830	2 392	(595)	(979)	(1 523)	543	(16 383)	-	20 738

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



<i>in PLN thousand</i> for the period 01.07.2020 - 30.09.2020	Liquid fuels trade	in this:			Gaseous fuels trade	Electricity	Photovoltaics	Other activity	in this:		Corporate functions	Reductions of settlements in the Group	Total - consolidated
		Diesel and Bio-fuels	LPG						Petrol stations	Other petroleum products			
Revenues from external customers	1 055 271	971 562	83 709	6 551	33 043	1 202	245 396	21 931	223 465	1 053	-	1 342 516	
Profits (losses) on realised financial instruments regarding fuel trade	(3 579)	(3 579)	-	-	-	-	-	-	-	-	-	(3 579)	
Revenues from customers from the Group	4	4	-	2 313	10 560	-	87 719	7	87 712	-	(100 596)	-	
Total revenues	1 051 696	967 987	83 709	8 864	43 603	1 202	333 115	21 938	311 177	1 053	(100 596)	1 338 937	
Cost of goods, products, and materials, sold to external customers	(1 014 656)	(934 843)	(79 813)	(4 516)	(31 756)	(1 108)	(240 764)	(20 253)	(220 511)	-	-	(1 292 800)	
Cost of goods, products, and materials, sold to customers from the Group	-	-	-	(2 144)	(9 741)	-	(87 712)	-	(87 712)	-	99 597	-	
Cost of goods, products, and materials, in total	(1 014 656)	(934 843)	(79 813)	(6 660)	(41 497)	(1 108)	(328 476)	(20 253)	(308 223)	-	99 597	(1 292 800)	
Segment results	37 040	33 144	3 896	2 204	2 106	94	4 639	1 685	2 954	1 053	(999)	46 137	
Other operating revenues	928	452	476	95	178	5	166	162	4	-	-	1 372	
Sale and overheads costs	(29 410)	(26 467)	(2 943)	(3 231)	(2 843)	(729)	(5 622)	(3 039)	(2 583)	(4 435)	1 359	(44 911)	
Other net profits/losses	47	-	47	11	-	-	-	-	-	-	-	58	
Other operating costs	(115)	(113)	(2)	(9)	(5)	-	-	-	-	84	(1)	(46)	
Operating activity result	8 490	7 016	1 474	(930)	(564)	(630)	(817)	(1 192)	375	(3 298)	359	2 610	
Financial revenues	269	224	45	1	302	-	6	2	4	6	(185)	399	
Financial costs	(1 191)	(1 168)	(23)	(138)	(770)	(12)	(2)	-	(2)	48	38	(2 027)	
Income tax	-	-	-	-	-	-	-	-	-	-	-	(68)	
Profit/(loss) for the period	7 568	6 072	1 496	(1 067)	(1 032)	(642)	(813)	(1 190)	377	(3 244)	212	914	
Amortisation	(1 175)	(985)	(190)	(398)	(152)	(12)	(562)	(540)	(22)	(479)	49	(2 729)	
Interests	(1 050)	(1 029)	(20)	(360)	599	(35)	212	179	33	(232)	163	(703)	
EBITDA*	9 793	8 086	1 706	(309)	(1 479)	(595)	(463)	(829)	366	(2 533)	-	4 414	

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



<i>in PLN thousand</i>	in this:							in this:		Corporate functions	Reductions of settlements in the Group	Total - consolidated
for the period 01.01.2019 - 30.09.2019	Liquid fuels trade	Diesel and Bio-fuels	LPG	Gaseous fuels trade	Electricity	Photovoltaics	Other activity	Petrol stations	Other petroleum products			
Revenues from external customers	2 993 657	2 749 674	243 983	29 019	80 793	-	34 580	25 556	9 024	270	-	3 138 319
Profits (losses) on realised financial instruments regarding fuel trade	816	816	-	-	-	-	-	-	-	-	-	816
Revenues from customers from the Group	264	-	264	6 428	29 247	-	771	154	617	205	(36 915)	-
Total revenues	2 994 737	2 750 490	244 247	35 447	110 040	-	35 351	25 710	9 641	475	(36 915)	3 139 135
Cost of goods, products, and materials, sold to external customers	(2 847 038)	(2 620 409)	(226 629)	(26 648)	(75 250)	-	(30 080)	(22 073)	(8 007)	-	-	(2 979 016)
Cost of goods, products, and materials, sold to customers from the Group	(264)	-	(264)	(6 423)	(29 247)	-	(426)	-	(426)	-	36 360	-
Cost of goods, products, and materials, in total	(2 847 302)	(2 620 409)	(226 893)	(33 071)	(104 497)	-	(30 506)	(22 073)	(8 433)	-	36 360	(2 979 016)
Segment results	147 435	130 081	17 354	2 376	5 543	-	4 845	3 637	1 208	475	(555)	160 119
Other operating revenues	1 372	1 115	257	37	66	-	15	13	2	3	-	1 493
Sale and overheads costs	(76 720)	(65 208)	(11 512)	(4 027)	(10 771)	-	(6 478)	(5 103)	(1 375)	(7 685)	364	(105 317)
Other net profits/losses	1 123	198	925	-	-	-	-	-	-	-	(33)	1 090
Other operating costs	(93)	(71)	(22)	(915)	(6)	-	(6)	(5)	(1)	(69)	-	(1 089)
Operating activity result	73 117	66 115	7 002	(2 529)	(5 168)	-	(1 624)	(1 458)	(166)	(7 276)	(224)	56 296
Financial revenues	196	17	179	294	11 235	-	2	2	-	187	(536)	11 378
Financial costs	(6 281)	(6 174)	(107)	(705)	(35)	-	(21)	(5)	(16)	(199)	519	(6 722)
Income tax	-	-	-	-	-	-	-	-	-	-	1	(12 815)
Profit/(loss) for the period	67 032	59 958	7 074	(2 940)	6 032	-	(1 643)	(1 461)	(182)	(7 288)	(240)	48 137
Amortisation	(1 191)	(660)	(531)	(1 357)	(183)	-	(557)	(557)	-	(1 313)	(86)	(4 687)
EBITDA*	74 308	66 775	7 533	(1 172)	6 185	-	(1 067)	(901)	(166)	(5 963)	(138)	72 153

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

<i>in PLN thousand</i>								<i>in this:</i>				<i>Consolidated total</i>
for the period 1.07.2019 - 30.09.2019	Liquid fuels trade	in this:		Gaseous fuels trade	Electricity	Photovoltaics	Other activity	Petrol stations	Other petroleum products	Corporate functions	Reductions of settlements in the Group	
		Diesel and Bio-fuels	LPG									
Revenues from external customers	1 181 628	1 093 166	88 462	10 763	50 841	-	17 793	8 855	8 938	68	-	1 261 093
Profits (losses) on realised financial instruments regarding fuel trade	336	336	-	-	-	-	-	-	-	-	-	336
Revenues from customers from the Group	156	-	156	1 265	14 502	-	325	116	209	36	(16 284)	-
Total revenues	1 182 120	1 093 502	88 618	12 028	65 343	-	18 118	8 971	9 147	104	(16 284)	1 261 429
Cost of goods, products, and materials, sold to external customers	(1 117 437)	(1 035 615)	(81 822)	(10 159)	(48 359)	-	(15 376)	(7 726)	(7 650)	-	-	(1 191 331)
Cost of goods, products, and materials, sold to customers from the Group	(156)	-	(156)	(1 265)	(14 502)	-	(426)	-	(426)	-	16 349	-
Cost of goods, products, and materials, in total	(1 117 593)	(1 035 615)	(81 978)	(11 424)	(62 861)	-	(15 802)	(7 726)	(8 076)	-	16 349	(1 191 331)
Segment results	64 527	57 887	6 640	604	2 482	-	2 316	1 245	1 071	104	65	70 098
Other operating revenues	464	353	111	31	40	-	12	12	-	2	-	549
Sale and overheads costs	(28 653)	(24 244)	(4 409)	(1 811)	(4 040)	-	(2 489)	(1 586)	(903)	(4 133)	157	(40 969)
Other net profits/losses	228	198	30	-	-	-	-	-	-	-	(33)	195
Other operating costs	(37)	(32)	(5)	(361)	(6)	-	-	-	-	(13)	-	(417)
Operating activity result	36 529	34 162	2 367	(1 537)	(1 524)	-	(161)	(329)	168	(4 040)	189	29 456
Financial revenues	54	-	54	95	3 282	-	-	-	-	66	(166)	3 331
Financial costs	(2 327)	(2 292)	(35)	(226)	(4)	-	(2)	(2)	-	(43)	149	(2 453)
Income tax	-	-	-	-	-	-	-	-	-	-	-	(6 518)
Profit/(loss) for the period	34 256	31 870	2 386	(1 668)	1 754	-	(163)	(331)	168	(4 017)	172	23 816
Amortisation	(389)	(232)	(157)	(496)	(68)	-	(189)	(189)	-	(435)	(29)	(1 577)
EBITDA*	36 918	34 394	2 524	(1 041)	1 841	-	28	(140)	168	(3 605)	218	34 359

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

in PLN thousand

Liquid fuels

in this:

Gaseous

Electricity

Photovoltaics

Other

in this:

Corporate

Consolidated

30.09.2020	trade	Diesel and Bio-fuels	LPG	fuels trade		activity	Petrol stations	Other petroleum products	functions	Total	
Segment assets	478 246	437 176	41 070	58 079	54 990	3 232	50 131	41 079	9 052	54 149	698 827
Segment liabilities	349 656	323 703	25 953	8 863	35 213	1 787	31 191	28 666	2 525	32 373	459 083
Main non-cash items											
Amortisation	(2 289)	(1 740)	(549)	(1 154)	(316)	(12)	(1 095)	(1 029)	(66)	(1 376)	(6 242)
Inventories valuation to fair value	(57 770)	(57 770)	-	-	-	-	-	-	-	-	(57 770)
Balance sheet valuation of derivatives to fair value	20 989	20 989	-	-	-	-	-	-	-	-	20 989
Item valuation in foreign currency	(5 805)	(5 805)	-	-	-	-	-	-	-	-	(5 805)
Main non-cash items in total	(44 875)	(44 326)	(549)	(1 154)	(316)	(12)	(1 095)	(1 029)	(66)	(1 376)	(48 828)

<i>in PLN thousand</i>	Liquid fuels trade	in this:			Gaseous fuels trade	Electricity	Photovoltaics	Other activity	in this:		Corporate functions	Consolidated Total
31.12.2019		Diesel and Bio-fuels	LPG						Petro stations	Other petroleum products		
Segment assets	514 253	473 343	40 910		40 866	65 210	-	21 876	16 214	5 662	44 915	687 120
Segment liabilities	338 343	315 339	23 004		11 456	40 254	-	7 883	6 111	1 772	42 248	440 184
Main non-cash items												
Amortisation	(1 518)	(832)	(686)		(1 938)	(352)	-	(869)	(813)	(56)	(1 765)	(6 442)
Receivable revaluing write-offs	(5 152)	(4 826)	(326)		(1 371)	-	-	(100)	(14)	(86)	(101)	(6 724)
Inventories valuation to fair value	36 785	36 785	-		-	-	-	-	-	-	-	36 785
Balance sheet valuation of derivatives to fair value	(18 157)	(18 157)	-		-	-	-	-	-	-	-	(18 157)
Item valuation in foreign currency	(970)	(970)	-		-	-	-	-	-	-	-	(970)
Main non-cash items in total	10 988	12 000	(1 012)		(3 309)	(352)	-	(969)	(827)	(142)	(1 866)	4 492

Revenues on sales - assortment breakdown

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Diesel and Bio-fuels	2 864 622	2 750 490
LPG	237 469	243 983
Gaseous fuels	37 036	29 019
Electricity	85 440	80 793
Photovoltaics	1 202	-
Other	290 130	34 850
Total	3 515 899	3 139 135

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

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Poland	2 658 236	2 541 998
Czech Republic	296 978	195 404
Switzerland	2 060	1 973
Slovakia	5 138	7 758
China	659	625
Hungary	15 253	24 216
Austria	22 038	25 161
Great Britain	272 461	621
Belgium	14 472	-
Germany	139 538	8 215
Taiwan	556	-
The Netherlands	-	149 133
Cyprus	61	19 904
Romania	122	91
France	-	6 450
Bulgaria	63 299	84 925
Estonia	13 748	36 876
Ukraine	5 957	24 040
Serbia	1 570	-
Lithuania	3 722	11 743
Sweden	31	-
Belarus	-	2
Total	3 515 899	3 139 135

Main customers

In the period of 9 months of 2020 and 6 months of 2019 none of the Group's customers exceeded 10% of consolidated revenues.

7. ADDITIONAL EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7.1 COST BY TYPE

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Amortisation of tangible fixed assets and intangible assets	(3 555)	(3 571)
Asset amortisation due to the right to use assets	(2 687)	(1 116)
Electricity and materials consumption	(2 806)	(2 126)
Foreign services	(101 832)	(74 694)
Taxes and charges	(1 007)	(597)
Remunerations	(15 874)	(9 220)
Social security and other benefits	(1 850)	(1 887)
Other cost by type	(5 237)	(5 719)
Costs by type in total	(134 848)	(98 930)
Cost of sold goods, products, and materials	(3 368 786)	(2 979 016)
Change in inventories and accruals	214	467
Other	(3 081)	(6 854)
Cost of sold goods, products and materials and overheads	(3 506 501)	(3 084 333)

7.2 COST OF SOLD GOODS AND MATERIALS AS WELL AS MANUFACTURING COSTS OF SOLD PRODUCTS

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Cost of sold goods and materials	(3 396 425)	(2 993 141)
Inventories valuation to fair value	(57 770)	46 468
Item valuation in foreign currency	15 184	(24 599)
Exchange rate differences achieved	70 225	(7 744)
Total	(3 368 786)	(2 979 016)
Manufacturing costs of sold products	(1 108)	-
Cost of sold goods, products, and materials	(3 369 894)	(2 979 016)

7.3 OTHER OPERATING REVENUES

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Received damages and penalties	160	15
Costs of court proceedings subject to return	105	46
Interest revenues concerning trade receivables	1 270	1 276
Other	1 284	156
Total	2 819	1 493

7.4 OTHER NET PROFITS/(LOSSES)

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Net profit on sale of tangible fixed assets	204	1 090
Total	204	1 090

7.5 OTHER OPERATING COSTS

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Interest costs from non-financial liabilities	(50)	(56)
Costs of court proceedings	(105)	(90)
Damages and penalties	(26)	-
Donations	(1 888)	(100)
Stoppage cost due to a failure	-	(803)
Write-off revaluating investments value	(4 000)	-
Other	(69)	(40)
Total	(6 138)	(1 089)

7.6 NET FINANCIAL REVENUES/(COSTS)

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Financial revenues		
Net profit on trading activity (electricity)	8 708	11 170
Interest on financial assets and financial commissions	756	208
Total financial revenues	9 464	11 378
Financial costs		
Bank charges and transaction costs on credits and loans	(4 370)	(6 715)
Other	(115)	(7)
Total financial costs	(4 485)	(6 722)
Net financial costs	4 979	4 656

7.7 INCOME TAX

Income tax recognised in the interim condensed consolidated statements on total revenues

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Current income tax		
Income tax for the current year	(12 113)	(9 696)
Deferred tax		
Arising/reversing temporary differences	9 710	(3 119)
Income tax recognised in the statements of total revenues	(2 403)	(12 815)

Effective discount rate

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Profit/(loss) before taxation	11 262	60 952
Tax based on applicable tax rate	(2 140)	(11 581)
Fixed costs not being the cost of obtaining revenues	(263)	(1 234)
Total	(2 403)	(12 815)
Effective discount rate	21,3%	21,0%

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

<i>in PLN thousand</i>	30.09.2020	31.12.2019
Long-term liabilities		
Credits and loans secured on the assets of the Group	4 055	5 580
Financial lease liabilities	3 550	2 396
Liabilities due to lease (other lease and rent contracts unrecognised before)	24 842	5 118
	32 447	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
Short-term part of financial lease liabilities	2 484	1 988
Liabilities due to lease (other lease and rent contracts unrecognised before)	4 804	1 364
	8 842	4 867
Overdrafts	157 015	205 350
Total	198 304	223 311

In the period covered by the present interim statements or after the balance sheet date there were no events of failure to repay the principal or interests.

As of 30th September 2020 the following infringements occurred to covenants in the credit contracts (and also contracts for other bank products) held by the Parent Entity:

- BNP Paribas Bank Polska S.A. (formerly Raiffeisen Bank Polska S.A.) covenants verified in quarterly period based on standalone data of Unimot S.A.:
- Profit on sales (adjusted for the result on the transactions hedging product prices and the result on the exchange rate differences) /net revenue on sales > 1 % – value of the ratio: 0.6%.

The consequence of infringement to covenants is a possibility to decrease the amount of available limits by the bank, as well as the right for a request to provide an additional collateral or increase the bank's margin.

The Issuer estimates that this does not bear any significant risks to the Group's operations, the bank did not take any steps with regard to the infringement of the abovementioned covenant. Particularly, as the current bank's involvement results only from the issued bank guarantee amounting EUR 1.2 million.

There were no infringements to other terms stipulated in the credit agreements.

7.9 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments - financial assets

<i>in PLN thousand</i>	30.09.2020	31.12.2019
Long-term financial assets		
Futures, forward, swap contracts	25 676	-
Total	25 676	-
Short-term financial assets		
Futures, forward, swap contracts	2 718	12 123
Total	2 718	12 123

Derivative financial instruments - financial liabilities

<i>in PLN thousand</i>	30.09.2020	31.12.2019
Long-term financial liabilities		
Futures, forward, swap contracts	-	5 648
Total	-	5 648
Short-term financial liabilities		
Futures, forward, swap contracts	3 350	2 421
Total	3 350	2 421

7.10 VALUATION AT FAIR VALUE METHODS (FAIR VALUE HIERARCHY)

Fair value of financial assets and liabilities quoted on active markets is established on the basis of market quotations (so called Level 1). In other cases, fair value is established on the basis of other possible to observe directly or indirectly data (so called Level 2) or non-observable data (so called Level 3).

The classification of assets and liabilities according to the hierarchy of fair value is analogous to that disclosed in the annual financial statements for 2019.

In the accounting period and reference period in the Group there were no movements between levels 1 and 2 of fair value hierarchy.

7.11 TRANSACTIONS AND SETTLEMENTS OF GROUP'S COMPANIES WITH RELATED UNCONSOLIDATED ENTITIES

Related unconsolidated 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.)

<i>in PLN thousand</i>	Sale		Purchase	
	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Non-consolidated affiliated entities	447	152	527	470

<i>in PLN thousand</i>	Sale		Purchase	
	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019
Non-consolidated affiliated entities	327	38	208	323

<i>in PLN thousand</i>	Trade receivables due to loans and other receivables		Trade and other liabilities , loan liabilities and other liabilities	
	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Non-consolidated affiliated entities	750	45	13	605

In the period of 9 months ended on 30th September 2020 and 30th September 2019 there were no transaction in the Group concluded with related entities on conditions different from market one. These transactions concerned primarily purchases of goods and services for the needs of the current operating activity.

7.12 CONTINGENT LIABILITIES

The Group possessed the following contingent liabilities as of 30 September 2020 and 31 December 2019:

The number of guarantees of the Parent Entity Unimot S.A. towards third parties, issued in the course of current activity as of 30 September 2020 and as of 31 December 2019 amounted respectively PLN 31.96 million and EUR 4 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 30 September 2020 and as of 31 December 2019 amounted respectively USD 9.1 million and USD 19.4 million.

The Parent Entity Unimot S.A. granted a civil surety for the liabilities of a related nonconsolidated entity in the amounts as of 30 September 2020 and as of 31 December 2019 respectively PLN 2.5 million and PLN 2.5 million.

The Parent Entity Unimot S.A. issued a guarantee, civil surety, and promissory notes for the liabilities of related consolidated entities as of 30th September 2020 and as of 31st December 2019 in the amounts respectively PLN 35.8 million and PLN 36.7 million.

The number of guarantees concerning liabilities of subsidiaries towards third parties issued in the course of the current activity as of 30 September 2020 and as of 31 December 2019 amounted respectively PLN 20.74 million and PLN 21.74 million.

7.13 ESTIMATION OF THE INFLUENCE OF CORONAVIRUS COVID-19 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL SITUATION OF THE CAPITAL GROUP

The Management Board of the Parent Entity on a daily basis analyses information concerning the surge of the coronavirus COVID-19 in the world, and especially in Poland and the region, which results from the geographical primary scope of operations of the Unimot Capital Group. The largest importance is attached by the Board to information provided by the Polish government, National Bank of Poland, and other leading national institutions.

Based on the currently available information the Management Board of the Parent Entity does not perceive a threat to the continuity of supplies of our primary products to our customers, i.e. diesel, bio-fuels, LPG, natural gas, electricity and other petroleum products. Access to fuels, apart from food and medicines, seems to be of key importance to national authorities and the society. The Group is a leading importer both of diesel and LPG as well as bitumen, and is prepared to continue its operations in these segments. Apart from bitumen, so far our suppliers have not limited availability of the abovementioned products.

For the time being, due to a dynamically changing environment, the Management Board of the Parent Entity is not able to determine precisely the final impact of the coronavirus COVID-19 pandemic as well as the restrictions introduced by the Polish government and the European Union on the operations and the perspectives of the UNIMOT Capital Group in Q2 2020. The range of the impact will depend primarily on the duration of the pandemic in our region, which will directly influence the trade limitations and demand-supply changes, which in turn is of key importance to the operations of commercial companies.

However, the Management Board of the Parent Entity estimates that in the oncoming months the pandemic will have a limited influence on our primary business lines. It can be excluded that similarly to the period March-May of the current year the Group may also become a beneficiary of market changes that are occurring or will occur following the surge of the COVID-19 coronavirus pandemic and restrictions introduced by the authorities.

The Group conducts a policy of hedging against price change risks, therefore, their rapid changes do not influence the results. Lower purchase prices improve the financial liquidity of the Group, limiting its exposure to bank credits, as it occurred in the period March-May of the present year. Since May one could observe an increase in the quotations of petroleum and diesel, but still the present level of quotations is significantly lower compared to the ones from the beginning of the year.

Additionally, costs of our operations also depend on the interest rate of bank credits – in the present situation the costs of capital are decreasing together with the decrease of the interest rates by the American FED and NBP.

Agreeing with the available market analyses, the Management Board of the Parent Entity expects a decreased demand for

fuels in Poland in the entire year 2020. In the opinion of the Management Board the continuation of the decreased consumption of fuels in the months to come may create a more difficult market environment.

The Group conducts a restrictive policy of granting credit limits, which has been continued for a number of years. Through internal departments the Group conducts a continuous monitoring of balances and supervision over utilisation of credit limits. If maturity of receivables occurs the regulations of debt recovery are applied. Receivables are hedged with insurance and other forms, such as: bank guarantees, mortgages, blocking resources on bank accounts, registered pledges on movables, acts of submission to enforcement under the art. 777 k.p.c. The Group cooperates with the leading insurers of receivables. As of the present day the stance of Insurers is stable and balanced, we do not observe significant deviations in the scope of limit coverage, open processes of negotiating the terms of insurance are not disturbed.

Additionally, the Management Board of the company ensures that no significant acquisitions are planned in 2020.

With regard to the abovementioned information, the Management Board of the Parent Entity assumes that the results of H2 2020 measured with Consolidated Adjusted EBITDA will be weaker than the results achieved in the corresponding period of 2019, and compared to budget assumptions for H2 2020. In Q3 2020 the Consolidated Adjusted EBITDA amounted to PLN 10.9 million and was by 40.7% lower against the corresponding period of 2019. As of the publication date of the present statements the Management Board of the Parent Entity is not changing the increased in June forecast of Consolidated Adjusted EBITDA for 2020 that amounts to PLN 80 million. However, it points out that considering the external environment that has been present in H2 2020 achieving this increased forecast will be an extremely ambitious task.

7.14 EVENTS AFTER THE ACCOUNTING PERIOD

No events to be disclosed.

8. INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS



8. INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

Interim condensed standalone statements on financial situation

<i>in PLN thousand</i>	<i>Note</i>	31.09.2020 (unexamined)	31.12.2019
Fixed assets			
TANGIBLE FIXED ASSETS		15 830	13 344
Right to use assets		29 108	6 029
INTANGIBLE ASSETS		14 388	14 382
Investments into subsidiaries		47 647	43 481
Other financial assets		2 785	2 916
Derivative financial instruments		25 676	-
Other long-term liabilities		55 465	2 224
Client contracts assets		3 706	4 317
Deferred income tax assets		7 400	-
Total fixed assets		202 005	86 693
Current assets			
Inventory		171 819	238 701
Client contracts assets		1 168	1 162
Trade and other receivables		239 844	263 470
Other financial assets		5 525	5 758
Derivative financial instruments		2 718	12 123
Income tax receivables		1 942	621
Financial resources and their equivalents		31 303	26 776
Other current assets	10.8	4 628	5 175
Total current assets		458 947	553 786
TOTAL ASSETS		660 952	640 479

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

Interim condensed standalone statements on the financial situation should be analysed jointly with explanatory information which constitute an integral part of the interim condensed standalone financial statements.

Interim condensed standalone statements on financial situation (continued)

<i>in PLN thousand</i>	<i>Note</i>	31.09.2020 (unexamined)	31.12.2019
Equity			
Share capital		8 198	8 198
Other capitals		218 816	181 140
Previous years' results and current year result		7 604	54 269
Total equity		234 618	243 607
Long-term liabilities			
Liabilities due to loans and other debt instruments	10.9	27 612	7 272
Employee benefits liabilities		185	185
Derivative financial instruments		-	5 648
Deferred income tax reserve		-	2 078
Total long-term liabilities		27 797	15 183
Short-term liabilities			
Overdrafts	10.9	157 015	203 504
Liabilities due to loans and other debt instruments	10.9	16 762	2 866
Derivative financial instruments		3 350	2 421
Employee benefits liabilities		435	435
Client contracts liabilities		5 313	2 613
Trade and other liabilities		215 662	169 850
Total short-term liabilities		398 537	381 689
Total liabilities		426 334	396 872
TOTAL LIABILITIES		660 952	640 479

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

Interim condensed standalone statements on the financial situation should be analysed jointly with explanatory information which constitute an integral part of the interim condensed standalone financial statements.

Interim condensed standalone statements on total revenues

<i>in PLN thousand</i>	<i>Note</i>	01.01.2020 - 30.09.2020 (unexamined)	01.07.2020 - 30.09.2020 (unexamined)	01.01.2019 - 30.09.2019 (unexamined)	01.07.2019 - 30.09.2019 (unexamined)
Revenues on sales		3 443 433	1 283 464	3 051 981	1 208 115
Profits (losses) on realised financial instruments regarding fuel trade		(44 830)	(3 579)	816	336
Cost of sold goods, products, and materials	10.2	(3 261 697)	(1 237 231)	(2 900 893)	(1 141 934)
Gross profit/(loss) on sales		136 906	42 654	151 904	66 517
Other operating revenues	10.3	2 293	931	1 383	473
Sales costs	10.1	(103 657)	(35 473)	(79 675)	(30 526)
Overheads	10.1	(17 282)	(4 884)	(12 220)	(5 600)
Other net profits/losses	10.4	193	47	1 123	228
Other operating costs	10.5	(6 107)	(31)	(167)	(50)
Profit/loss on operating activity		12 346	3 244	62 348	31 042
Financial revenues	10.6	592	281	385	120
Financial costs	10.6	(3 869)	(1 149)	(6 483)	(2 370)
Net financial revenues/(costs)	10.6	(3 277)	(868)	(6 098)	(2 250)
Profit/(loss) before taxation		9 069	2 376	56 250	28 792
Income tax	10.7	(1 909)	(394)	(11 189)	(5 587)
Net profit/(loss) for the financial year		7 160	1 982	45 061	23 205
Profit/loss per one share in PLN					
Basic		0,87	0,24	5,50	2,83
Diluted		0,87	0,24	5,50	2,83
Statement on total revenues					
Net profit/(loss) for the financial year		7 160	1 982	45 061	23 205
Other total revenues that will be reclassified as profits or losses after complying with defined conditions		-	-	-	-
Other total revenues		-	-	-	-
Total profits for the financial year		7 160	1 982	45 061	23 205

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

Małgorzata Walnik

Interim condensed standalone statements on total revenues should be analysed jointly with explanatory information which constitute an integral part of the interim condensed standalone financial statements.

Interim condensed standalone statements on cash flows

<i>in PLN thousand</i>	<i>Note</i>	01.01.2020 - 30.09.2020 (unexamined)	01.07.2020 - 30.09.2020 (unexamined)	01.01.2019 - 30.09.2019 (unexamined)	01.07.2019 - 30.09.2019 (unexamined)
Operating cash flows					
Profit/(loss) before taxation		9 069	2 376	56 250	28 792
Adjustments with items:					
Tangible fixed asset amortisation		4 538	2 140	2 875	939
Intangible assets impairment		203	73	182	69
Loss (profit) due to exchange rate differences		5 845	763	8 317	10 207
(Profit)/loss on sales of tangible fixed assets	10.4	(193)	(47)	(1 123)	(228)
Interests and transactional costs (concerning credits and loans) and dividends, net		3 275	865	6 098	2 250
Receivables status change		(37 987)	(8 456)	(91 267)	(45 582)
Inventory status change		66 882	27 600	(135 643)	(77 958)
Client contracts assets status change		605	587	(539)	(327)
Client contracts liabilities status change		2 700	(606)	(10 206)	1 770
Trade and other short-term liabilities status change		46 386	(26 936)	143 538	87 614
Status change of assets/(liabilities) due to hedging instruments		(20 990)	(2 604)	16 583	(7 294)
Provisions status change		(2 078)	-	2 625	2 073
Creating/reversing impairment loss		4 000	-	-	-
Income tax paid/returned	10.7	(1 909)	(394)	(11 189)	(5 587)
Net operating cash flows		80 346	(4 639)	(13 499)	(3 262)
Investment activity cash flows					
Revenues on tangible fixed assets sale		793	286	2 856	602
Received interests		690	295	287	58
Revenues on loans		10 302	13	47	9
Tangible fixed assets purchase		(2 385)	(1 612)	(864)	(147)
Intangible assets purchase		(209)	(1)	(160)	(10)
Loans granted		(13 935)	(2 870)	(3 500)	(3 500)
Other investments acquisition		-	-	(2 018)	-
Net investment activity cash flows		(4 744)	(3 889)	(3 352)	(2 988)
Net financial activity cash flows					
Contracting credits, loans, and other debt instruments		10 000	-	9 000	-
Acquisition of shares in owned subsidiaries		(4 166)	(2 750)	(2 867)	(1 437)
Repayment of credits, loans, and other debt instruments		-	-	(9 000)	-
Paid dividends		(16 149)	-	-	-
Payment of liabilities due to financial lease contracts		(1 643)	(656)	(1 756)	(776)
Payment of liabilities due to lease (other rent and lease contracts unrecognised before)		(2 341)	(1 269)	(956)	(319)
Interests and transactional costs (concerning credits and loans) paid		(4 443)	(1 150)	(6 483)	(2 369)
Net financial activity cash flows		(18 742)	(5 825)	(12 062)	(4 901)
Financial resources and their equivalents status change					
Influence of exchange rate changes concerning financial resources and their equivalents		(5 844)	(762)	(8 317)	(10 207)
Financial resources and their equivalents status change		51 016	(15 115)	(37 230)	(21 358)
Financial resources and their equivalents net of overdrafts as of 1st January/1st July		(176 728)	(110 597)	(175 386)	(191 258)
Financial resources and their equivalents net of overdrafts as of 30th September		(125 712)	(125 712)	(212 616)	(212 616)

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

Interim condensed standalone statements on cash flows should be analysed jointly with explanatory information which constitute an integral part of the interim condensed standalone financial statements.

Interim condensed standalone statements on changes in equity

<i>in PLN thousand</i>	Share capital	Hedge accounting capital	Other capitals (including own shares)	Previous years' results	Current year result	Total equity
Equity as of 1st January 2019	8 198	-	174 437	9 346	(2 199)	189 782
Application effect of IFRS 16	-	-	-	-	-	-
Data adjusted for the influence of IFRS 16 as of 1st January 2019	8 198	-	174 437	9 346	(2 199)	189 782
Total profits for the financial year	-	-	-	-	45 061	45 061
- Net profit/(loss) for the period	-	-	-	-	45 061	45 061
Transactions with owners recognised directly in equity						
Profit transfer	-	-	6 703	(8 902)	2 199	-
Equity as of 30th September 2019	8 198	-	181 140	444	45 061	234 843

(unexamined)

<i>in PLN thousand</i>	Share capital	Hedge accounting capital	Other capitals (including own shares)	Previous years' results	Current year result	Total equity
Equity as of 1st January 2019	8 198	-	174 437	9 346	(2 199)	189 782
Application effect of IFRS 16	-	-	-	-	-	-
Data adjusted for the influence of IFRS 16 as of 1st January 2019	8 198	-	174 437	9 346	(2 199)	189 782
Total profits for the financial year	-	-	-	-	53 825	53 825
- Net profit/(loss) for the period	-	-	-	-	53 825	53 825
Transactions with owners recognised directly in equity						
Profit transfer	-	-	6 703	(8 902)	2 199	-
Equity as of 31st December 2019	8 198	-	181 140	444	53 825	243 607

<i>in PLN thousand</i>	Share capital	Hedge accounting capital	Other capitals (including own shares)	Previous years' results	Current year result	Total equity
Equity as of 1st January 2020	8 198	-	181 140	444	53 825	243 607
Total profits for the financial year	-	-	-	-	7 160	7 160
- Net profit/(loss) for the period	-	-	-	-	7 160	7 160
Transactions with owners recognised directly in equity						
Additional payments from and payments to the owners	-	-	-	-	(16 149)	(16 149)
<i>Dividend</i>	-	-	-	-	(16 149)	(16 149)
Profit/(loss) transfer	-	-	37 676	-	(37 676)	-
Equity as of 30th September 2020	8 198	-	218 816	444	7 160	234 618

(unexamined)

President of the Management Board

Adam Sikorski

Person preparing the report

Małgorzata Walnik

Vice-President of the Management Board

Robert Brzozowski

Vice-President of the Management Board

Marek Moroz

Interim condensed standalone statements on changes in equity should be analysed jointly with explanatory information which constitute an integral part of the interim condensed standalone financial statements.

9. CONDENSED SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

In the condensed supplementary information to the interim condensed standalone statements Unimot S.A. only presented the notes where data consolidation occurred. The remaining notes, based entirely on the data of the Parent Entity (No 7.5), have been presented in the supplementary information to the interim condensed consolidated financial statements.

9.1 REPORTING SEGMENTS

Operating segments identification has not changed and is compliant with the principles described in the standalone financial statements as of the day and financial year ending on 31st December 2019

<i>in PLN thousand</i>	in this:					in this:		Corporate functions	Total
for the period 01.01.2020 - 30.09.2020	Liquid fuels trade	Diesel and Bio-fuels	LPG	Gaseous fuels trade	Other activity	Petrol stations	Other petroleum products		
Revenues from external customers	3 106 428	2 868 959	237 469	29 105	304 375	40 181	264 194	3 525	3 443 433
Profits (losses) on realised financial instruments regarding fuel trade	(44 830)	(44 830)	-	-	-	-	-	-	(44 830)
Total revenues	3 061 598	2 824 129	237 469	29 105	304 375	40 181	264 194	3 525	3 398 603
Cost of goods, products, and materials, sold to external customers	(2 941 414)	(2 719 091)	(222 323)	(25 559)	(294 724)	(35 938)	(258 786)	-	(3 261 697)
Cost of goods, products, and materials, in total	(2 941 414)	(2 719 091)	(222 323)	(25 559)	(294 724)	(35 938)	(258 786)	-	(3 261 697)
Segment results	120 184	105 038	15 146	3 546	9 651	4 243	5 408	3 525	136 906
Other operating revenues	2 210	1 601	609	-	17	13	4	66	2 293
Sale and overheads costs	(90 865)	(80 546)	(10 319)	(3 157)	(11 463)	(6 421)	(5 042)	(15 454)	(120 939)
Other net profits/losses	193	-	193	-	-	-	-	-	193
Other operating costs	(190)	(116)	(74)	(13)	(14)	(12)	(2)	(5 890)	(6 107)
Operating activity result	31 532	25 977	5 555	376	(1 809)	(2 177)	368	(17 753)	12 346
Financial revenues	498	287	211	-	31	6	25	63	592
Financial costs	(3 855)	(3 780)	(75)	-	(6)	(1)	(5)	(8)	(3 869)
Income tax	-	-	-	-	-	-	-	-	(1 909)
Profit/(loss) for the period	28 175	22 484	5 691	376	(1 784)	(2 172)	388	(17 698)	7 160
Amortisation	(2 289)	(1 740)	(549)	-	(1 076)	(1 010)	(66)	(1 376)	(4 741)
Interests	(3 292)	(3 233)	(59)	-	(6)	(1)	(5)	59	(3 239)
EBITDA*	33 756	27 457	6 299	376	(702)	(1 161)	459	(16 381)	17 049

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

<i>in PLN thousand</i>	in this:					in this:		Corporate functions	Total
for the period 01.07.2020 - 30.09.2020	Liquid fuels trade	Diesel and Bio-fuels	LPG	Gaseous fuels trade	Other activity	Petrol stations	Other petroleum products		
Revenues from external customers	1 055 275	971 566	83 709	3 694	223 442	21 993	201 449	1 053	1 283 464
Profits (losses) on realised financial instruments regarding fuel trade	(3 579)	(3 579)	-	-	-	-	-	-	(3 579)
Total revenues	1 051 696	967 987	83 709	3 694	223 442	21 993	201 449	1 053	1 279 885
Cost of goods, products, and materials, sold to external customers	(1 014 656)	(934 843)	(79 813)	(3 609)	(218 966)	(20 248)	(198 718)	-	(1 237 231)
Cost of goods, products, and materials, in total	(1 014 656)	(934 843)	(79 813)	(3 609)	(218 966)	(20 248)	(198 718)	-	(1 237 231)
Segment results	37 040	33 144	3 896	85	4 476	1 745	2 731	1 053	42 654
Other operating revenues	928	452	476	-	3	(1)	4	-	931
Sale and overheads costs	(29 361)	(26 418)	(2 943)	(1 344)	(5 217)	(2 762)	(2 455)	(4 435)	(40 357)
Other net profits/losses	47	-	47	-	-	-	-	-	47
Other operating costs	(115)	(113)	(2)	-	-	-	-	84	(31)
Operating activity result	8 539	7 065	1 474	(1 259)	(738)	(1 018)	280	(3 298)	3 244
Financial revenues	269	224	45	-	6	2	4	6	281
Financial costs	(1 192)	(1 169)	(23)	-	(5)	-	(5)	48	(1 149)
Income tax	-	-	-	-	-	-	-	-	(394)
Profit/(loss) for the period	7 616	6 120	1 496	(1 259)	(737)	(1 016)	279	(3 244)	1 982
Amortisation	(1 175)	(985)	(190)	-	(559)	(536)	(23)	(479)	(2 213)
Interests	(857)	(838)	(19)	-	(5)	-	(5)	4	(858)
EBITDA*	9 648	7 943	1 705	(1 259)	(173)	(480)	307	(2 769)	5 447

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

<i>in PLN thousand</i>	in this:			in this:		in this:		Corporate functions	Total
for the period 01.01.2019 - 30.09.2019	Liquid fuels trade	Diesel and Bio-fuels	LPG	Gaseous fuels trade	Other activity	Petrol stations	Other petroleum products		
Revenues from external customers	2 993 630	2 749 674	243 956	23 155	34 721	25 516	9 205	475	3 051 981
Profits (losses) on realised financial instruments regarding fuel trade	816	816	-	-	-	-	-	-	816
Total revenues	2 994 446	2 750 490	243 956	23 155	34 721	25 516	9 205	475	3 052 797
Cost of goods, products, and materials, sold to external customers	(2 847 019)	(2 620 409)	(226 610)	(23 878)	(29 996)	(21 989)	(8 007)	-	(2 900 893)
Cost of goods, products, and materials, in total	(2 847 019)	(2 620 409)	(226 610)	(23 878)	(29 996)	(21 989)	(8 007)	-	(2 900 893)
Segment results	147 427	130 081	17 346	(723)	4 725	3 527	1 198	475	151 904
Other operating revenues	1 372	1 115	257	-	8	8	-	3	1 383
Sale and overheads costs	(76 572)	(65 208)	(11 364)	(1 578)	(6 060)	(4 915)	(1 145)	(7 685)	(91 895)
Other net profits/losses	1 123	198	925	-	-	-	-	-	1 123
Other operating costs	(93)	(71)	(22)	-	(5)	(5)	-	(69)	(167)
Operating activity result	73 257	66 115	7 142	(2 301)	(1 332)	(1 385)	53	(7 276)	62 348
Financial revenues	196	17	179	-	2	2	-	187	385
Financial costs	(6 281)	(6 174)	(107)	-	(3)	(3)	-	(199)	(6 483)
Income tax	-	-	-	-	-	-	-	-	(11 189)
Profit/(loss) for the period	67 172	59 958	7 214	(2 301)	(1 333)	(1 386)	53	(7 288)	45 061
Amortisation	(1 191)	(660)	(531)	(1)	(552)	(552)	-	(1 313)	(3 057)
EBITDA*	74 448	66 775	7 673	(2 300)	(780)	(833)	53	(5 963)	65 405

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

<i>in PLN thousand</i>	in this:			in this:		in this:		Corporate functions	Total
for the period 1.07.2019 - 30.09.2019	Liquid fuels trade	Diesel and Bio-fuels	LPG	Gaseous fuels trade	Other activity	Petrol stations	Other petroleum products		
Revenues from external customers	1 181 697	1 093 166	88 531	8 603	17 711	8 914	8 797	104	1 208 115
Profits (losses) on realised financial instruments regarding fuel trade	336	336	-	-	-	-	-	-	336
Total revenues	1 182 033	1 093 502	88 531	8 603	17 711	8 914	8 797	104	1 208 451
Cost of goods, products, and materials, sold to external customers	(1 117 508)	(1 035 615)	(81 893)	(9 070)	(15 356)	(7 706)	(7 650)	-	(1 141 934)
Cost of goods, products, and materials, in total	(1 117 508)	(1 035 615)	(81 893)	(9 070)	(15 356)	(7 706)	(7 650)	-	(1 141 934)
Segment results	64 525	57 887	6 638	(467)	2 355	1 208	1 147	104	66 517
Other operating revenues	464	353	111	-	7	7	-	2	473
Sale and overheads costs	(28 598)	(24 244)	(4 354)	(1 113)	(2 282)	(1 507)	(775)	(4 133)	(36 126)
Other net profits/losses	228	198	30	-	-	-	-	-	228
Other operating costs	(37)	(32)	(5)	-	-	-	-	(13)	(50)
Operating activity result	36 582	34 162	2 420	(1 580)	80	(292)	372	(4 040)	31 042
Financial revenues	54	-	54	-	1	1	-	65	120
Financial costs	(2 327)	(2 292)	(35)	-	(2)	(2)	-	(41)	(2 370)
Income tax	-	-	-	-	-	-	-	-	(5 587)
Profit/(loss) for the period	34 309	31 870	2 439	(1 580)	79	(293)	372	(4 016)	23 205
Amortisation	(389)	(232)	(157)	-	(184)	(184)	-	(435)	(1 008)
EBITDA*	36 971	34 394	2 577	(1 580)	264	(108)	372	(3 605)	32 050

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

<i>in PLN thousand</i>	Liquid fuels trade	in this:		Gaseous fuels trade	Other activity	in this:		Corporate functions	Consolidated Total
30.09.2020		Diesel and Bio-fuels	LPG			Petrol stations	Other petroleum products		
Segment assets	477 509	436 439	41 070	29 699	49 332	40 519	8 813	104 412	660 952
Segment liabilities	349 638	323 685	25 953	12 068	32 256	28 623	3 633	32 372	426 334

<i>in PLN thousand</i>	Liquid fuels trade	in this:		Gaseous fuels trade	Other activity	in this:		Corporate functions	Consolidated Total
30.12.2019		Diesel and Bio-fuels	LPG			Petrol stations	Other petroleum products		
Segment assets	513 802	473 287	40 515	16 664	21 416	15 318	6 098	88 597	640 479
Segment liabilities	337 837	315 339	22 498	7 704	9 084	6 043	3 041	42 247	396 872

Revenues on sales - assortment breakdown

<i>in PLN thousand</i>	01.01.2020-30.09.2020	01.01.2019-30.09.2019
DIESEL AND BIO-FUELS	3 088 323	2 750 490
LPG	237 469	243 956
Gaseous fuels	29 105	23 155
Other	43 706	35 196
Total	3 398 603	3 052 797

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

<i>in PLN thousand</i>	01.01.2020-30.09.2020	01.01.2019-30.09.2019
Poland	2 540 940	2 455 660
Czech Republic	296 978	195 404
Switzerland	2 060	1 973
Slovakia	5 138	7 758
China	659	625
Hungary	15 253	24 216
Austria	22 038	25 161
Great Britain	272 461	621
Belgium	14 472	-
Germany	139 538	8 215
Taiwan	556	-
The Netherlands	-	149 133
Cyprus	61	19 904
Romania	122	91
France	-	6 450
Bulgaria	63 299	84 925
Estonia	13 748	36 876
Ukraine	5 957	24 040
Serbia	1 570	-
Lithuania	3 722	11 743
Sweden	31	-
Belarus	-	2
Total	3 398 603	3 052 797

Main customers

In the period of 9 months of 2020 and 9 months of 2019 none of the Company's customers exceeded 10% of standalone revenues.

10. ADDITIONAL EXPLANATORY NOTES TO THE INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

10.1 COST BY TYPE

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Amortisation of tangible fixed assets and intangible assets	(2 135)	(2 022)
Asset amortisation due to the right to use assets	(2 606)	(1 035)
Electricity and materials consumption	(1 594)	(1 772)
Foreign services	(92 979)	(65 674)
Taxes and charges	(211)	(134)
Remunerations	(13 395)	(7 196)
Social security and other benefits	(1 524)	(1 480)
Other cost by type	(4 700)	(5 432)
Costs by type in total	(119 144)	(84 745)
Cost of sold goods, products, and materials	(3 261 697)	(2 900 893)
Change in inventories and accruals	(737)	505
Other	(1 058)	(7 655)
Cost of sold goods, products and materials and overheads	(3 382 636)	(2 992 788)

10.2 COST OF SOLD GOODS, PRODUCTS AND MATERIALS

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Cost of sold goods, products, and materials	(3 289 336)	(2 907 923)
Inventories valuation to fair value	(57 770)	29 716
Item valuation in foreign currency	15 184	(22 381)
Exchange rate differences achieved	70 225	(305)
Total	(3 261 697)	(2 900 893)

10.3 OTHER OPERATING REVENUES

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Received damages and penalties	149	2
Costs of court proceedings subject to return	105	46
Interest revenues concerning trade receivables	1 224	1 217
Other	815	118
Total	2 293	1 383

10.4 OTHER NET PROFITS/(LOSSES)

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Net profit on sale of intangible assets	193	1 123
Total	193	1 123

10.5 OTHER OPERATING COSTS

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Interest costs from non-financial liabilities	(36)	(38)
Costs of court proceedings	(105)	(89)
Damages and penalties	(20)	-
Donations	(1 888)	(28)
Write-off revaluating investments value	(4 000)	-
Other	(58)	(12)
Total	(6 107)	(167)

10.6 NET FINANCIAL REVENUES/(COSTS)

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Financial revenues		
Interest on financial assets and financial commissions	592	385
Total financial revenues	592	385
Financial costs		
Bank charges and transaction costs on credits and loans	(3 869)	(6 483)
Total financial costs	(3 869)	(6 483)
Net financial revenues/(costs)	(3 277)	(6 098)

10.7 INCOME TAX

Income tax recognised in the interim condensed standalone statements on total revenues

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Current income tax		
Income tax for the current year	(11 387)	(8 563)
Deferred tax		
Arising/reversing temporary differences	9 478	(2 626)
Income tax recognised in the statements on total revenues	(1 909)	(11 189)

Effective discount rate

<i>in PLN thousand</i>	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Profit/(loss) before taxation	9 069	56 250
Tax based on applicable tax rate	(1 723)	(10 688)
Fixed costs not being the cost of obtaining revenues	(186)	(501)
Total	(1 909)	(11 189)
Effective discount rate	21,0%	19,9%

10.8 OTHER CURRENT ASSETS

<i>in PLN thousand</i>	30.09.2020	31.12.2019
Active accruals	4 628	5 175
Total	4 628	5 175

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

<i>in PLN thousand</i>	30.09.2020	31.12.2019
Long-term liabilities		
Financial lease liabilities	2 770	2 178
Liabilities due to lease (other lease and rent contracts unrecognised before)	24 842	5 094
	27 612	7 272
Short-term liabilities		
Short-term part of credits and loans	10 000	-
Short-term part of financial lease liabilities	2 003	1 604
Liabilities due to lease (other lease and rent contracts unrecognised before)	4 759	1 262
	16 762	2 866
Overdrafts	157 015	203 504
Total	201 389	213 642

In the period covered by the present interim statements or after the balance sheet date there were no events of failure to repay the principal or interests.

As of 30th September 2020 the following infringements occurred to covenants in the credit contracts (and also contracts for other bank products) held by the Parent Entity:

- BNP Paribas Bank Polska S.A. (formerly Raiffeisen Bank Polska S.A.) covenants verified in quarterly period based on standalone data of Unimot S.A.:
- Profit on sales [result from operating activity for last 12 months / (revenues on sales + result from financial instruments hedging sales for last 12 months)] > 1% – value of the ratio: 0.6%

The consequence of infringement to covenants is a possibility to decrease the amount of available limits by the bank, as well as the right for a request to provide an additional collateral or increase the bank's margin.

The Company estimates that this does not bear any significant risks to its operations, particularly, as the current bank's involvement results only from the issued bank guarantee amounting to EUR 1.2 million. The bank did not take any steps with regard to the infringement of the abovementioned covenant.

There were no infringements to other terms stipulated in the credit agreements.

10.10 TRANSACTIONS AND SETTLEMENTS OF GROUP'S COMPANIES WITH RELATED ENTITIES

Definition of related entities

The Group concludes transactions with the Parent Entity and related entities specified below.

- Unimot System Sp. z o.o.
- Blue LNG Sp. z o.o.
- Unimot Paliwa Sp. z o.o.
- Unimot Energia i Gaz Sp. z o.o.
- Unimot Energia i Gaz Sp. z o.o. SK.A.
- Tradea Sp. z o.o.
- Unimot Ukraine LLC
- Unimot Asia LLC

- Unimot Energy LLC
- 3 Seas Energy LLC
- 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 the period of 9 months ended on 30th September 2020 and 30th September 2019 there were no transaction in the Company concluded with related entities on conditions different from market one. These transactions concerned primarily purchases of goods and services for the needs of the current operating activity.

<i>in PLN thousand</i>	Sale		Purchase	
	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019	01.01.2020- 30.09.2020	01.01.2019- 30.09.2019
Related entities	11 694	7 711	88 785	1 375

<i>in PLN thousand</i>	Sale		Purchase	
	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019	01.07.2020- 30.09.2020	01.07.2019- 30.09.2019
Related entities	3 537	1 871	87 827	679

<i>in PLN thousand</i>	Trade receivables due to loans and other receivables		Trade and other liabilities , loan liabilities and other liabilities	
	30.09.2020	31.12.2019	30.09.2020	31.12.2019
Related entities	10 728	8 480	11 324	4 122

10.11 ESTIMATION OF THE INFLUENCE OF CORONAVIRUS COVID-19 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL SITUATION OF THE ISSUER

The influence has been described in detail in Item 7.13 of the present statements.

Zawadzkie, 17th November 2020

.....
Adam Sikorski
 President of the Management Board
 the Management Board

.....
Robert Brzozowski
 Vice-President of

.....
Małgorzata Walnik
 Person preparing the statements
 Board

.....
Marek Moroz
 Vice-President of the Management