Consolidated financial results for Q1 2019

05/14/2019

AGENDA

1. Most important events

2. UNIMOT Group financial results

3. Financial results divided by segments

4. Outlook for future quarters

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UNIMOT'S BUSINESS IN Q1 2019

Total revenues:	Adjusted EBITDA*:	EBITDA:	Net profit:
PLN 868.7 m	**PLN 11.1 m**	**PLN 22.9 m**	**PLN 16.3 m**

UNIMOT GROUP

- Another, third in a row, quarter of very good results – growth in revenues by 28,2% yoy and in EBITDA by 88,5% yoy
- Record quarterly EBITDA as a result of operational activities and reserves valuation
- Net profit for LTM: PLN 15.1 million
- Possitive cash flow from operational activities and further significant improvement of financial indicators

LIQUID FUELS

- Growth in diesel sales volumes by 22% yoy
- Favourable external environment – high levels of land premium

LPG GAS

- Growth in sales volumes by 21% yoy
- Intensive utilisation of alternative LPG supplies

NATURAL GAS

- Sales and distribution of natural gas according to higher tariffs approved at the end of 2018
- Favourable external environment – falling price of gas

ELECTRICITY

- First quarterly net profit at UEiG (start-up from 2016)
- Utilisation of market turmoil related to so called „law on electricity" – no change to sales strategy and acquiring new sales contracts at UEiG
- Commencing the sales (in cooperation with a partner) of photovoltaic panels for business and readiness to receive generated electricity
- Further development of producer portfolio at Tradea – significant contract in Q1 2019

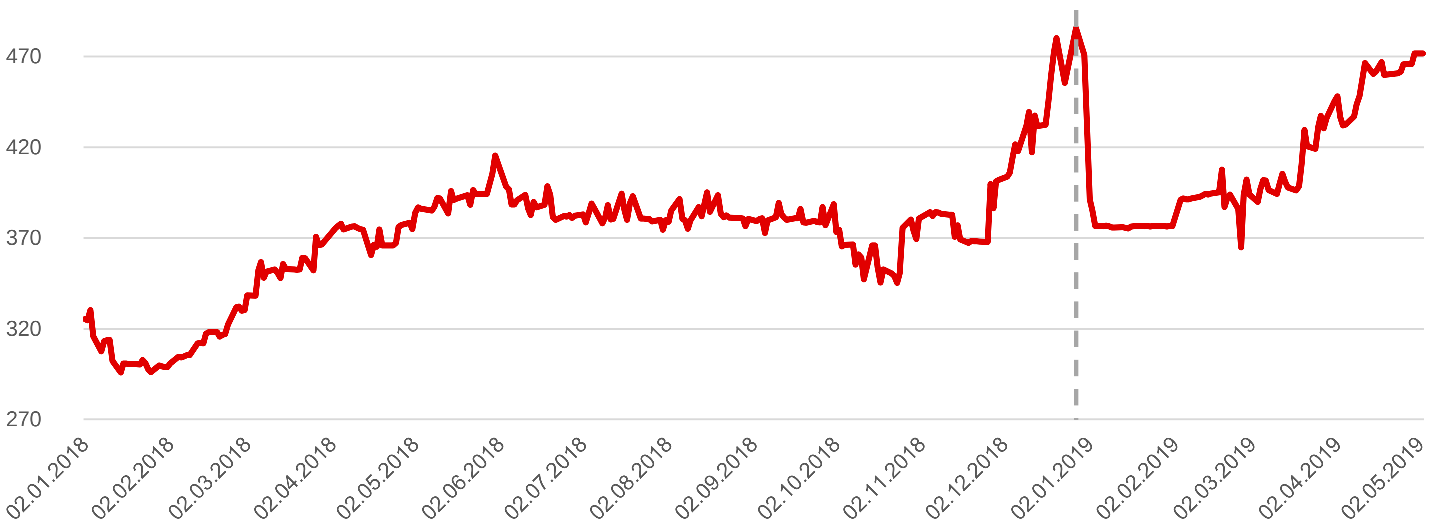
AVIA

- Including 5 new stations into the AVIA chain

** Adj. EBITDA = adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's*

MARKET ENVIRONMENT OF DIESEL OIL

Estimated land premium of biggest Polish diesel oil producers* [PLN/m3]

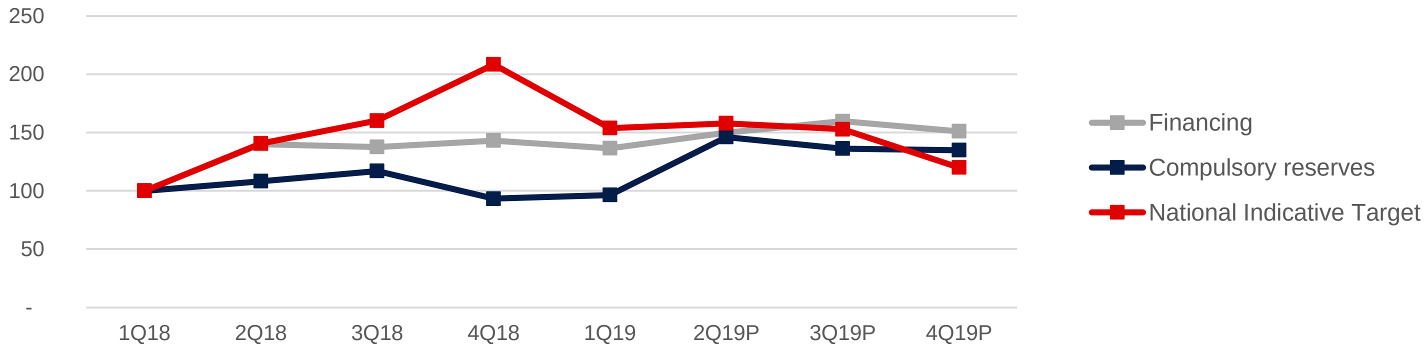


Futher growth of diesel consumption – from 4.6 million m³ in Q1 18 to **4.9 million** m³ in Q1 19
(source: POPiHN / Lotos)

Land premium needs to be perceived as a trend, not specific values

- It does not consider discounts applied by concerns (various levels depending on client and region)
- Basis for spot price: diesel blend (93% diesel and 7% bio-fuel), and actual NIT fulfilment differs in particular quarters (lowest in Q1 and Q4) – analyses should also consider spread of diesel quotations and bio-fuel (FAME)

Change of UNIMOT costs (Q1 2018 = 100)



- Costs of NIT fulfilment depend on NIT levels and blending in given quarter and spread between prices of diesel and bio-diesel)
- Cost of compulsory reserve is „distributed" onto sold volumes
- Costs based on market forecasts

** Difference among diesel prices of biggest Polish producers (excluding discounts) and Platts ARA quotations (diesel prices in ARA ports); land premium ≠ UNIMOT's margin*

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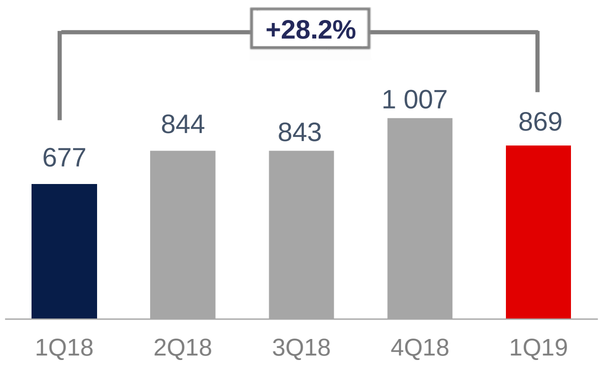
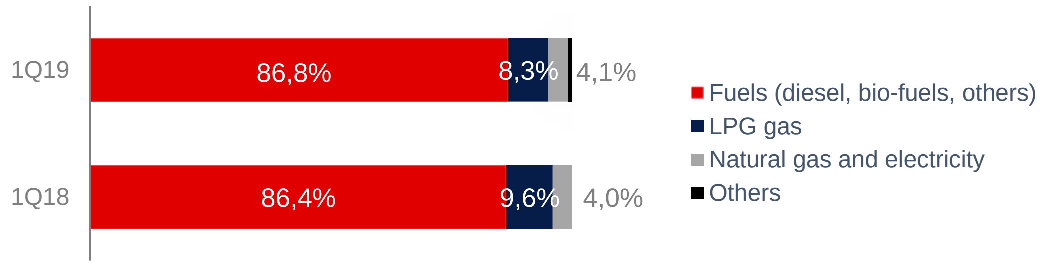
KEY FINANCIAL DATA

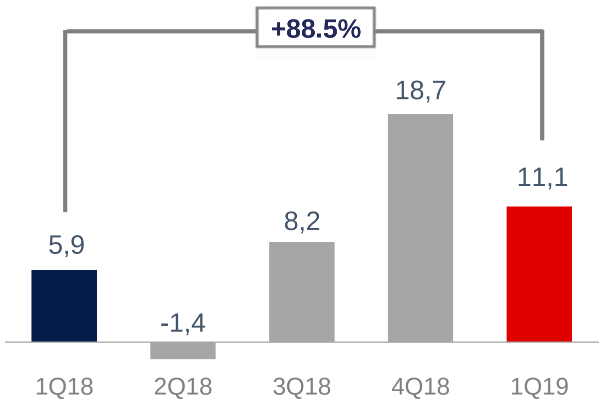
Total revenues [in PLN million]



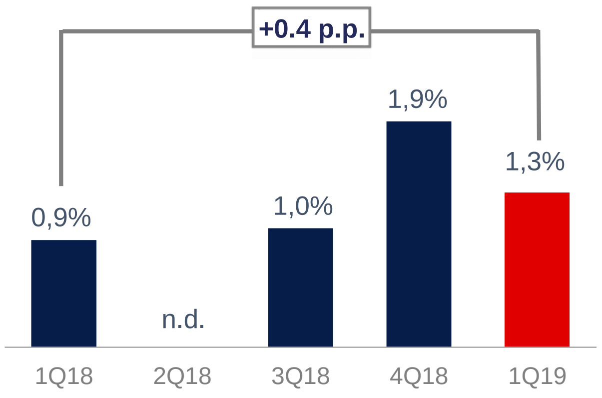
Revenues from external entities breakdown



Adj. EBITDA* [in PLN million]

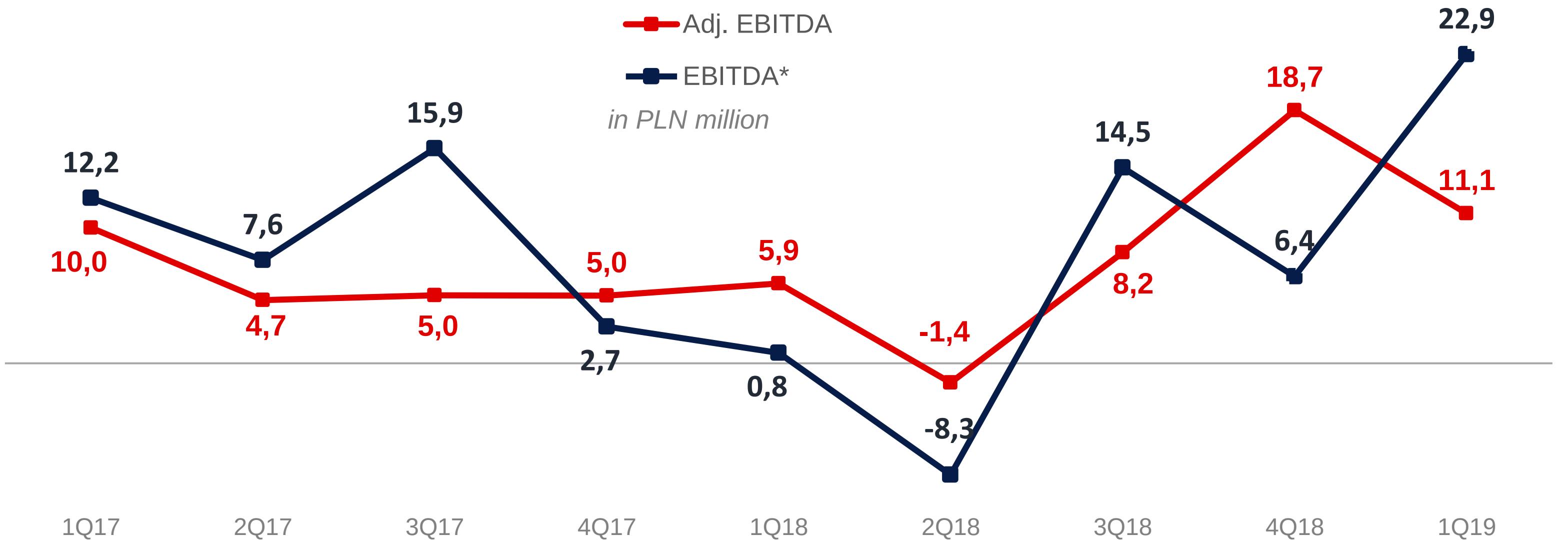


Adj. EBITDA* margin [in PLN milion]



** adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's*

EBITDA VS. adjusted EBITDA



Main assumptions:

- Book margin has been cleansed from the elements considered in the variable cost model
- The margin includes the profit from realised exchange rate effect and profits/losses when closing the positions of hedging instruments (excluding book valuations that have been included in the result)
- Model costs have been introduced in place of identified actual variable costs registered in the period, which have been estimated based on sales volumes and estimated standalone costs
- Financial costs have been deprived of the items related to book valuation of inventories and securing the prices of inventories and reserves

Quarterly data, excluding Q1 2018, before conversion due to a reduced approach to establishing provisions to cover the cost of maintaining the compulsory reserve, conversions of Q1 2018 do not affect the profit and loss account (no created provisions)

[in PLN million]	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
EBITDA*	**12.2**	**7.6**	**15.9**	**2.7**	**0.8**	**-8.3**	**14.5**	**6.4**	**22.9**
Adjustments: estimated diesel compulsory reserve valuation, provisions, justified movements and one off's	-2.2	-3.0	-10.9	+2.2	+5.1	+6.8	-6.3	+12.3	-11.8
Adj. EBITDA**	**10.0**	**4.7**	**5.0**	**5.0**	**5.9**	**-1.4**	**8.2**	**18.7**	**11.1**

** Earnings Before Interest, Taxes, Depreciation and Amortisation*

INCOME STATEMENT AND MARGINS

Q2 2018, Q3 2018, Q4 2018 prior to data conversion following an adjusted approach to creating provisions to cover the cost of maintaining compulsory reserve; conversions of Q1 2018 do not affect the profit and loss account (no created provisions)

[in PLN million]	1Q18	2Q18	3Q18	4Q18	1Q19	1Q19/1Q18
Net revenues	**677.4**	**843.9**	**842.7**	**1 007.0**	**868.7**	**28.2%**
Gross profit on sales*	**20.2**	**20.7**	**41.1**	**39.9**	**44.0**	**117.7%**
*Gross profit on sales margin**	*3.0%*	*2.5%*	*4.9%*	*4.0%*	*5.1%*	*2.1 p.p.*
Operating profit	**-5.5**	**-9.2**	**10.9**	**4.5**	**18.4**	**-**
Operating profit	-	-	*1.3%*	*0.4%*	*2.1%*	-
EBITDA**	**0.8**	**-8.3**	**14.5**	**6.4**	**22.9**	**2 845.1%**
*EBITDA margin***	*0.1%*	-	*1.7%*	*0.6%*	*2.6%*	*2.5 p.p.*
Adj. EBITDA**	**5.9**	**-1.4**	**8.2**	**18.7**	**11.1**	**88.5%**
*Adj. EBITDA margin***	*0.9%*	-	*1.0%*	*1.9%*	*1.3%*	*0.4 p.p.*
Net profit	**-2.0**	**-12.5**	**9.5**	**1.8**	**16.3**	**-**
Net profit margin	-	-	*1.1%*	*0.2%*	*1.9%*	-

** The item includes realised and unrealised exchange rates and assets and liabilities valuation, in this inventories*
*** Earnings Before Interest, Taxes, Depreciation and Amortization*
**** adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's*
Since 2018 according to IFRS 15, revenues and costs of wholesale energy trade through power exchanges and brokerage platforms have been included directly into the financial revenues/costs, not as previously into the revenues on sales. The Group has applied the retrospective method with a combined result of first application of IFRS 9 and IFRS 15 in retain profits since 1st January 2018.

FINANCIAL RATIOS IMPROVEMENT

	2017 LTM	Q2 18 LTM	Q3 18 LTM	2018 LTM	1Q 19 LTM
Financial liquidity ratio (current assets / short-term liabilities)	1.40	1.24	1.30	1.33	1.41
Interest coverage ratio (adj. EBITDA* / interest)	4.05	1.95	2.21	3.71	4.48
Bank Covenant (equity / balance sheet total)	32.6%	23.8%	27.1%	31.1%	32.3%
ROCE (adj. EBITDA* / fixed assets – working capital)	10.5%	6.4%	7.9%	14.4%	16.7%
Debt ratio (total liabilities / assets)	0.65	0.75	0.72	0.68	0.68
Receivables (in PLN million)	248	269	248	246	279
Inventories (in PLN million)	233	286	248	191	206
Short-term liabilities (in PLN million)	380	472	429	396	404

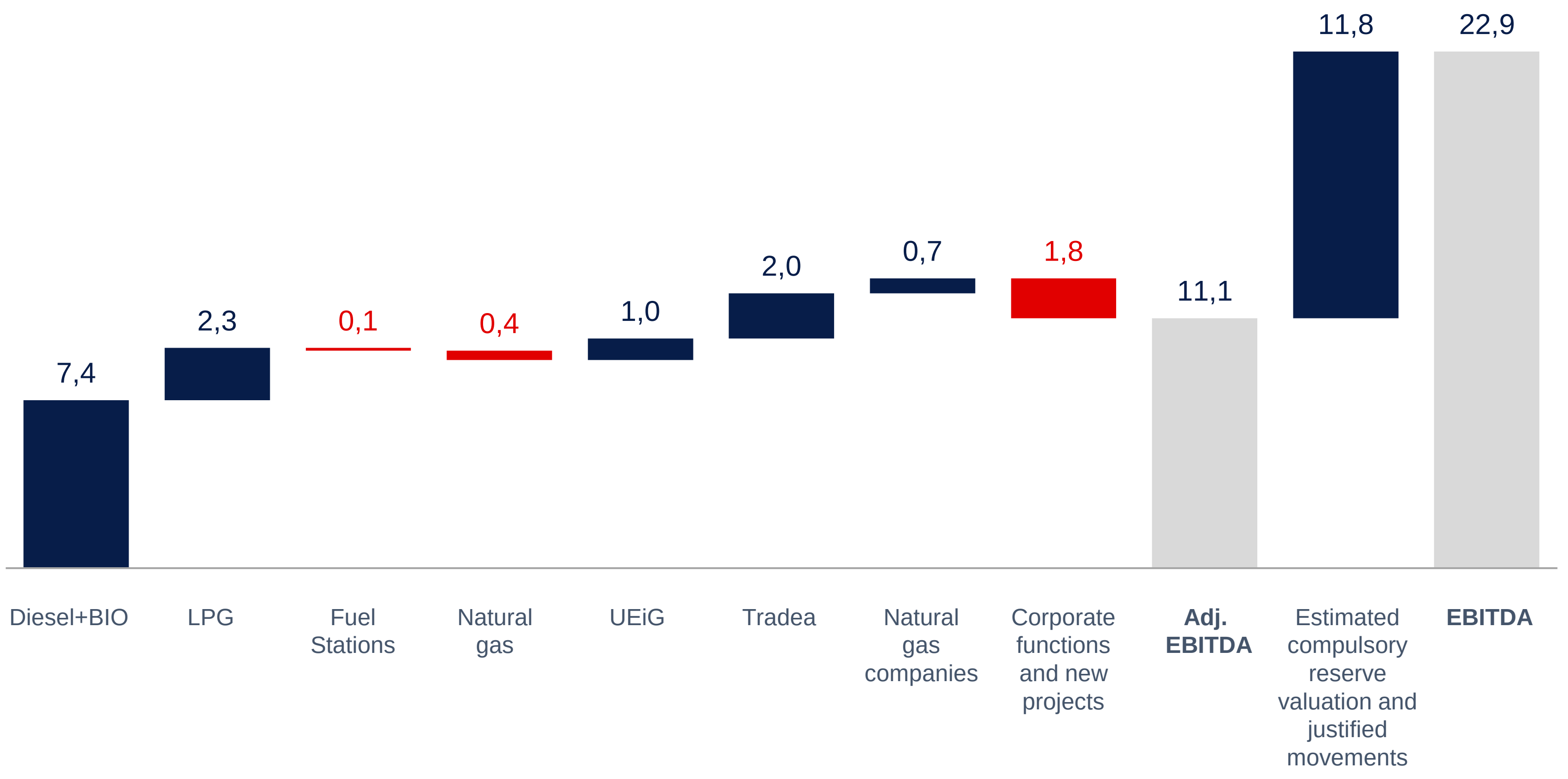
- Current liquidity ratio grew to the level of 1.41, i.e. by 0.21 above the minimum level assumed in the strategy
- Significant growth of interest coverage ratio reduces credit risk for financial institutions
- Bank covenant amounted to 32.3% - above the strategic objective
- ROCE ratio (adjusted for effects of valuations and book write-offs) reached the level of 16.7% - above the previous year and above the objective which we assume to achieve in 2023 (15%)

Counted on an adjusted results

** adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's*

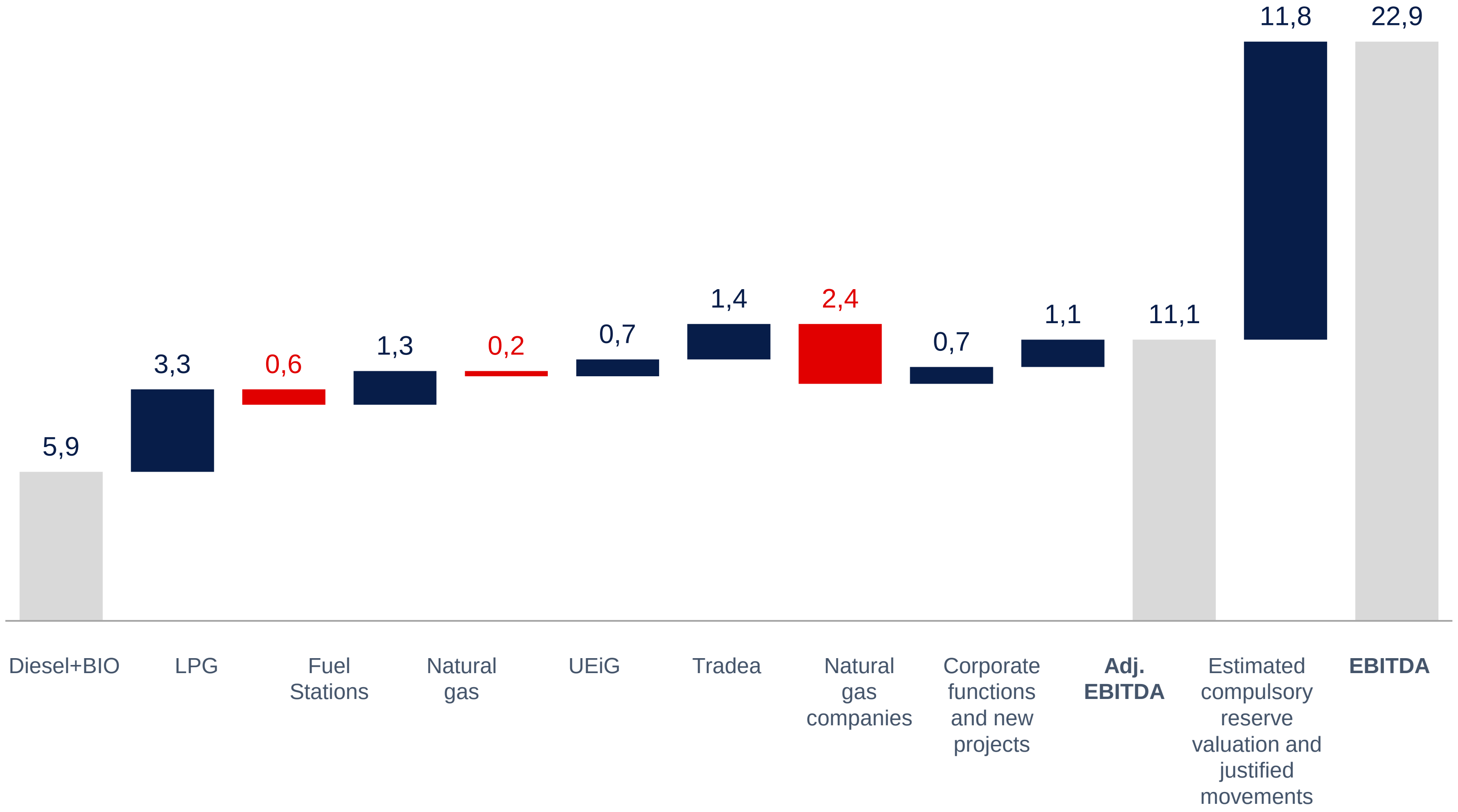
BUSINESSES CONTRIBUTION TO CONSOLIDATED EBITDA

Q1 19 [in PLN million]



MAIN REASONS FOR HIGHER CONSOLIDATED RESULTS YOY

Q1 19 [in PLN million]



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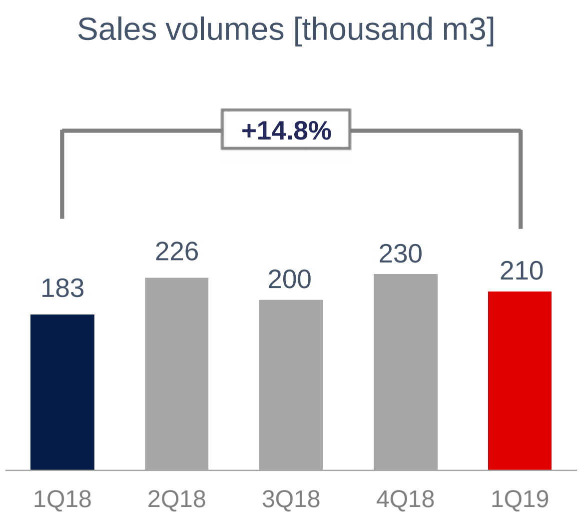
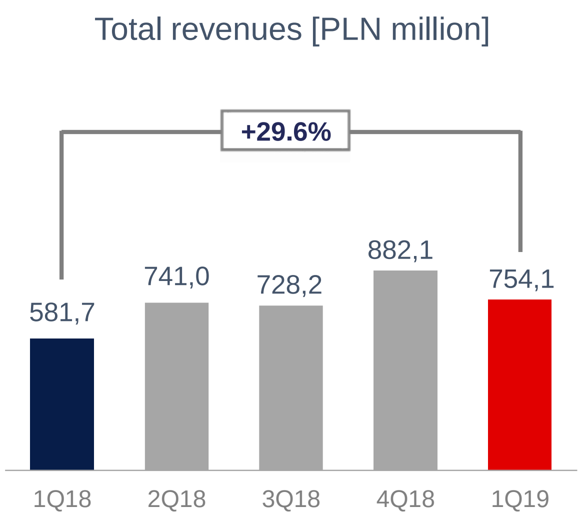
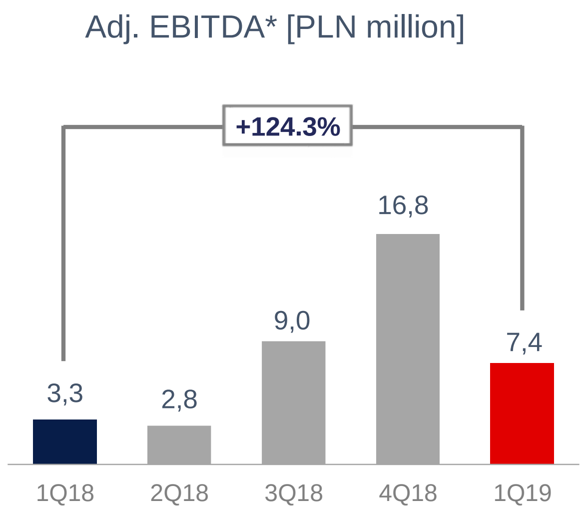
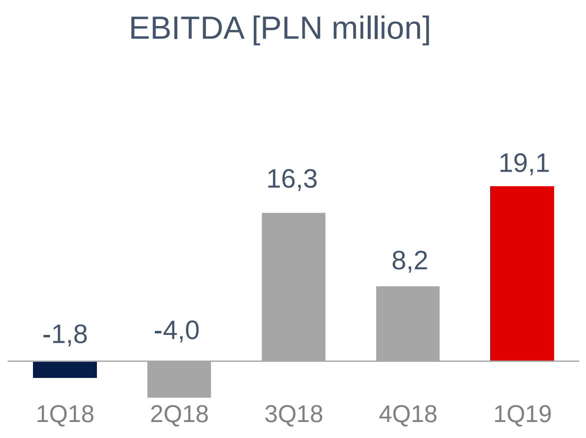
DIESEL&BIO SEGMENT







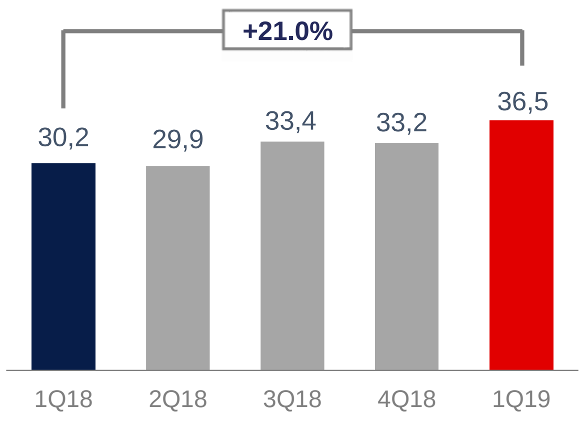
- In Q1 2019 higher by 22% yoy diesel and petrol sales volumes driven by a high demand, lower volumes of bio-fuels sales driven by limiting the amount of available B100 product destined for trading.
- In Q1 2019 significantly higher levels of trade margins on diesel in yoy grasp – more favourable market situation (effective use of market opportunities)
- Lower yoy operating costs being an output of the conducted optimisation programme
- Significantly better than internal expectations results of the bio-fuels segment
- Lower EBITDA margin driven by limiting the available volumes of B100 product
- Valuation of diesel compulsory reserve driven by a significant change of the spread between diesel spot quotations and diesel futures quotations (book loss, non-financial income) and justified movements: +PLN 11.6 million of income



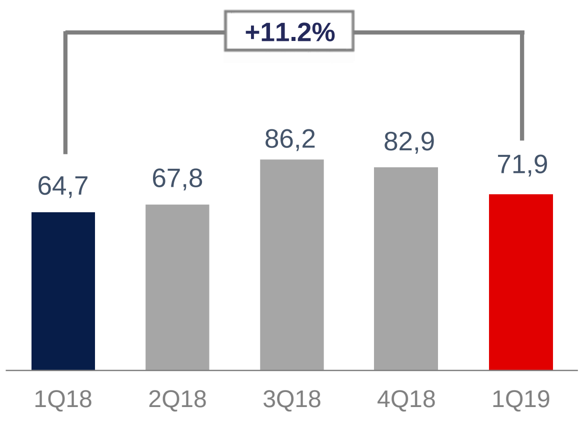
** adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's*

LPG SEGMENT

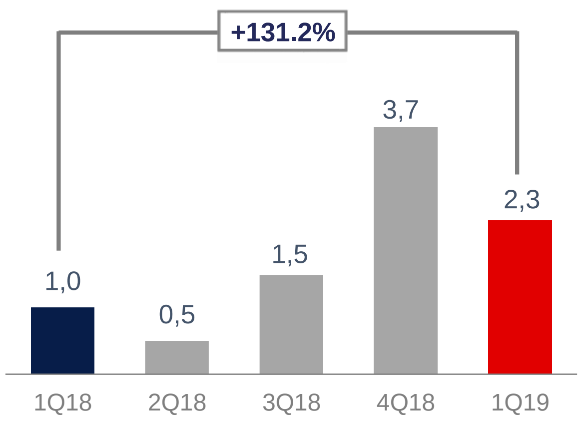
Sales volumes [thousand m3]



Total revenues [PLN million]



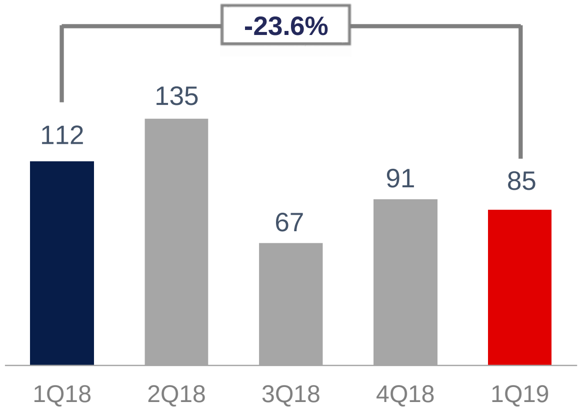
EBITDA [PLN million]



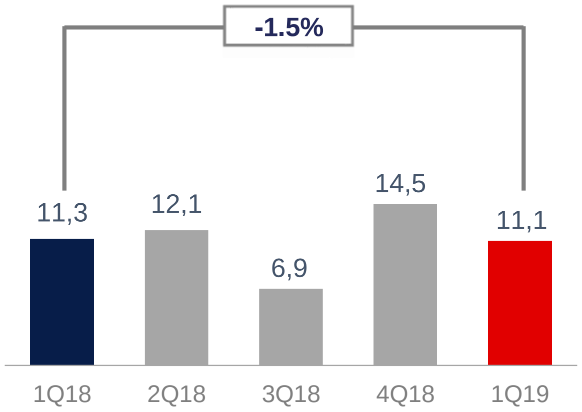
- In Q1 2019 higher yoy sales volumes driven by further market expansion primarily in scope of wholesale
- In Q1 2019 higher yoy margins driven by effective utilisation of favourable market environment (definitely more stable purchase prices of LPG yoy)
- Further utilisation of alternative gas supply sources to own depot (vehicle transport) ensuring a higher predictability and more advantageous margins in the situation of fluctuating prices

NATURAL GAS SEGMENT

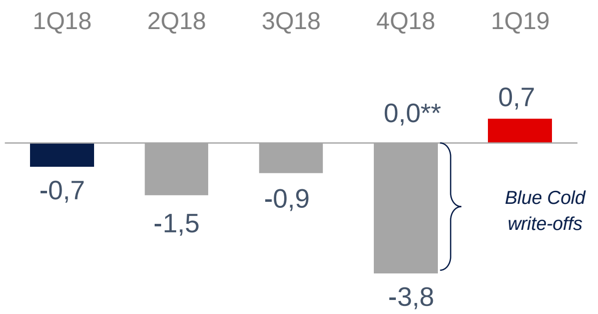
Sales volumes [thousand m3]



Total revenues [PLN million]



EBITDA [PLN million]



- The segment includes operations of gas companies, gas sales to final customers by UEiG and wholesale of gas at UNIMOT S.A.
- In Q1 2019 higher yoy sales and distribution prices (according to new higher tariffs) and lower purchase prices (new, more attractive contracts)
- In Q1 2019 lower yoy sales volumes – at gas companies primarily driven by weather conditions (milder winter), at UEiG driven by high basis (performing significant tenders in Q1 2018)
- In Q1 2019 further realisation of future contracts concluded in the past at disadvantageous prices (trading business) – in this respect EBITDA amounted to approx. PLN -0.2 million

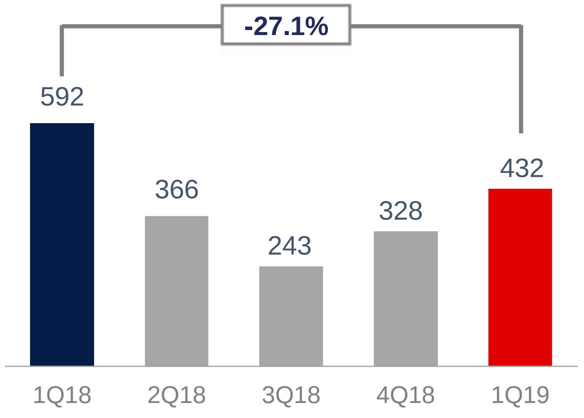
Gas companies

[in PLN thousand]	Q1 19	Q1 18
Revenues	2 194	2 052
Adj. EBITDA	671	-48
Volumes [MWh]	10 659	11 862

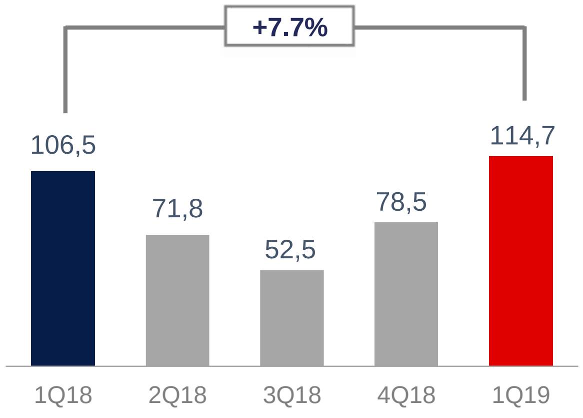
** Revenues from external customers*
*** adjusted for Blue Cold write-offs*

ELECTRICITY SEGMENT

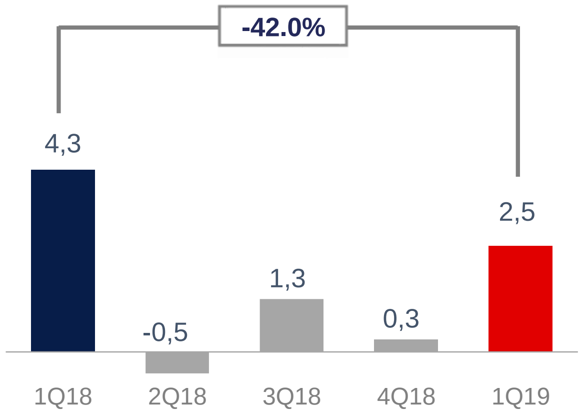
Sales volumes [thousand m3]



Total revenues from electricity [PLN million]

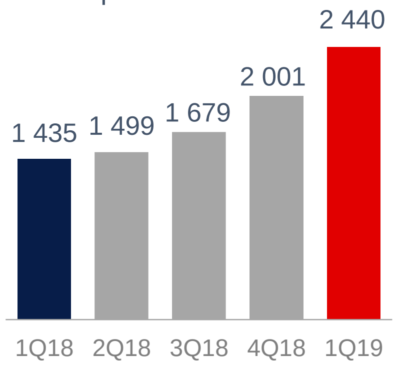


EBITDA [PLN million]



- Extension of producer portfolio at Tradea; lower volumes and EBITDA driven by high basis (above average results in Q1 2019 due to very intense activeness on the market)
- Intensive sales operations in the section of electricity sales to final customers – acquiring new contracts, also the ones to perform in upcoming periods
- First quarter of positive result in the section of electricity sales to final customers (scheme of business functioning: incurring costs of segment functioning on ongoing basis, realising incomes upon entry in force signed supply contracts)

Active energy collection points in UEiG



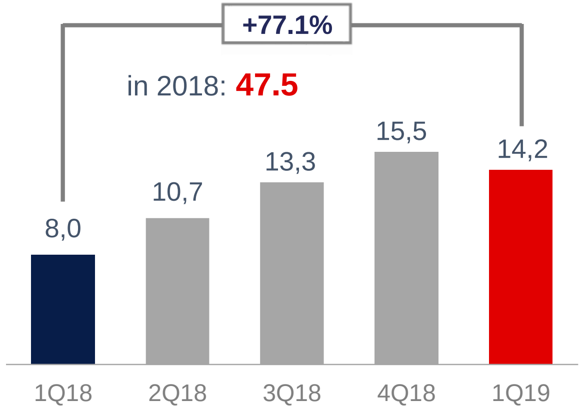
[in PLN thousand]	*Separate data*	1Q19
Revenues	Tradea	113 248
	UEiG	11 358
EBITDA	Tradea	2 037
	UEiG	651**

[in PLN thousand]	01.04.2019-31.12.2022
Future revenues from contracts sign by UEiG*	89 296
Profit on sales	9 682

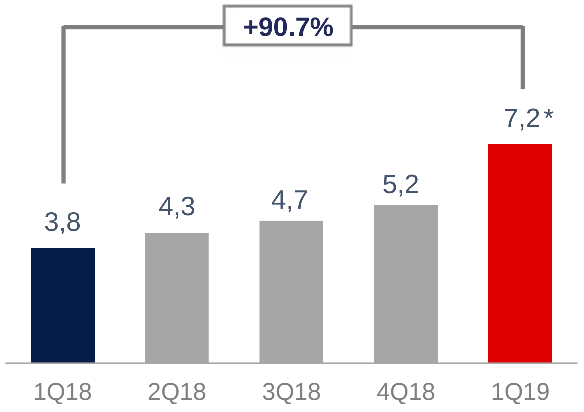
** As of 31.12.2018*
*** Including fines from clients which are uncertai*

FUEL STATIONS SEGMENT

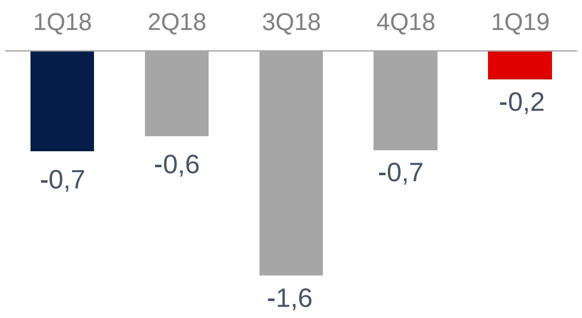
Sales volumes generated by all AVIA fuel stations [in million liters]



Total revenues [PLN million]

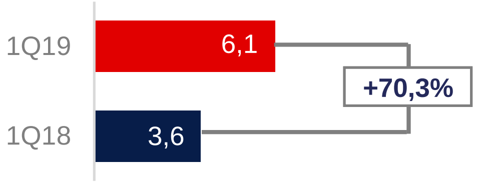


EBITDA [PLN million]

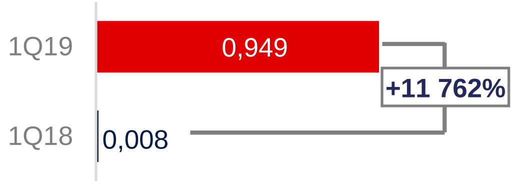


- Growth of volumes yoy driven by a greater number of stations, decrease of q/q driven by seasonability of retail sales
- Increased revenues primarily due to a greater number of own stations

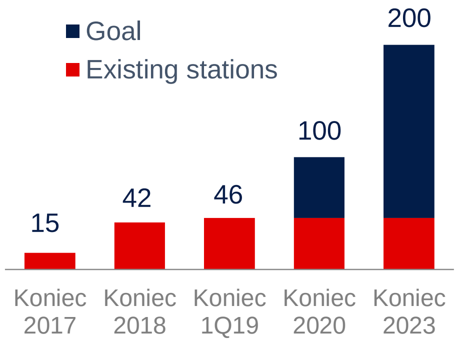
Revenues – own stations* [PLN million]



Revenues – franchise** [PLN million]



Number of stations in AVIA chain



Expenditures on AVIA stations (2017-2018):

PLN 6.7 m

** Revenues for Q1 2019 include revenues due to sales of fuel at AVIA station in Wiskitki (ultimately a franchise model)*
*** Łącznie z przychodami z tytułu sprzedaży paliw*
**** Bez przychodów z tytułu sprzedaży paliw (księgowane w segmencie ON+BIO)*

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OUTLOOK FOR FUTURE QUARTERS

LIQUID FUELS

- Further flexible utilisation of contracts for Polish product supplies depending on market situation in order to maximise the margin
- Good market perspectives for future quarters driven by seasonability effect
- Pollution of crude oil in „Przyjazn” pipeline – perspective of lack of negative impact for segment performance
- Positive impact of BIO auctions which have been won

LPG GAS

- Effective utilisation of rented wagons – increased purchase efficiency, increased sales and effectiveness of logistics planning
- Sell of LPG bottles business

ELECTRICITY

- Challenges regarding new regulations related to electricity prices
- Possible acquisitions of customer portfolios from other entities
- Obtaining concessions for trading in the territory of Ukraine
- Developing operations regarding photovoltaics

NATURAL GAS

- Further steps aimed at optimising the operations of gas segment
- Further works on the concept of LNG stations chain
- Connecting new customers to gas network
- According to aquired information, in April 2019 Hermes Energy Group bought Blue Line Engineering and became minority shareholder of gas companies form UNIMOT Group

AVIA

- Including new stations into the AVIA chain in Poland
- Developing AVIA chain in Ukraine
- Developing AVIA offer in China
- Developing non-fuel offer

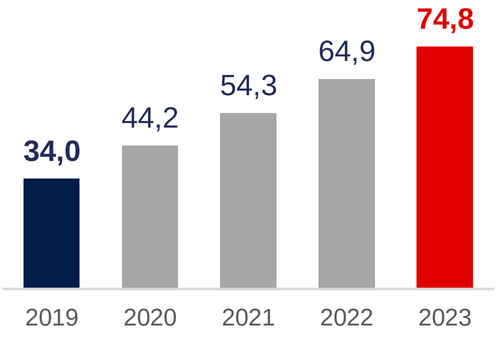
- Achieving the forecast of adjusted EBITDA in the amount of PLN 34 million in 2019
- Cost discipline in all segments of activity
- Search for businesses with higher margins or complementary to currently implemented

STRATEGY FOR 2018-2023

Primary goal:

Building the Group's value for the shareholders through increase of business efficiency and long-term diversification of activity.
Financial security of our business activity as one of the most important values.

Forecasts of adj. EBITDA*
[PLN million]



Results:
2017 = 24.7
2018 = 31.5

Strategic goals:

in 2023

1	Adj. EBITDA growth	**PLN 75 million**
2	Efficiency growth	ROCE*: **15%**
3	Business diversification	**70%** EBITDA generated beyond the diesel unit
4	Development of AVIA in Poland	**200** of fuel stations
5	Annual dividend payment	**min. 30%** of UNIMOT S.A. net profit

** We stress that financial results forecasts for 2019-2023 applies adjusted EBITDA (adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's). Adj. EBITDA will be shown by teh company together with financial results as it was also in the past.*

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CASH FLOW STATEMENT

[PLN thousand]	1Q19	1Q18
Operating activity cash flows		
Profit before taxation	20 164	(2 429)
Adjustments by items, in this:		
Amortisation	940	1 375
Net interests, transactional costs (concerning credits and loans) and dividends	1 710	1 836
Receivables change	(32 847)	(18 383)
Inventories change	(15 687)	11 874
Trade payables change	38 258	-7 027
Net operating activity cash flows	38 820	(9 151)
Net investment activity cash flows	100	(1 448)
Net financial activity cash flows	(3 125)	(3 483)

BALANCE SHEET

[PLN thousand]	31.03.2019	31.12.2018
Fixed assets, *including:*		
Tangible assets	45 310	45 825
Intangible assets	18 589	18 636
Fixed assets in total	**79 706**	**76 760**
Current assets, *including:*		
Inventories	206 187	190 500
Trade and other receivables	279 060	246 487
Financial derivative instruments	19 606	33 190
Cash and cash equivalents	54 342	47 015
Total current assets	**569 154**	**526 525**
Total assets	**648 860**	**603 285**

[PLN thousand]	31.03.2019	31.12.2018
Equity, *including:*		
Share capital	8 198	8 198
Other capitals	174 437	174 437
Total equity	**209 580**	**193 245**
Long-term liabilities, *including:*		
loans and other debt instruments	12 619	10 004
Total long-term liabilities	**35 030**	**13 679**
Short-term liabilities, *including:*		
overdrafts	189 588	215 232
Total short-term liabilities	**404 250**	**396 361**
LT and ST Liabilities	**439 280**	**410 040**
TOTAL LIABILITIES	**648 860**	**603 285**

BUSINESS PROFILE

UNIMOT

LIQUID FUELS

NATURAL GAS

ELECTRICITY

DIESEL OIL | BIO-FUELS | LPG GAS | NATURAL GAS | ELECTRICITY

AVIA

AVIA FUEL STATIONS

STRUCTURE OF THE CAPITAL GROUP

UNIMOT

58,74%
UNIMOT System Sp. z o.o.
construction and development of own natural gas distribution network in selected non-gasified areas

- **100%** **Blue LNG Sp. z o.o.**
  natural gas regasification
- **100%** **PPG Warszawa Sp. z o.o.**
  natural gas regasification

50,76%
Blue Cold Sp. z o.o.
LNG production based on inhouse methane liquefaction plant

100%
UNIMOT Energia i Gaz Sp. z o.o.
wholesale and retail sale of natural gas, electricity and LPG

100%
Tradea Sp. z o.o.
electricity trading, wholesale and retail customers

- **100%** **UNIMOT Energy LLC**
  Wholesale of electricity in Ukraine

100%
UNIMOT Paliwa Sp. z o.o.
(ealier: Tankuj24.pl)
Retail sales of fuels

100%
Unimot Ukraine LLC
development of AVIA chain in Ukraine

100%
Unimot Asia LLC
Development of AVIA product sales in Asia

NATIONAL INDICATIVE TARGET REALISATION – CURRENT LOW

Obligation to fulfil NIT in 2018: **8.0%**

Possible to decrease to the level of **6.56%** by applying reduction coefficient (0.86), applied by UNIMOT

NIT FULFILLMENT IN 2019

1. Quarterly obligation and blending settlement*
   - **Q1: min. 50%** of obligation fulfilled through blending
   - **Q2: min. 78%** of obligation fulfilled through blending
   - **Q3: min. 78%** of obligation fulfilled through blending
   - **Q4: min. 57%** of obligation fulfilled through blending

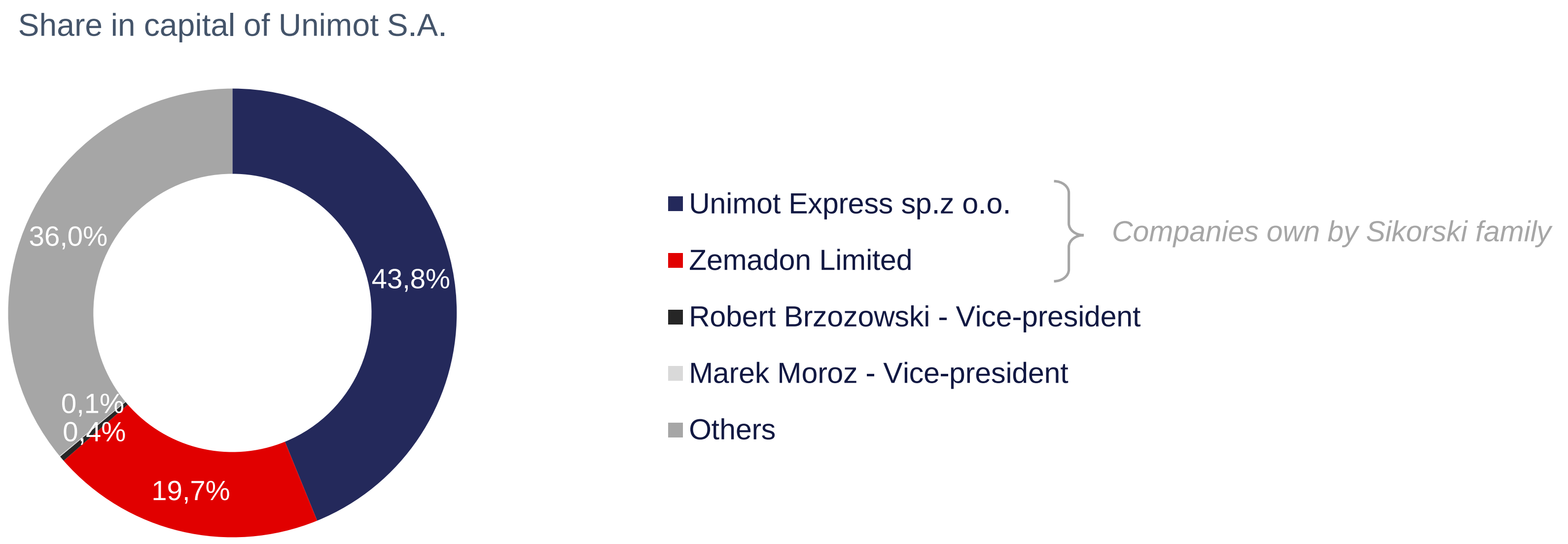
2. Optional compensatory payment (made in return for reducing the scope of NIT fulfilment to the level of 5.48%, i.e. by max. 15% of total required NIT; <u>does not remove the obligatory blending or reduce its scope)</u>

**by healting value*

*** Levels for diesel at decreased level of NIT fulfilment: 6,45% (petrols: 50% each quarter)*

SHAREHOLDERS OF UNIMOT S.A.

Shareholder	No. of shares	Share in capital	No. 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%
Robert Brzozowski – Vice-President of the Board	32 030	0,39%	32 030	0,37%
Marek Moroz – Vice-President of the Board	4 750	0,06%	4 750	0,06%
Others	2 950 752	36,0%	2 950 752	34,5%
Total	**8 197 818**	**100,00%**	**8 547 818**	**100,00%**



As of 12/31/2018

DICTIONARY

Bio-fuels blending – physical blending of fossil fuels with biocomponents that come from processing biomass. Since 2017 bio-blending has been an obligatory element to partially fulfil the National Indicative Target. In 2017 the minimum 50% of the obligation had to be fulfilled by bio-blending, in 2018 the value differs for each quarter and approximately amounts to: I – approx. 50%, II – approx. 78%, III – approx. 78%, IV – approx. 57%.

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

Adj. EBITDA – EBITDA value adjusted by single events and items of non-monetary nature (in case of UNIMOT this is e.g. valuation of reserves, relocation of costs, provisions)

Hedging – a strategy of securing against excessive fluctuations in prices of commodities, currencies or securities. UNIMOT uses hedging to secure against alterations of prices of diesel oil, natural gas, electricity and currencies (mainly USD).

Retail margin – the difference between the wholesale and retail price. As UNIMOT is developing the chain of franchise petrol stations, the retail margin is only obtained at Company's own stations

Wholesale margin – the difference between the disposal price and the price at which a product has been acquired for sale. The wholesale margin is a value that UNIMOT generates on sales of fuels net of costs related to availability of a product for sale (among others, cost of the product itself, its transport, NIT fulfilment, storage costs).

National Indicative Target (NIT) – an obligation to introduce into the market transport fuels from renewable sources (biocomponents/bio-fuels).

Emission fee – a fee in the amount of PLN 8 grosz per each litre of petrol and diesel oil imposed on entities that sell fuels in the territory of Poland. The fee is in force since 2019 and the collected resources will be destined for the newly-created Low-Emission Transport Fund.

B100 Fuel – methyl ester applied as autonomous fuel for compression ignition engines.

Platts ARA – reference prices for fuels in spot transactions collected and published daily by Platt Agency. ARA concerns places of product delivery/supply – in this case ports of Amsterdam, Rotterdam, Antwerp.

Polish Power Exchange (PPE) – a licenced entity that manages the regulated market. The subject of trading at the PPE are, among others, natural gas and electricity, which are traded by the UNIMOT Group.

Mandatory reserve – reserve of fuel maintained by entities that produce and import into the territory of Poland particular liquid fuels. These entities are obliged to maintain determined reserves of fuels that they trade so as to ensure the energy security of the country.

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INVESTOR RELATIONS
UNIMOT S.A.
e-mail: gielda@unimot.pl