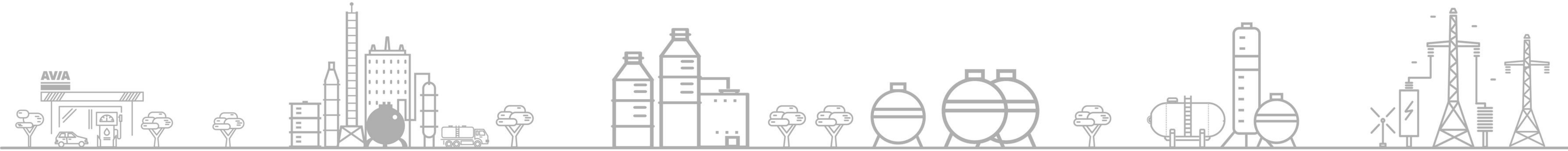
# Consolidated financial results for Q4 and 2018

03/29/2019



# AGENDA


**1. Most important events**

2. UNIMOT Group financial results

3. Financial results divided by segments

4. Outlook for future quarters

5. Appendix

# UNIMOT'S BUSINESS IN Q4 2018

| Total revenues: **PLN 1 007.0 m** | EBITDA*: **PLN 6.7 m** | Adjusted EBITDA* **: **PLN 18.7 m** | Consistent implementation of restructuring plan |
|---|---|---|---|

**GRUPA UNIMOT**

- Record quarterly revenues
- Record quarterly Adj. EBITDA
- Recognising write-offs regarding Blue Cold
- Revising the approach to establishing provisions for compulsory reserve*

LIQUID FUELS

- Growth in sales volumes by 22% yoy
- Favourable external environment – high levels of land premium and plummeting diesel price
- Acquisition of annual contracts of diesel supplies for 2019, including Polish product


LPG

- Growth in sales volumes by 7% yoy
- Demanding external environment primarily due to logistic problems at border crossing points and with supplier
- Intensive utilisation of alternative LPG supplies

NATURAL GAS

- Introducing new, higher tariff rates
- Actions aimed at optimising assets
- Diversifying gas purchase sources – signing new contracts that ensure improved cost efficiency
- Acquiring an additional significant contract for gas sales in 2019
- Favourable external environment – plummeting gas price

ELECTRICITY

- Growth in sales volumes by 2.5% yoy
- Acquiring further sales contracts (largely covering years to come)
- Adopting so called „law on electricity"

AVIA STATIONS

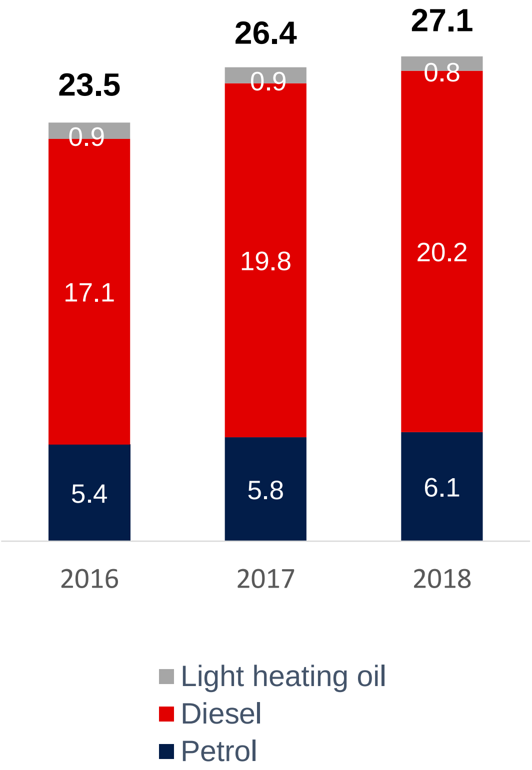
- Adding 9 new stations to AVIA chain

** Due to a revised approach to establishing provisions to cover the cost of maintaining the compulsory reserve it has been necessary to convert the data for the year 2018 and previous periods – details on pages 11 and 12. In the annual statements for 2018 the annual data has been converted (2017 and 2018) and the quarterly data in the presentation is demonstrated according to the previous approach. In future statements comparative data will be converted correspondingly.*

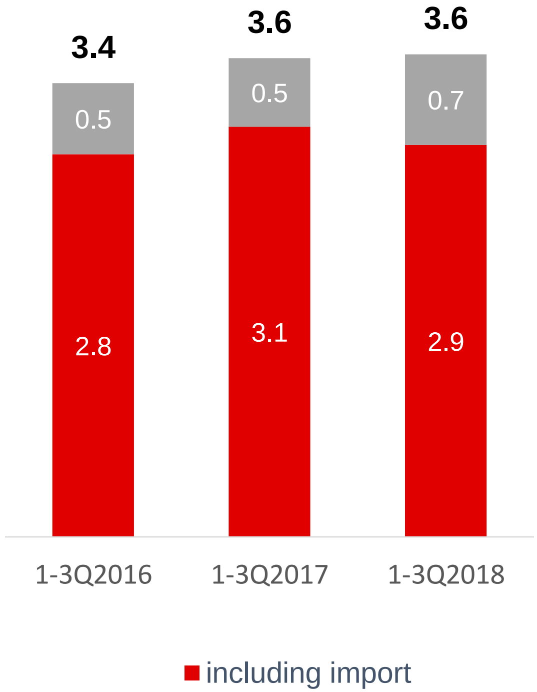
*** Adj. EBITDA = adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's*

# MARKET ENVIRONMENT

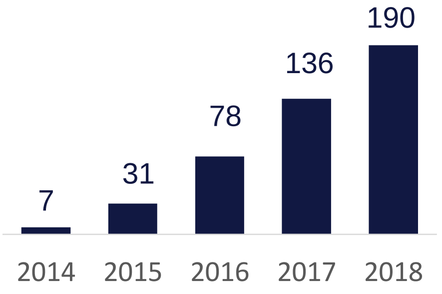
Liquid fuels consumption in Poland*
[million m3]



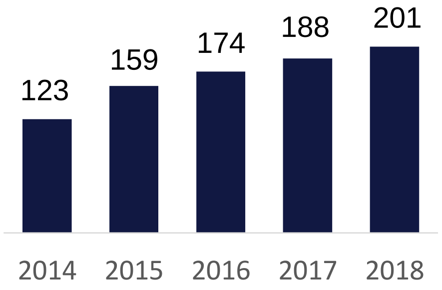

LPG consumption in Poland**
[million m3]




Number of natural gas supplier changes by customers since the measurements were commenced in Poland*** [thousand]



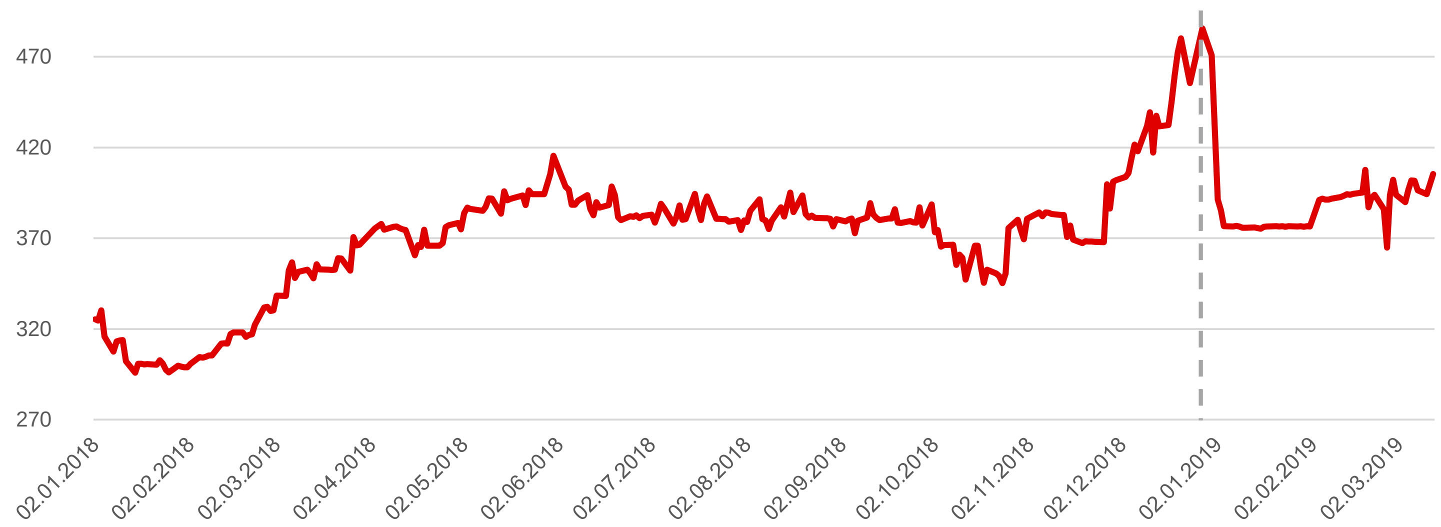

Number of electricity supplier changes in tariff groups A, B, C since the measurements were commenced in Poland*** [thousand]




** source: POPiHN after: Lotos S.A* *** source: POPiHN* **** source: URE, cumulative data*

# MARKET ENVIRONMENT OF DIESEL – LAND PREMIUM

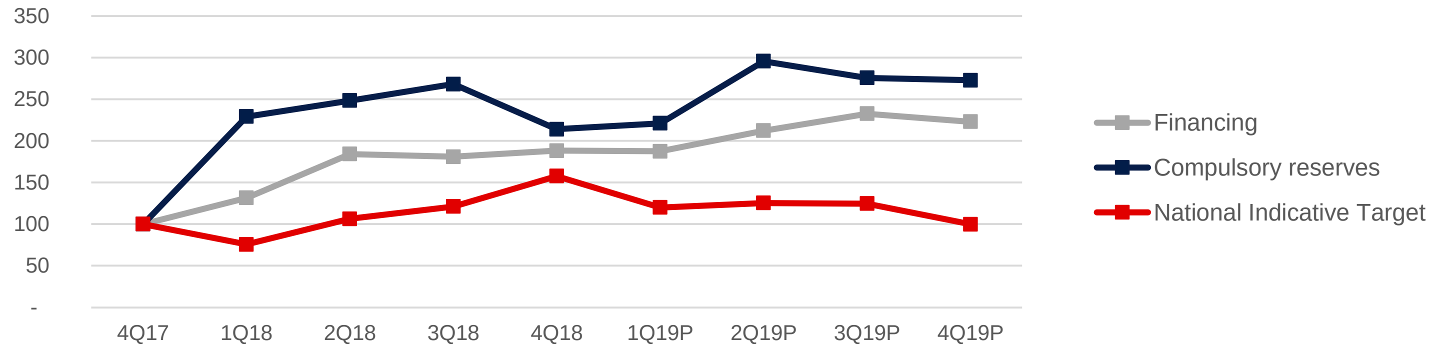
Estimated land premium of biggest Polish diesel oil producers* [PLN/m3]




**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 costs of UNIMOT (Q4 2017 = 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*

# EFFECTS OF RESTRUCTURING PLAN IMPLEMENTED IN 2H2018

over
**250**
status meetings

almost
**50**
directly involved employees

Current level of restructuring actions implementation = **over PLN 13 m** (seen in 2019) including:

| | | |
|---|---|---|
| Employment optimisation **PLN 7.1 m** | Logistics costs reduction **PLN 2.2 m** | Decreased financial and administration cost **PLN 0.9 m** |
| Car fleet costs reduction **PLN 0.7 m** | Decreased advertising and representation costs **PLN 0.7 m** | Optimisation of other areas **PLN 1.8 m** |

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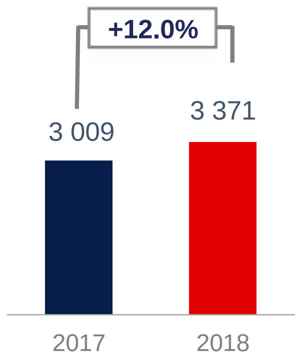
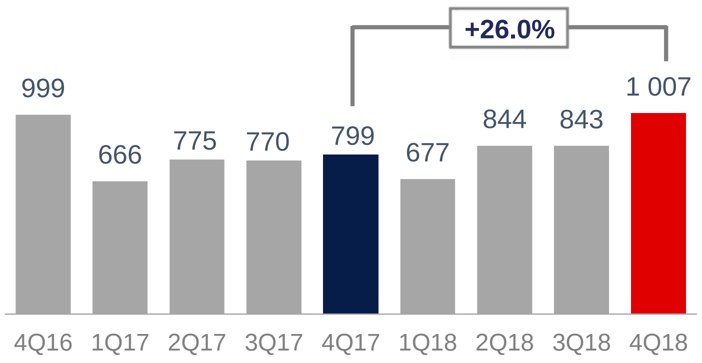
# KEY FINANCIAL DATA

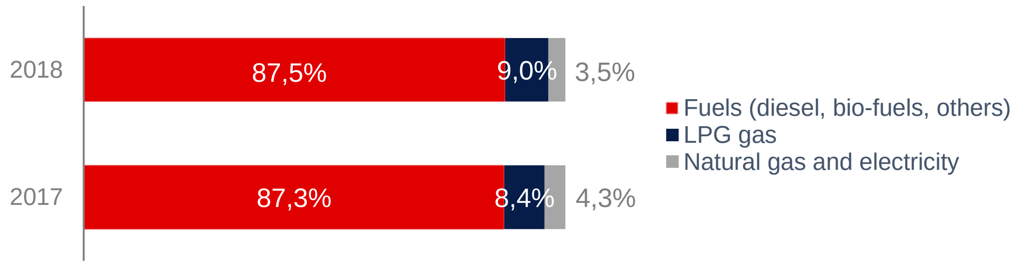
Total revenues [in PLN million]



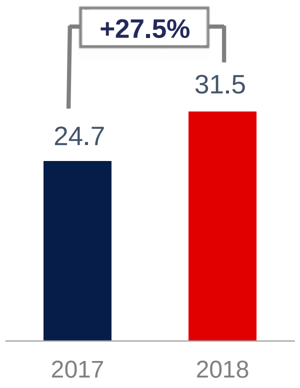

Total revenues [in PLN million]



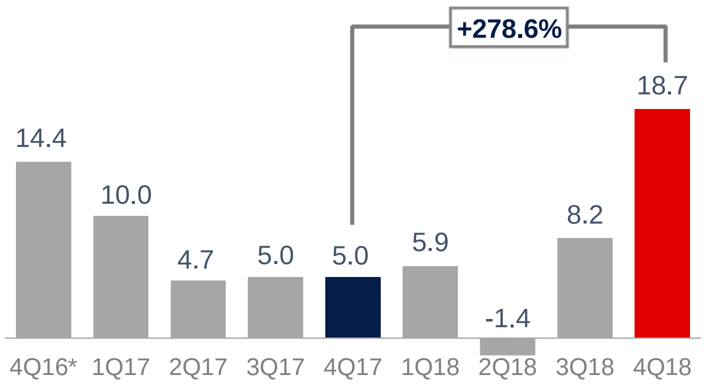

Total revenues brakedown



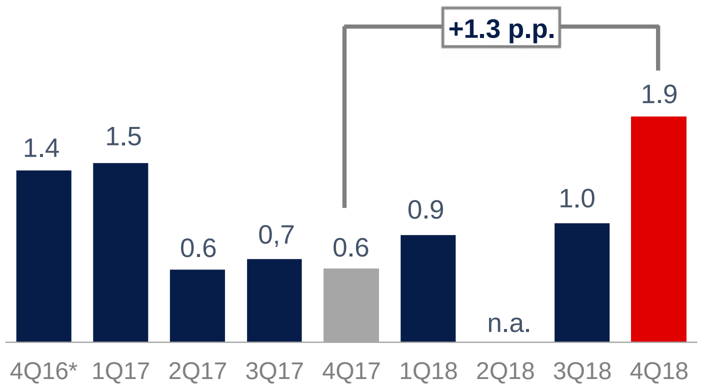

Adj. EBITDA** [w mln zł]




Adj. EBITDA** [w mln zł]



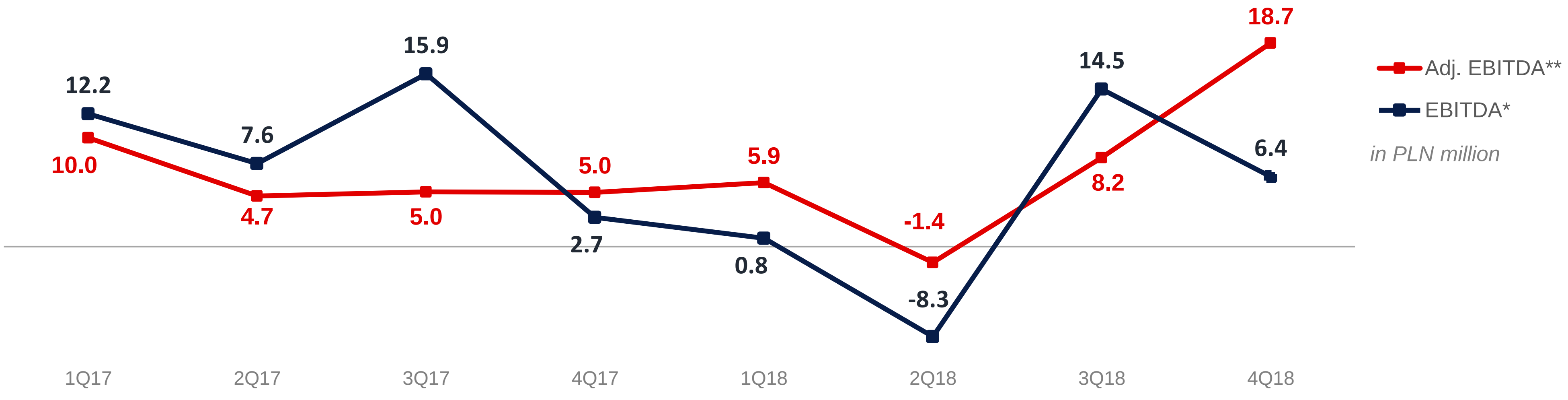

Adj. EBITDA margin [in %]**




** non-adjusted*

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

# EBITDA VS. ADJUSTED EBITDA



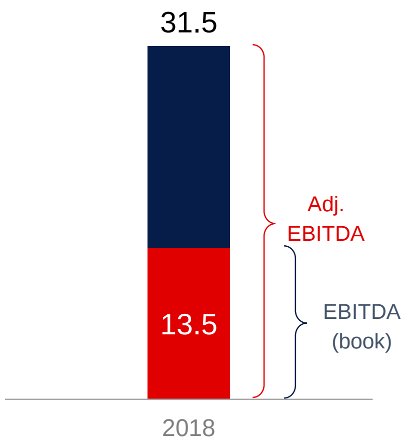

*Quarterly data before conversion due to a reduced approach to establishing provisions to cover the cost of maintaining the compulsory reserve*

| [in PLN million] | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 |
|---|---|---|---|---|---|---|---|---|
| **EBITDA*** | **12.2** | **7.6** | **15.9** | **2.7** | **0.8** | **-8.3** | **14.5** | **6.4** |
| 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 |
| **Adj. EBITDA**** | **10.0** | **4.7** | **5.0** | **5.0** | **5.9** | **-1.4** | **8.2** | **18.7** |

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

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

# EBITDA VS. ADJUSTED EBITDA




| [in PLN million] | 2018 |
|---|---|
| Reserves valuation | -22,4 |
| Provisions for obligatory reserves | +6,7 |
| NIT recovery | +4,5 |
| Blue Cold write-offs | -3,7 |
| Logistic costs correction | -2,0 |
| Tankuj24.pl write-off | -1,0 |

## RESERVES VALUATION

reserves valuation = physical product valuation + valuation of transactions hedging against this product price change (futures). Due to applied hedging nominal changes of diesel does not influence reserve valuation. However, reserve valuation is influenced by spot price (at which company is obliged to valuate its stocks), and forward price (at which company is obliged to valuate its hedging instruments). When contango decreases or backwardation increases – book profit due to valuation change occurs, when contango increases or backwardation decreases – book loss occurs. The value of result from valuation  is also influenced by level of compulsory reserve – the higher reserves, the higher influence. UNIMOT valuates reserves at the end of each quarter.

## PROVISIONS FOR COMPULSORY RESERVES

Discontinuation to create the abovementioned provisions due to the fact that as of the given balance sheet date the Company was not burdened by „current" obligation to incur costs. For the abovementioned reason the Company also adjusted comparative data, which had a retrospective impact on net profit and Group's equity for comparative data (considering also impact on profits from previous periods).

## NIT RECOVERY

Recovering the cost of incurred in 2017 costs of „excess" National Indicative Target fulfilment on diesel compulsory reserve.

## BLUE COLD WRITE-OFFS

Write-off in Blue Cold Sp. z o.o., which did not conduct production since 2016.

Prepared as of 31 December 2018 test related to tangible assets impairment demonstrated lower recovered value than balance value of particular assets that composed natural gas liquefaction plant in Uniszki Zawadzkice – basic asset of Blue Cold.

Write-offs – impairment of value of tangible assets PLN -3.15 million. Simultaneously, a write-off on goodwill PLN -0.57 million.
In UNIMOT S.A. results the write-off on stakes in amount to PLN -3,53 milion was included.

## TANKUJ24.pl WRITE-OFF

Write-off due to suspending the operation of Tankuj24.pl application following the decision to suspend project implementation.

Write-off covered impairment of assets that comprised expenditures incurred on creation and development of this application.

# PROVISIONS FOR COMPULSORY RESERVES

| Revising the approach to establishing provisions for compulsory reserve | PLN +6.7 m EBITDA in 2018 |
|---|---|

Revising the approach to establishing provisions for obligations related to maintaining compulsory reserves so as to ensure full compliance with the requirements of MSR No 37

**Discontinuation of establishing the abovementioned provisions due to the fact that as of the given balance sheet date the Company was not burdened by „current" obligation to incur costs. For the abovementioned reason the Company has also adjusted comparative data, which had a retrospective impact on net profit and Group's equity for comparative data (considering also impact on profits from previous periods).**

Companies of the Group, being entrepreneurs that conduct economic activity related to fuel production or import of crude oil and fuels are obliged to maintain mandatory reserves according to the provisions of the Law of 16 February 2007 on crude oil reserves and petroleum products and natural gas and in the event of threat to national liquid fuels security and disturbance on the oil market (Journal of Laws of 2016 item 1899 as amended)

The Group each year incurs the cost of maintaining the abovementioned provisions. In the current year the Group has discontinued establishing the provisions due to the fact that as of the given balance sheet date it is not burdened by the current obligation to incur costs. This obligation will only arise in the future and it pertains the cost incurred with relations to storage services (which will be rendered in the future). The legal requirement to maintain provisions in the future does not create the present obligation to incur costs (through business actions in the future the Company may avoid them). Thus, the cost of maintaining the provisions arises the moment it is incurred by the Group.

For the abovementioned reason the Company has not recognised the provision in the current period and converted the comparative data in the consolidated financial statements (data for 2017 and 2018) but the quarterly data is demonstrated according to the previous approach. In future statements comparative data will be converted correspondingly.

# PROVISIONS FOR COMPULSORY RESERVES – CHANGES OF 2017FY

## Items which have been changed

| | [in PLN thousand] | 2017- Published data | Changes | 2017 – after changes |
|---|---|---|---|---|
| BALANCE SHEET | **Equity** | | | |
| | Previous years' results and current year result | 21 102 | 8 902 | 30 004 |
| | **Equity of Parent Entity's owners** | **192 400** | **8 902** | **201 302** |
| | **Equity in total** | **201 419** | **8 902** | **210 321** |
| | **Long-term liabilities** | | | |
| | Deferred income tax reserve | 1 194 | 2 088 | 3 282 |
| | **Total long-term liabilities** | **23 218** | **2 088** | **25 306** |
| | **Short-term liabilities** | | | |
| | Provisions | 11 820 | (10 990) | 830 |
| | **Total short-term liabilities** | **393 883** | **(10 990)** | **382 893** |
| | **Total liabilities** | **417 101** | **(8 902)** | **408 199** |
| INCOME STATEMENT | Cost of sold goods, products and materials | (2 860 234) | (3 611) | (2 863 845) |
| | **Gross profit from sales** | **149 015** | **(3 611)** | **145 404** |
| | **Profit on operating activity** | **33 507** | **(3 611)** | **29 896** |
| | **Profit before taxation** | **27 611** | **(3 611)** | **24 000** |
| | Income tax | (5 171) | 686 | (4 485) |
| | **Net profit for the financial year** | **22 440** | **(2 925)** | **19 515** |
| | **Profit per one share (in PLN):** | | | |
| | Basic | 23 630 | (2 925) | 20 705 |
| | **Net profit** | **22 440** | **(2 925)** | **19 515** |
| | **Total profits for the financial year** | **18 719** | **(2 925)** | **15 794** |
| | Parent Entity's owners | 19 909 | (2 925) | 15 794 |

# INCOME STATEMENT AND MARGINS

| [in PLN million] | Q1 18 | Q2 18 | Q3 18 | Q4 18 | Q4 17 | Q4 18/Q4 17 | 2018FY | 2017 FY | 2018/2017 |
|---|---|---|---|---|---|---|---|---|---|
| | *Quarterly data before conversion due to a reduced approach to establishing provisions to cover the cost of maintaining the compulsory reserve* | | | | | | *Yearly data converted due to a reduced approach to establishing provisions to cover the cost of maintaining the compulsory reserve* | | |
| **Net revenues** | **677.4** | **843.9** | **842.7** | **1 007.0** | **799.0** | **26.0%** | **3 371.0** | **3 009.2** | **12.0%** |
| **Gross profit on sales*** | **20.2** | **20.7** | **41.1** | **39.9** | **36.2** | **10.1%** | **121.9** | **145.4** | **-16.2%** |
| *Gross profit on sales margin** | *3.0%* | *2.5%* | *4.9%* | *4.0%* | *4.5%* | *-0.5 p.p.* | *3.6%* | *4.8%* | *-1.2 p.p.* |
| **Operating profit** | **-5.5** | **-9.2** | **10.9** | **4.5** | **-2.2** | **-** | **0.7** | **29.9** | **-97.6%** |
| *Operating profit* | - | - | *1.3%* | *0.4%* | - | - | *0.0%* | *1.0%* | *-1.0 p.p.* |
| **EBITDA**** | **0.8** | **-8.3** | **14.5** | **6.4** | **-1.0** | **-** | **13.5** | **34.8** | **-61.1%** |
| *EBITDA margin*** | *0.1%* | - | *1.7%* | *0.6%* | - | - | *0.4%* | *1.2%* | *-0.8 p.p.* |
| **Adj. EBITDA**** | **5.9** | **-1.4** | **8.2** | **18.7** | **4.9** | **278.6%** | **31.5** | **24.7** | **+27.5%** |
| *Adj. EBITDA margin*** | *0.9%* | - | *1.0%* | *1.9%* | *0.6%* | *1.3 p.p.* | *0.9%* | *0.8%* | *+0.1 p.p.* |
| **Net profit** | **-2.0** | **-12.5** | **9.5** | **1.8** | **-3.2** | **-** | **-3.1** | **19.5** | **-** |
| *Net profit margin* | - | - | *1.1%* | *0.2%* | - | - | - | *0.6%* | - |

*[*] 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 |
|---|---|---|---|---|
| **Financial liquidity ratio** (current assets / short-term liabilities) | 1.40 | 1.24 | 1.30 | 1.33 |
| **Interest coverage ratio** (adj. EBITDA* / interest) | 4.05 | 1.95 | 2.21 | 3.71 |
| **Bank Covenant** (equity / balance sheet total) | 32.6% | 23.8% | 27.1% | 31.1% |
| **ROCE** (adj. EBITDA* / fixed assets – working capital) | 10.5% | 6.4% | 7.9% | 14.4% |
| **Debt ratio** (total liabilities / assets) | 0.65 | 0.75 | 0.72 | 0.68 |
| **Receivables** (in PLN million) | 248 | 269 | 248 | 246 |
| **Inventories** (in PLN million) | 233 | 286 | 248 | 191 |
| **Short-term liabilities** (in PLN million) | 380 | 472 | 429 | 396 |

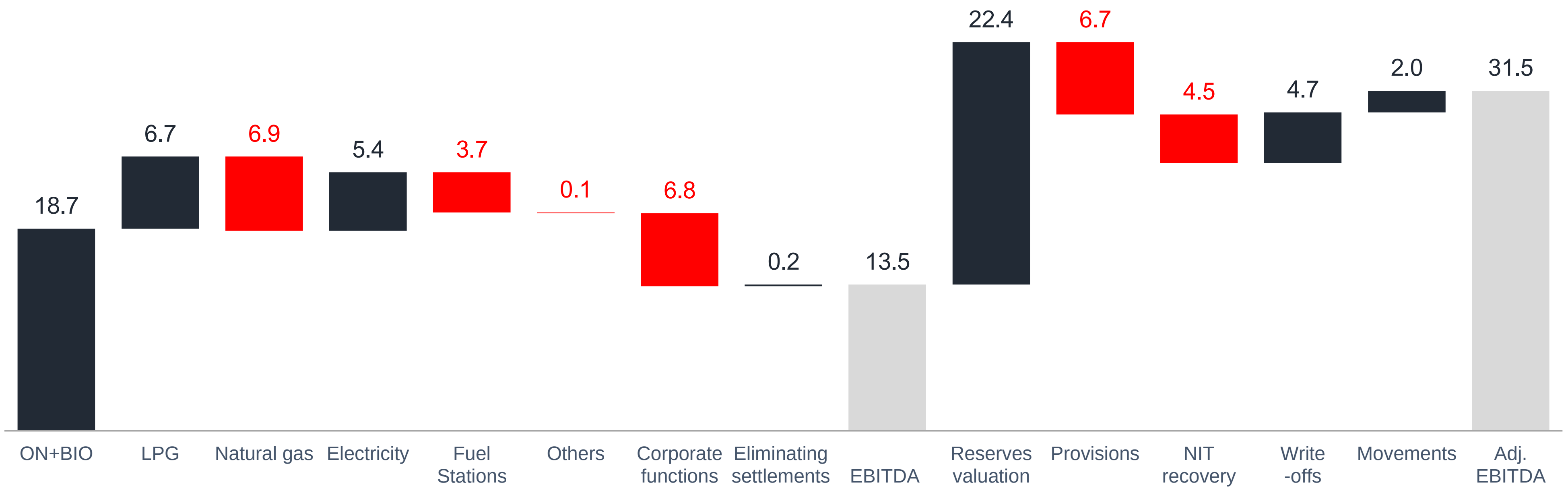
- Current liquidity ratio has grown to the level of 1.33, that is by 0.13 above the minimum level assumed in the strategy.
- Significant growth in the interest coverage ratio reduces credit risk for financial institutions
- Bank covenant amounted to 31.1% - above the strategic goal
- ROCE ratio (adjusted for effects of valuation and book write-offs) reached the level of 14.4% - significantly higher than last year and close to the goal 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

## 2018FY

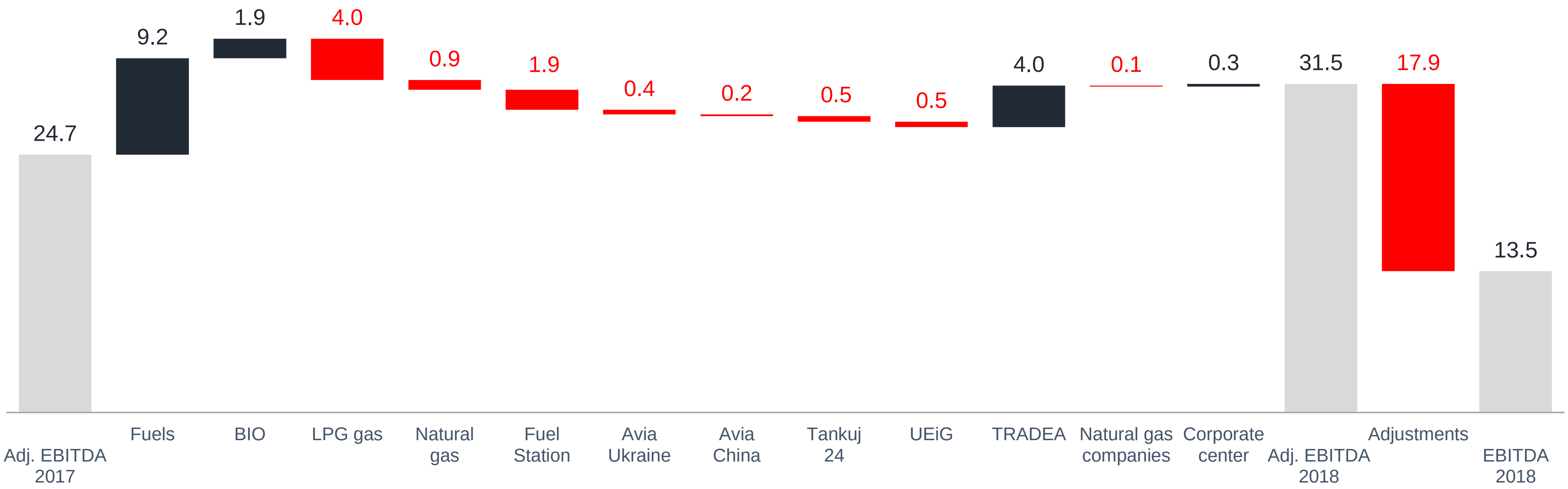
[in PLN million]



# MAIN REASONS FOR HIGHER CONSOLIDATED RESULTS YOY

## 2018FY

[in PLN million]



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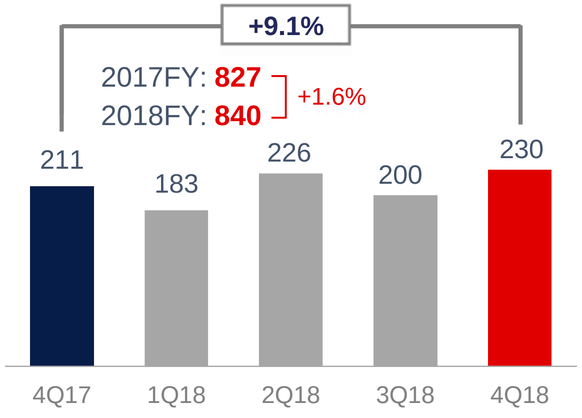
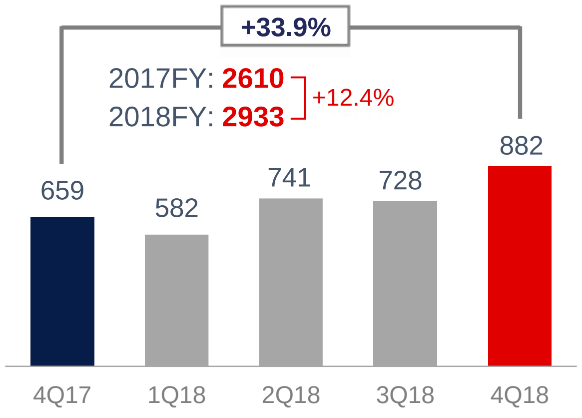
# DIESEL&BIO SEGMENT

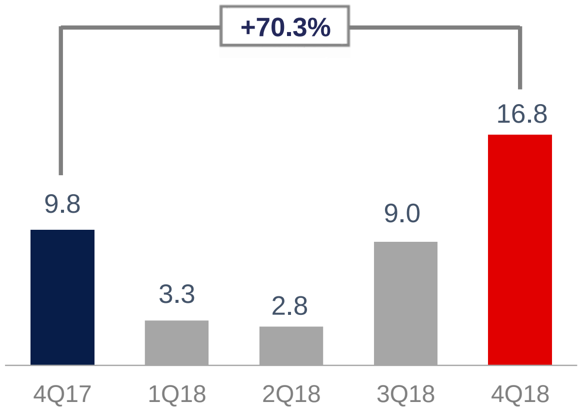
Sales volumes [thousand m3]



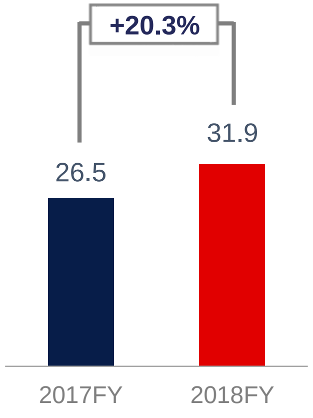

Total revenues [PLN million]




Adj. EBITDA* [PLN million]

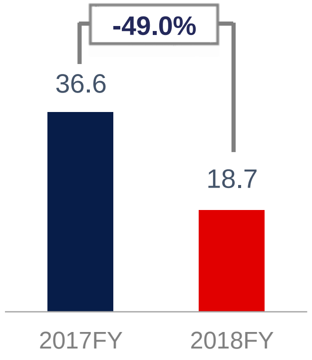



Adj. EBITDA* [PLN million]



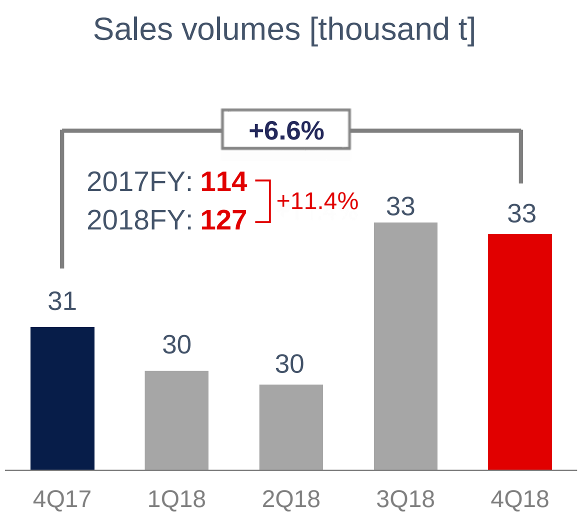

- In Q4 2018 higher by 22% yoy sales volumes of diesel and petrol driven by strong demand
- In Q4 2018 significantly higher levels of trade margins on diesel yoy
- Discontinuation of establishing provisions to cover the cost of maintaining compulsory reserve (described on p. 11) in the amount of PLN +6.7 m
- Valuation of diesel compulsory reserve driven by a significant change of the spread of diesel spot quotations and forwards quotations (book loss, non-financial income) – income PLN -12.1 m
- Lower sales volumes of bio-fuels driven by legislative changes regarding NIT fulfilment and change in B100 product availability destined for trading
- Higher EBITDA margin achieved through unification of purchase and sales formulas, logistic-related cost optimisation, transaction services, hedging and introducing new products to the trade offer (new product UCOME), as well as through favourable supply-demand situation at growing product prices

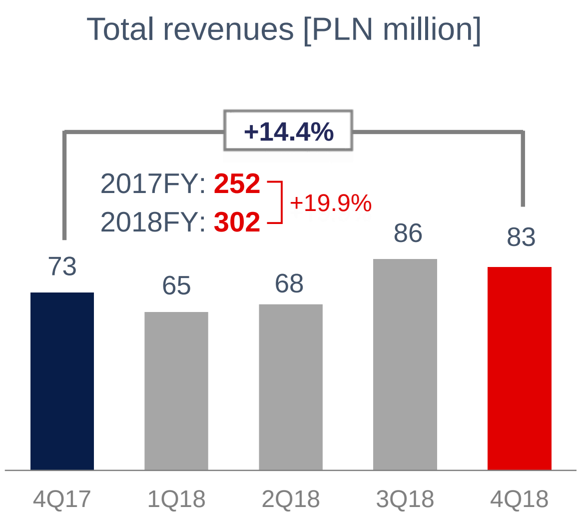
EBITDA [PLN million]

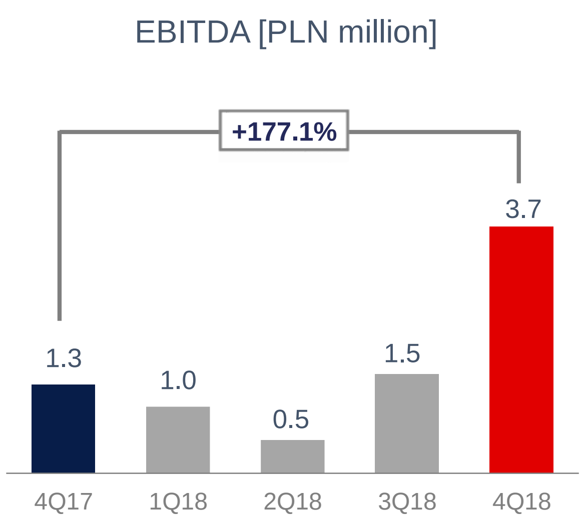


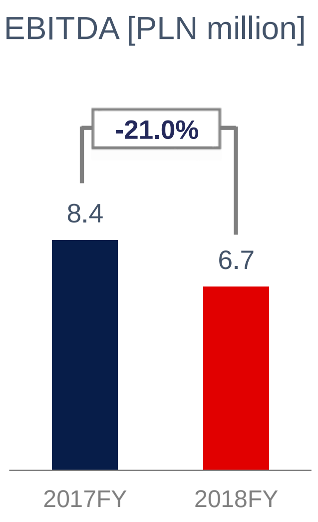

** adjusted for an estimated diesel compulsory reserve valuation, provisions, justified movements and one off's*

# LPG SEGMENT



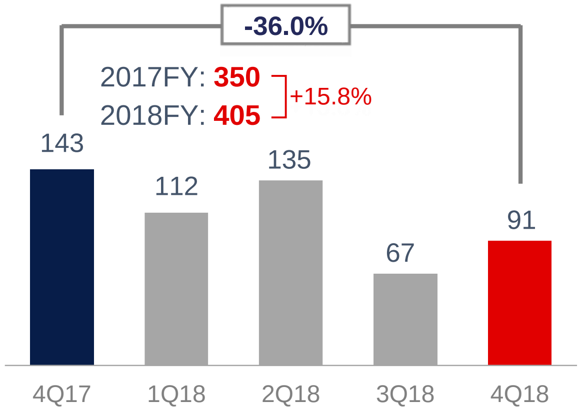



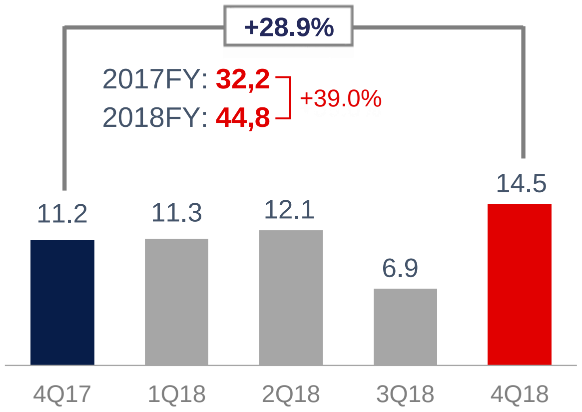

- Higher sales volumes driven by further market expansion mainly in the scope of wholesale
- Higher market prices of LPG purchases (in line with diesel oil and currencies)
- Persistent since Q1 2018 lack of stable LPG supplies to Poland – logistic limitations (lower capacity and railway tracks and depot gates blockades) resulting in sales impediments and decrease in attractiveness of carried out assignments, significant problems with time adjustment of product purchase and sale (the influence of fluctuating price on margins)
- In Q4 2018 intensive utilisation of alternative gas supplies sources to own depot (car transport), which ensured higher predictability and more favourable margins in fluctuating prices environment

# NATURAL GAS SEGMENT

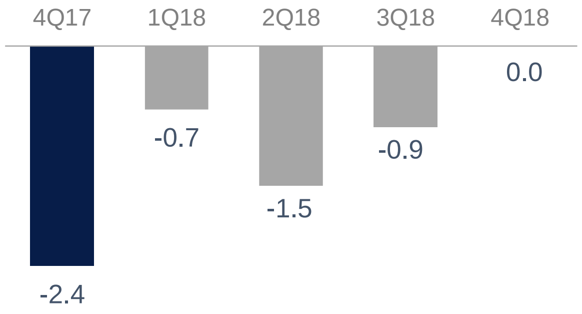
Sales volumes [GWh]



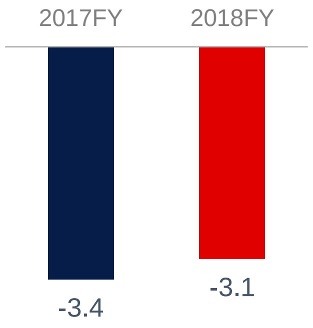

Total revenues* [PLN million]




Adj. EBITDA*** [PLN million]




Adj. EBITDA*** [PLN million]

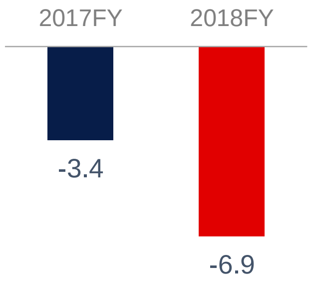



- Segment consists of: business of gas companies, gas sale to ending users by UNIMOT Energia i Gaz and wholesale trade of gas by UNIMOT S.A.
- In Q4 2018 lower sales volumes in Unimot System, among others, driven by failure to receive contracted amount of natural gas by one large customer
- In Q4 2018 higher yoy prices of sales and distribution (according to new higher tariffs) and lower purchase prices (new, more attractive contracts)
- In Q4 2018 significantly higher yoy EBITDA primarily driven by low base result (adjusting incurred in Q3 2018 penalties for subsidiaries following concluding an agreement), remaining high interest-rate costs of subsidiaries
- Write-offs regarding Blue Cold**
- In Q4 2018 execution of futures concluded in the past at unfavourable prices (trading business). In 2018 influence for EBITDA: approx. PLN -1.3 m

Spółki gazowe

| [in PLN thousand] | 4Q18 | 4Q17 |
|---|---|---|
| Revenues | 2 993 | 3 138 |
| Adj. EBITDA | 285 | -1 661 |
| Volumes [MWh] | 14 170 | 23 383 |

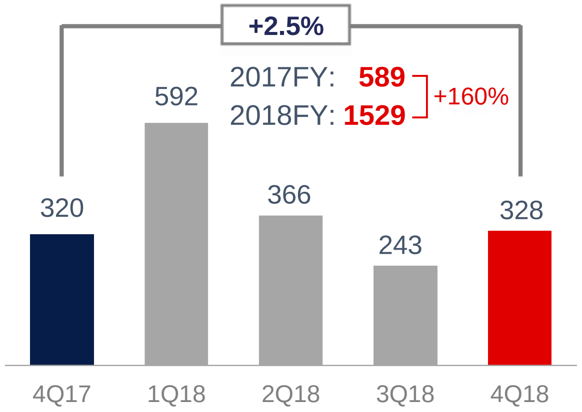
EBITDA [PLN million]



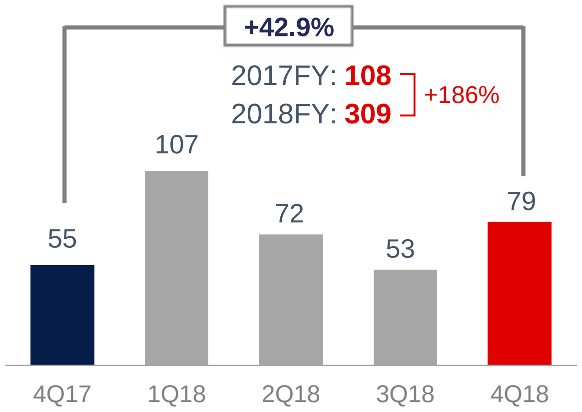

*• Revenues from external customers* *** more detialed description and values on previous slides* **** adjusted for Blue Cold write-offs*

# SEGMENT ENERGIA ELEKTRYCZNA

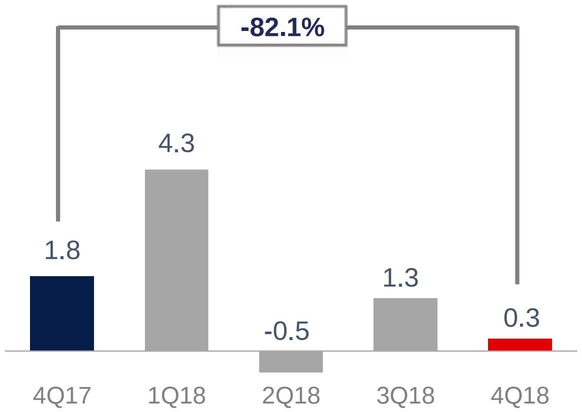
Sales volumes [GWh]



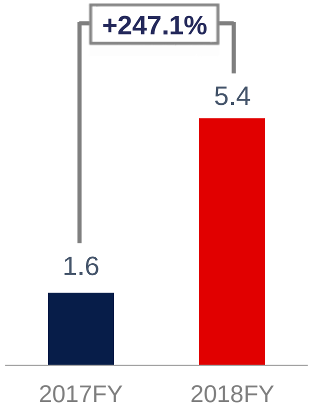

Total revenues from electricity [PLN million]




EBITDA [PLN million]

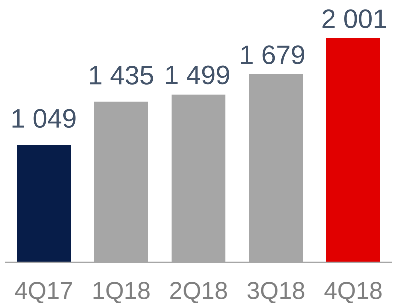



EBITDA [PLN million]




- Increase of producer portfolio in Tradea and implementing subsequent trading and arbitration strategies; positive results despite high price volatility and market turmoil
- Intensive sales activities in the sales to final customers segment – a record number of acquired new contracts
- Negative EBITDA result in the segment of electricity sale to final customers due to business functioning model – incurring ongoing costs of segment functioning and the revenues will occur in the future, the moment the signed delivery contracts come into force

Active energy collection points in UEiG



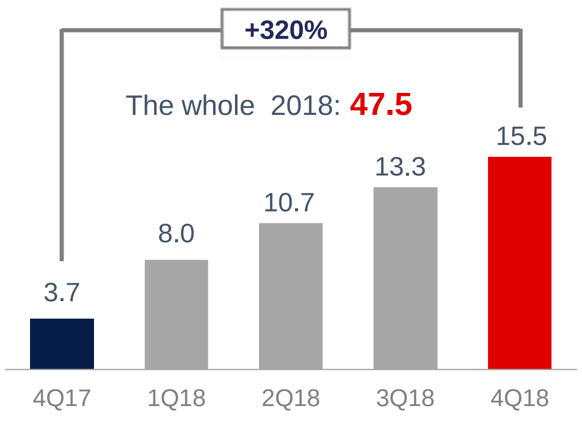

| [in PLN thousand] | *Separate data* | 2018 |
|---|---|---|
| Revenues | Tradea | 296 886 |
| | UEiG | 24 485 |
| EBITDA | Tradea | 6 103 |
| | UEiG | -2 368 |

| [in PLN thousand] | 2019-2022 |
|---|---|
| Future revenues from contracts sign by UEiG* | 87 464 |
| Profit on sales | 9 333 |

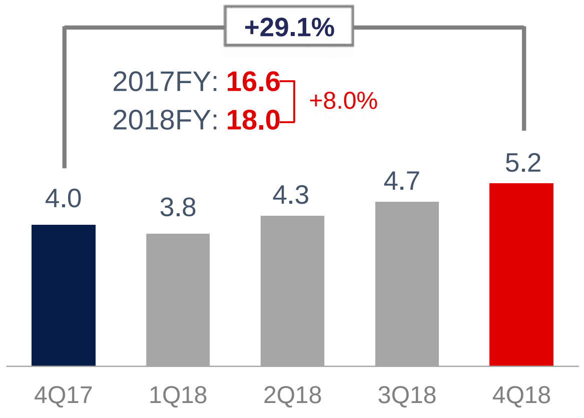
** As of 31.12.2018*

# PETROL STATIONS SEGMENT

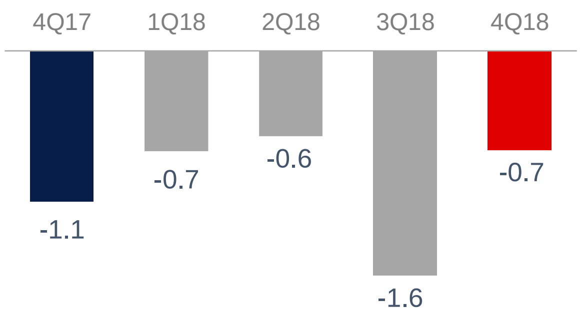
Sales volumes [million liters]



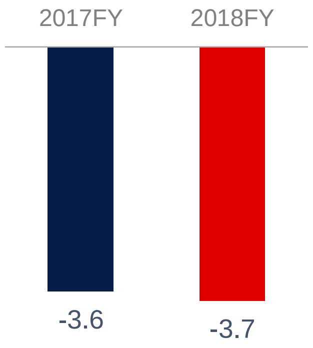

Total revenues [PLN million]




EBITDA [PLN million]

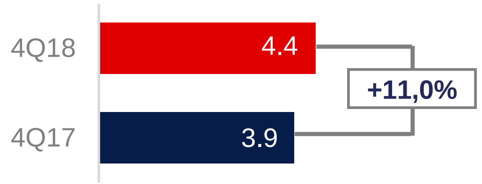



EBITDA [PLN million]

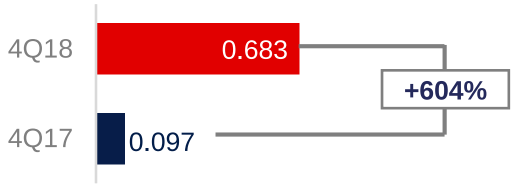



- Positive effect of franchise for the stations – growth of sales and revenues at petrol stations; new station in Lublin

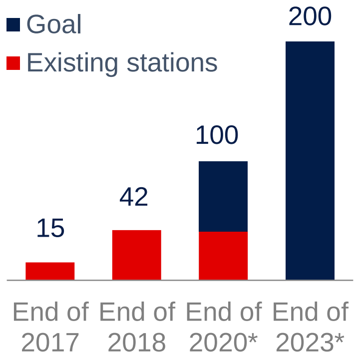
Revenues – own stations* [PLN million]




Revenues – franchise** [PLN million]




Number of stations in AVIA chain




Expenditures on AVIA stations (2017-2018):

**PLN 6.7 m**

** Including revenues from sales of fuels*

*** Excluding revenues from sales of fuels (booked in Diesel+Bio segment)*

# AGENDA


1. Most important events
2. UNIMOT Group financial results
3. Financial results divided by segments
4. **Outlook for future quarters**
5. Appendix

# OUTLOOK FOR FUTURE QUARTERS

LIQUID FUELS

- Flexible utilisation of contracts for Polish product supplies depending on market situation in order to maximise the margin
- Moderate market perspectives for Q2 2019 driven by seasonability effect


LPG

- Actions aimed at ensuring increased stability of supplies due to market challenges (partial change of purchase structure to road one)
- Developing offer and expansion on the market of tank installations
- Developing inhouse tank facilities in Zawadzkie in coming quarters
- Renting wagons – increased purchase efficiency and effectiveness of logistics planning

AVIA STATIONS

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

NATURAL GAS

- Further steps aimed at optimisation of gas segment activity
- Further works on the concept of LNG stations chain
- Connecting new customers to gas network

ELECTRICITY

- Challenges in the context of new regulations related to electricity prices
- Possible acquisitions of customer portfolios from other entities

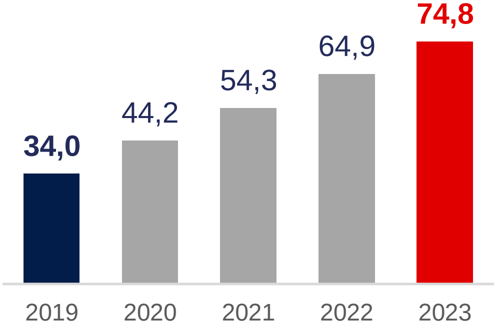
# STRATEGY FOR 2018-2023

**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 | 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.*

# AGENDA


1. Most important events
2. UNIMOT Group financial results
3. Financial results divided by segments
4. Outlook for future quarters

**5. Appendix**

# ADJUSTED EBITDA – ASSUMPTOONS FOR MODEL

Following the intention to present adjusted results that best reflect the actual business results, the Group has improved the methodology applied to calculate adjustments for the EBITDA result and net profit.
Therefore, the presented adjusted data may differ from the data that the Company published in the past – both in interim statements as well as other materials.

**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 before conversion due to a reduced approach to establishing provisions to cover the cost of maintaining the compulsory reserve*

| [in PLN million] | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 |
|---|---|---|---|---|---|---|---|---|
| **EBITDA** | **12.2** | **7.6** | **15.9** | **2.7** | **0.8** | **-8.3** | **14.5** | **6.4** |
| 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 |
| **Adj. EBITDA** | **10.0** | **4.7** | **5.0** | **5.0** | **5.9** | **-1.4** | **8.2** | **18.7** |

# CASH FLOW STATEMENT

| [PLN thousand] | 2018 | 2017* |
|---|---|---|
| **Operating activity cash flows** | | |
| Profit before taxation | -221 | 24 000 |
| Adjustments by items, in this: | | |
| Amortisation | 5 533 | 4 873 |
| Net interests, transactional costs (concerning credits and loans) and dividends | 8 013 | 4 955 |
| Receivables change | 3 983 | -39 709 |
| Inventories change | 42 687 | 336 |
| Trade payables change | -62 240 | 6 686 |
| **Net operating activity cash flows** | **-29 200** | **20 117** |
| **Net investment activity cash flows** | **-1 090** | **-3 014** |
| **Net financial activity cash flows** | **-27 317** | **50 204** |

** 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. According to the selected method comparative data is not converted.*

# BALANCE SHEET

| [PLN thousand] | 31.12.2018 | 31.12.2017* |
|---|---|---|
| **Fixed assets,** *including:* | | |
| Tangible assets | 45 825 | 50 459 |
| Intangible assets | 18 636 | 20 501 |
| **Fixed assets in total** | **76 760** | **80 508** |
| **Current assets,** *including:* | | |
| Inventories | 190 500 | 233 187 |
| Trade and other receivables | 246 487 | 245 948 |
| Financial derivative instruments | 33 190 | 14 842 |
| Cash and cash equivalents | 47 015 | 36 532 |
| **Total current assets** | **526 525** | **538 012** |
| **Total assets** | **603 285** | **618 520** |

| [PLN thousand] | 31.12.2018 | 31.12.2017* |
|---|---|---|
| **Equity,** *including:* | | |
| Share capital | 8 198 | 8 198 |
| Other capitals | 174 437 | 163 100 |
| **Total equity** | **193 245** | **210 321** |
| **Long-term liabilities,** *including:* | | |
| loans and other debt instruments | 10 004 | 11 674 |
| **Total long-term liabilities** | **13 679** | **25 306** |
| **Short-term liabilities,** *including:* | | |
| overdrafts | 215 232 | 140 575 |
| **Total short-term liabilities** | **396 361** | **382 893** |
| **LT and ST Liabilities** | **410 040** | **408 199** |
| **TOTAL LIABILITIES** | **603 285** | **618 520** |

** 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. According to the selected method comparative data is not converted.*

# BUSINESS PROFILE

UNIMOT

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


DIESEL OIL

BIO-FUELS

LPG GAS

NATURAL GAS

ELECTRICITY

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
  - **Blue LNG Sp. z o.o.**
    natural gas regasification
  - **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 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 2018

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

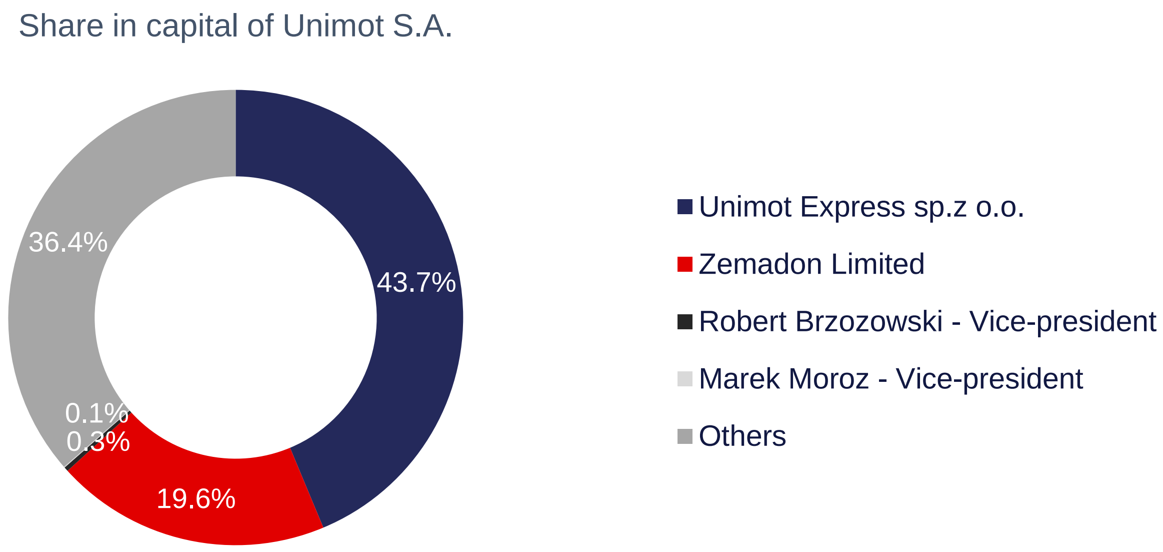
2. Optional compensatory payment (made in return for reducing the scope of NIT fulfilment to the level of 5.48%, i.e. by max. 15% of total required NIT; <u>does not remove the obligatory blending or reduce its scope)</u>

**by healting value*

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

# AKCJONARIAT 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** | 25 730 | 0.31% | 25 730 | 0.29% |
| **Marek Moroz – Vice-President of the Board** | 4 750 | 0.06% | 4 750 | 0.06% |
| **Others** | 2 957 052 | 36.1% | 2 957 052 | 34.6% |
| **Total** | **8 197 818** | **100.00%** | **8 897 818** | **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**
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