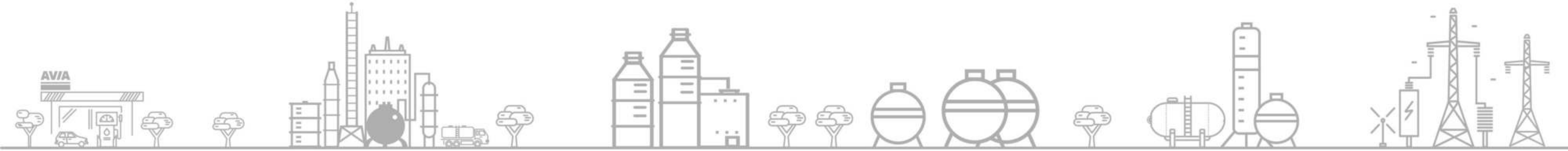
Consolidated financial results for Q3 2018

11/13/2018



AGENDA

1. Most important events

2. UNIMOT Group financial results

3. Financial results divided by segments

4. Outlook for future quarters

5. Appendix

Q3 2018 HIGHLIGHTS

Effective implementation of optimisation plan	Revenues: **PLN 843 m**	EBITDA: **PLN 14.5 m**	Adj. EBITDA*: **PLN 8.2 m**

LIQUID FUELS

Larger demand for fuels driven by peak of the season

Change in the system of NIT (National Indicative Target) fulfilment driven by an amendment to the law on bio-fuels – sales of volumes for which the NIT was fulfilled earlier, „recovering” the NIT on compulsory reserve

NATURAL GAS

Dynamic growth in gas prices – by over 20% within Q3 2018

Introduction of higher tariff rates on natural gas sales and distribution

Commencing gas purchases based on a new, more attractive contract

Further actions related to optimisation of gas assets

LPG

Growth in sales volumes by 15% yoy

Further growth of product market prices and difficulties in product availability

ELECTRICITY

Growth of sales volumes by almost 170% yoy

Acquisition of further sales contracts (largely comprising oncoming years)

UNIMOT S.A.

Amendments to the composition of the Management Board – appointing Mr Adam Sikorski as a President of the MB and Mr Marek Moroz as a Vice-President of the MB for Financial Affairs

** adjusted for an estimated higher diesel compulsory reserve valuation, movement of cost over time (NIT, compulsory reserve) and provisions*

ADJUSTMENTS OF EBITDA ACCORDING TO THE NEW CALCULATION 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

[in milion PLN]	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	1-3Q17	1-3Q18
EBITDA*	**12.2**	**7.6**	**15.9**	**2.7**	**0.8**	**-8.3**	**14.5**	**35.8**	**7.1**
Adjustments for: estimated valuation of compulsory reserve, movement of NIT and compulsory reserve over time, provisions, one-offs	-2.2	-3.0	-10.9	+2.2	+5.1	+6.8	-6.3	-16.0	5.6
Adjusted EBITDA	10.0	4.7	5.0	5.0	5.9	-1.4	8.2	19.8	12.7

** Earnings Before Interest, Taxes, Depreciation and Amortization)*

RESTRUCTURING ACTIONS – IMPLEMENTATION STATUS

over
250
Status meetings

almost
50
directly involved employees

PLN 10 million
assumed in the Savings Strategy (full result in 2019)

Current level of restructuring actions implementation = **over PLN 10 million** (in 2019) including, among others:

Employment optimisation **PLN 6,9 million**	Logistics costs reduction **PLN 2,2 million**	Decreased financial and administration costs **PLN 0,6 million**
Car fleet costs reduction **PLN 0,6 million**	Decreased advertising and representation costs **PLN 0,7 million**	Optimisation of other areas **PLN 1,5 million**

AGENDA

1. Most important events
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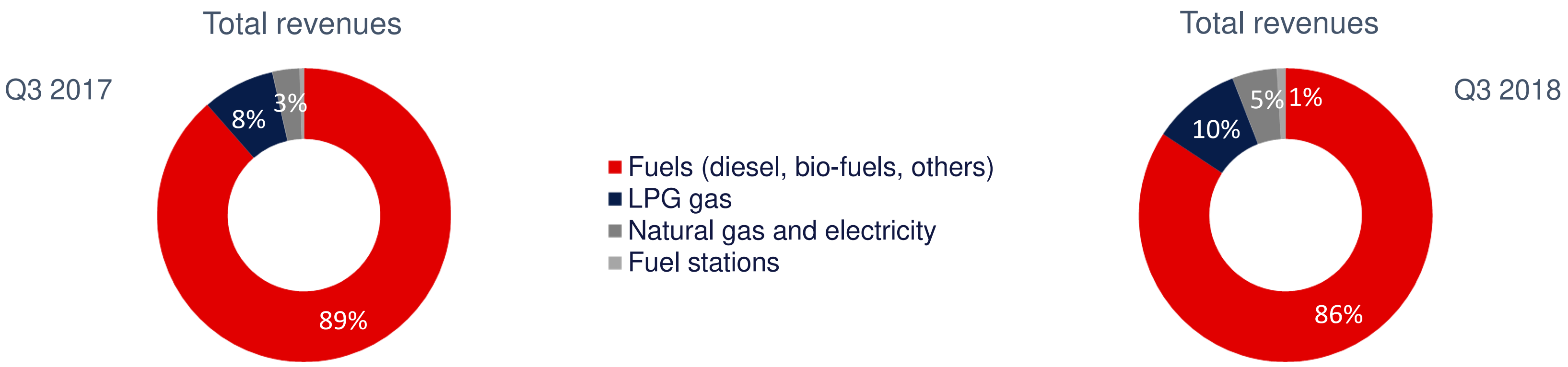
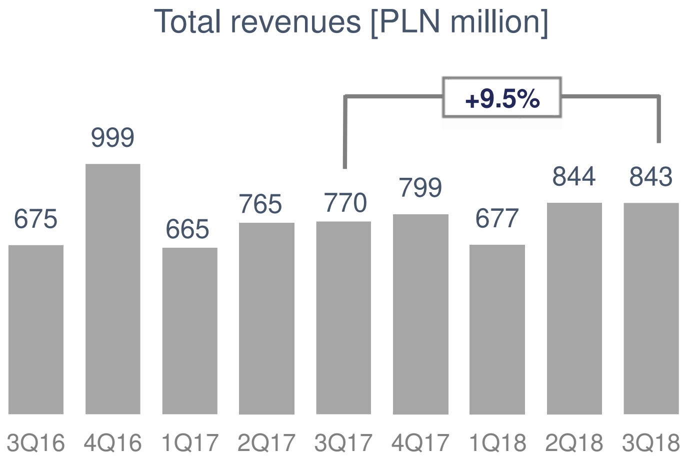
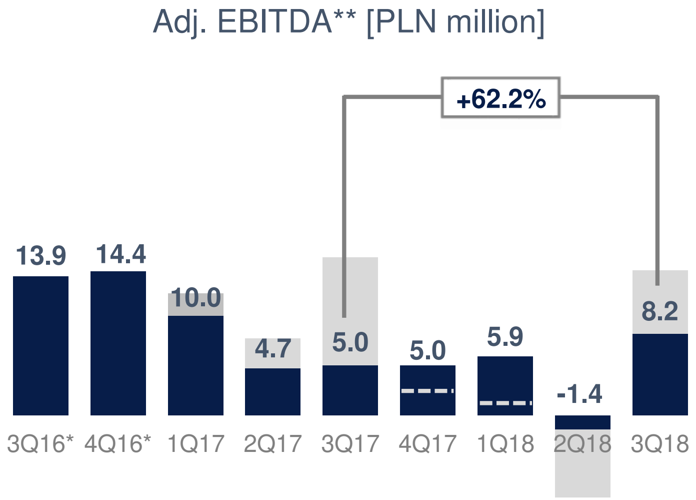
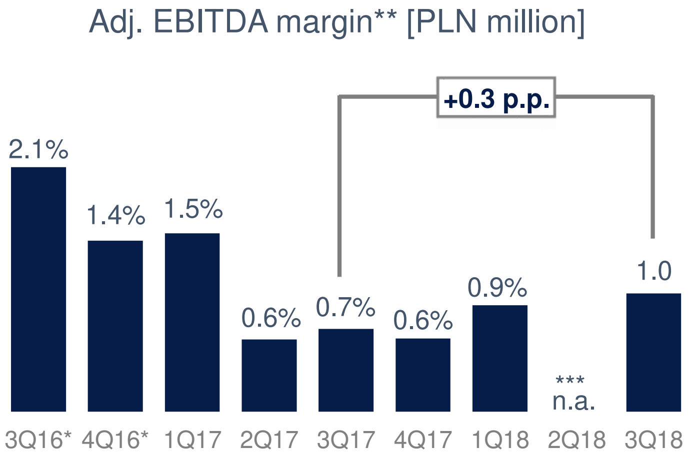
KEY FINANCIAL DATA









* non-adjusted
** adjusted for an estimated higher diesel compulsory reserve valuation, movement of cost over time (NIT, compulsory reserve) and provisions
*** negative EBITDA

INCOME STATEMENT AND MARGINS

[in PLN million]	1Q18	2Q18	3Q18	3Q17	3Q18/3Q17	1-3Q18	1-3Q17	1-3Q18/1-3Q17
Net revenues	677.4	843.9	842.7	769.7	9.5%	2 364.0	2 199.3	7.0%
Gross profit on sales[1]	20.2	20.7	41.1	44.2	-7.1%	82.0	109.2	-24.9%
Gross profit on sales margin[1]	3.0%	2.5%	4.9%	5.7%	-0.8 p.p.	3.5%	5.0%	-1.5 p.p.
Operating profit	-5.5	-9.2	10.9	14.6	-25.1%	-3.8	32,1	-
Operating profit	-	-	1.3%	1.9%	-0.6 p.p.	-0.2%	1.5%	-
EBITDA[2]	0.8	-8.3	14.5	15.9	-8.9%	7.1	35.8	-80.2%
EBITDA margin	0.1%	-	1.7%	2.0%	-0.3 p.p.	0.3%	1.6%	-1.3 p.p.
Adj. EBITDA[3]	5.9	-1.4	8.2	5.0	62.2%	12.7	19.8	-35.8%
Adj. EBITDA margin[3]	0.9%	-	1.0%	0.7%	0.3 p.p.	0.5%	0.9%	-0.4 p.p.
Net profit	-2.0	-12.5	9.5	10.6	-11.0%	-5.0	22.7	-
Net profit margin	-	-	1.1%	1.4%	-0.3 p.p.	-0.2%	1.0%	-

[1] The item includes realised and unrealised exchange rates and assets and liabilities valuation, in this inventories
[2] Earnings Before Interest, Taxes, Depreciation and Amortisation)
[3] Adjusted for an estimated higher diesel compulsory reserve valuation, movement of cost over time (NIT, compulsory reserve) and provisions

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

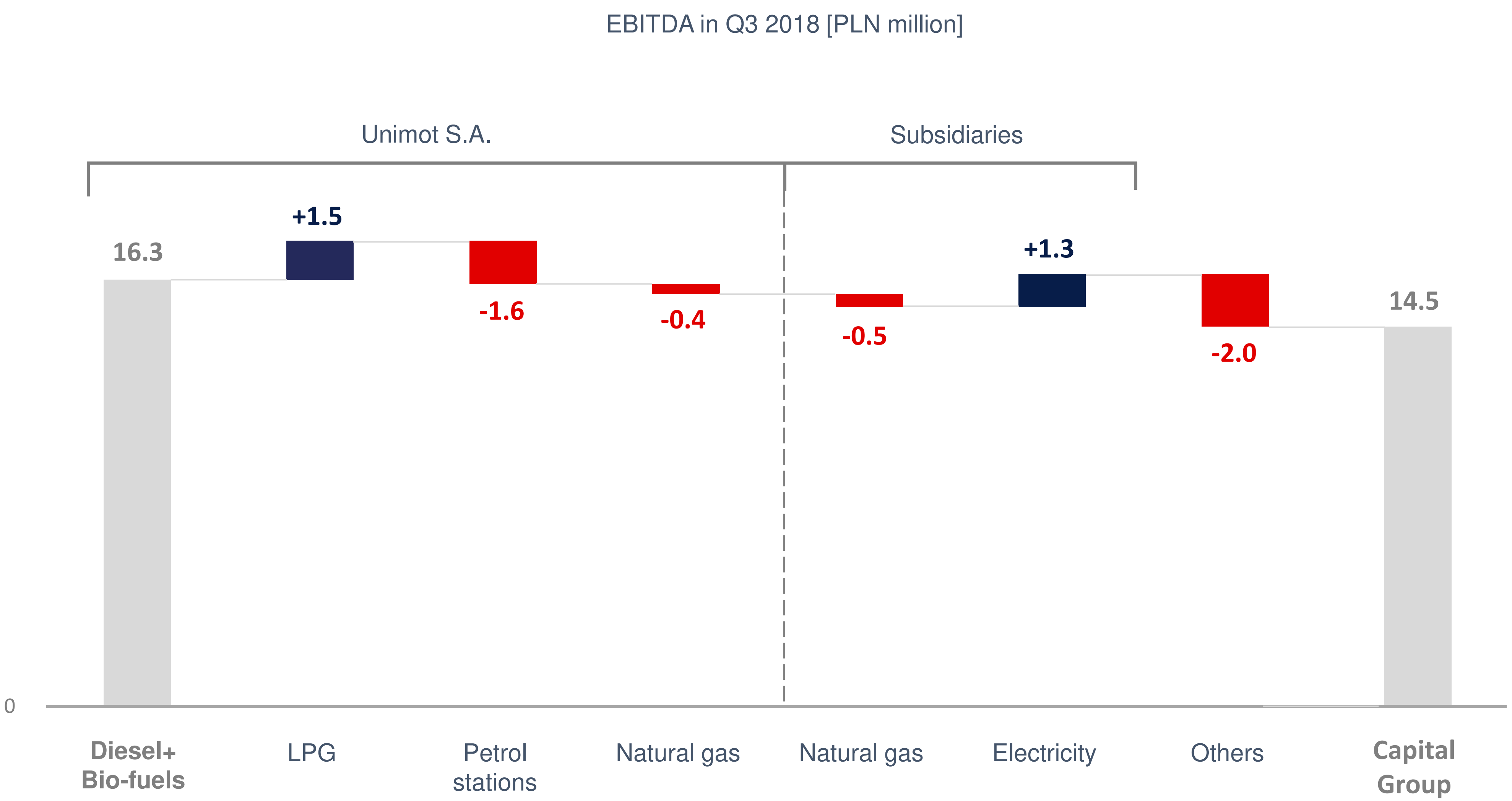
FINANCIAL RATIOS

	2017	2Q18	3Q18
Financial liquidity ratio (current assets / short-term liabilities)	1.40	1.29	1.30
Interest coverage ratio (EBITDA / interest)	4.05	1.95	2.20
Bank Covenant (equity / balance sheet total)	31.1%	23.8%	28.4%
ROCE (EBITDA / fixed assets – working capital)	10.5%	6.3%	7.7%
Debt ratio (total liabilities / assets)	0.65	0.72	0.72
Receivables (in PLN million)	248	269	248
Inventories (in PLN million)	233	286	248
Short-term liabilities (in PLN million)	380	472	429

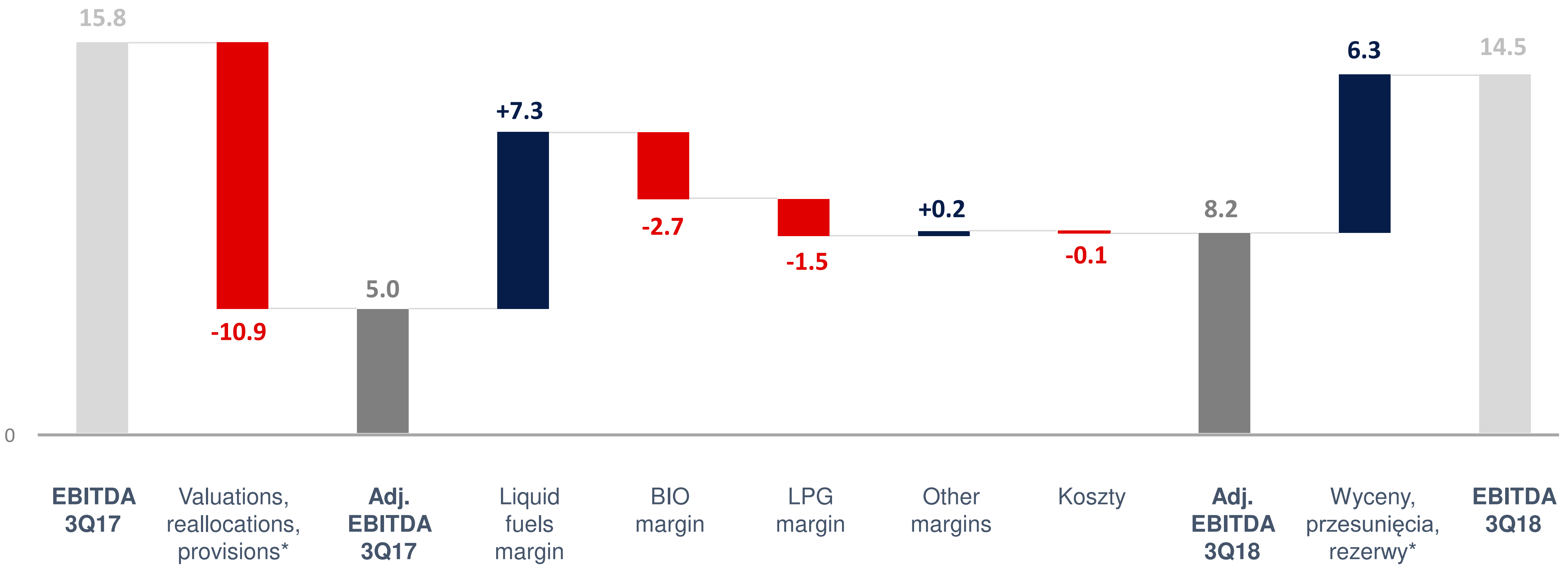
- Improved efficiency ratios in Q3 2018 achieved due to a decrease in the capital involved in current assets (inventories, receivables) at a higher quarterly result
- Debt ratio at a stable level vs. previous quarter.

Counted on an adjusted results

PARTICULAR BUSINESSES CONTRIBUTION TO CONSOLIDATED EBITDA



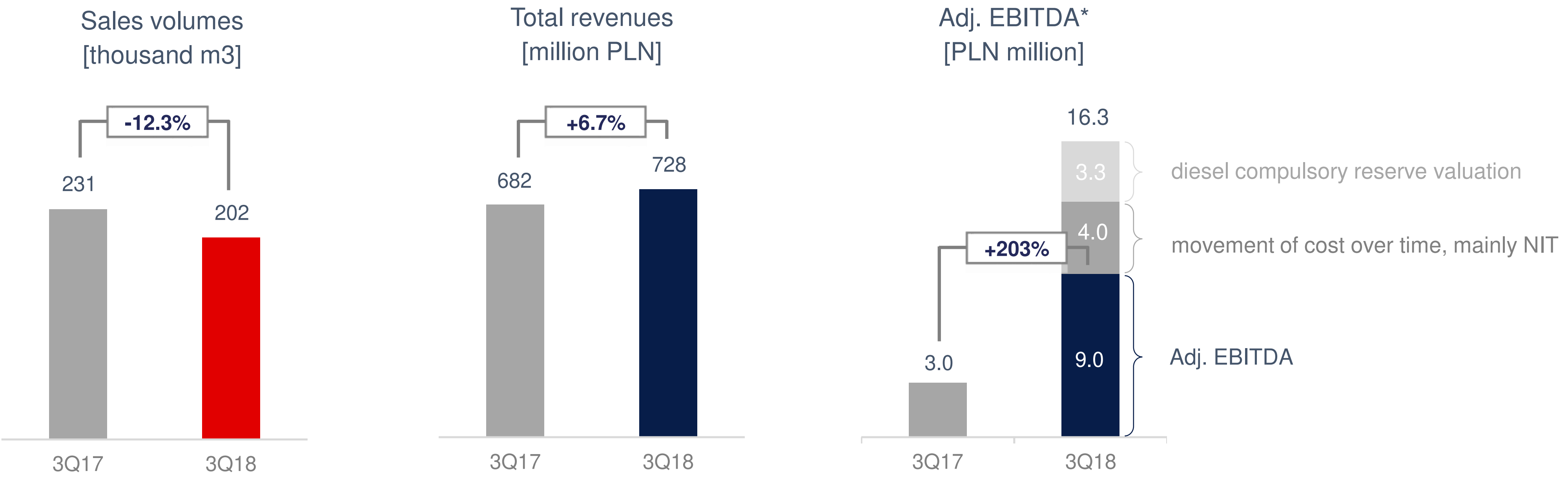
MAIN REASONS FOR LOWER CONSOLIDATED RESULTS YOY



** adjusted for an estimated higher diesel compulsory reserve valuation, movement of cost over time (NIT, compulsory reserve), provisions, one-off's*

AGENDA

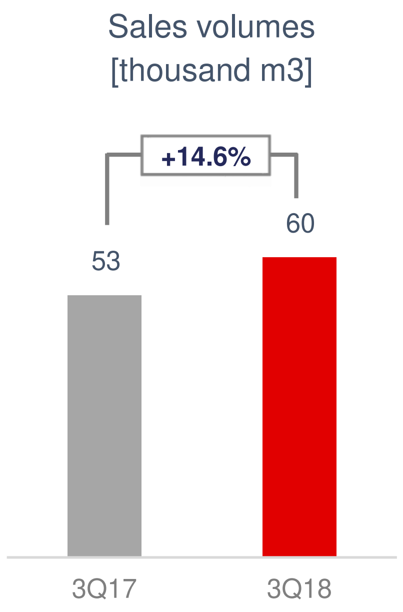
DIESEL+BIO SEGMENT

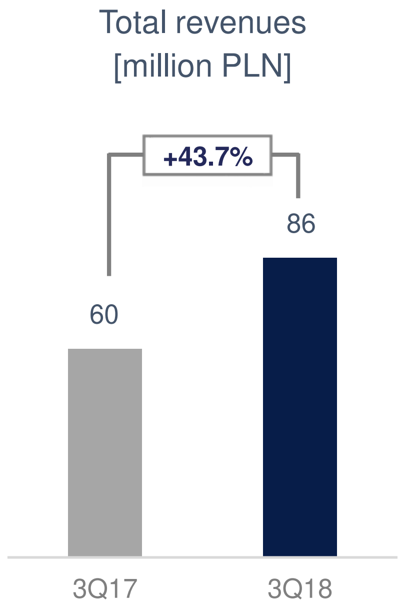


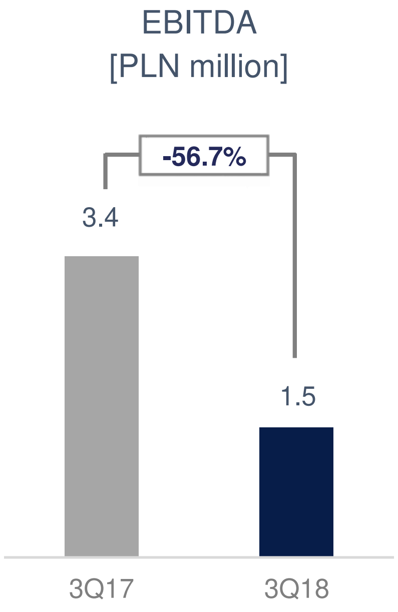
- Higher sales volumes of diesel oil and petrol driven by a strong demand, lower sales volumes of bio-fuels driven by the change in legal regulations concerning fulfilment of the NIT and changes in B100 product availability designated for trading
- Significantly lower costs of logistics (over 30% yoy) due to higher rotation, satisfying levels of trade margins on diesel oil – similar yoy
- Higher EBITDA margin achieved through unification of purchase and sales formulas, optimisation of logistics-related costs, transactions servicing, hedging and introduction of new products to the product range (new product UCOME)
- Higher costs of the National Indicative Target fulfilment mainly associated with new settlement of blending ratio (78% in Q3 2018)
- Higher cost of mandatory reserve of future periods (larger created provisions)
- Higher estimated valuation of compulsory reserve of diesel, moving over time costs, mainly NIT

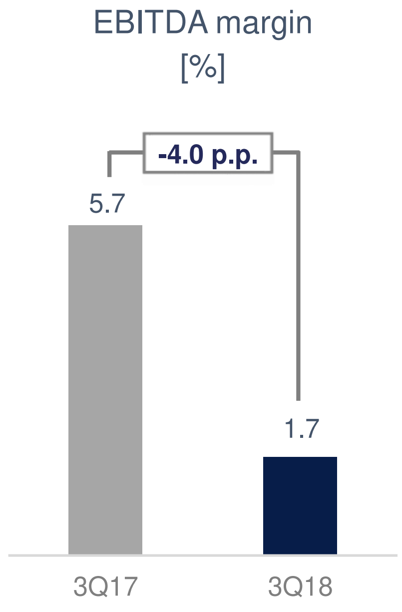
** Adjusted for an estimated higher diesel compulsory reserve valuation (driven by a significant spread of diesel spot quotations and forwards quotations), movement of cost over time (NIT, compulsory reserve) and provisions*

LPG SEGMENT





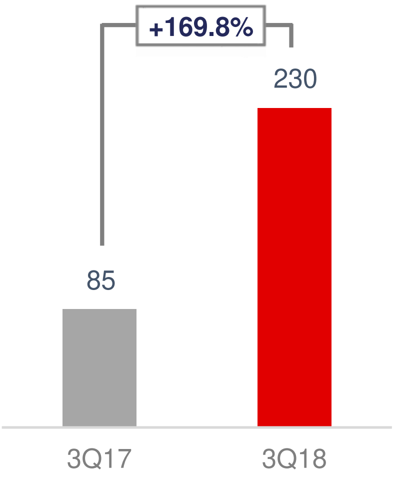




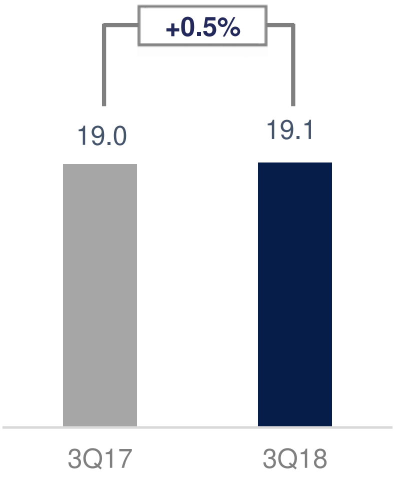
- Higher sales volumes driven by further market expansion mainly in the scope of wholesale
- Higher market prices of LPG purchases (in line with diesel oil and currencies)
- Persistent since Q1 2018 lack of stable LPG supplies to Poland – logistic limitations (lower capacity and railway tracks and depot 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); to neutralise this effect the Group utilises alternative gas supply sources to own depot (road transport) – increased predictability, more favourable margins in the light of fluctuating prices

ELECTRICITY SEGMENT

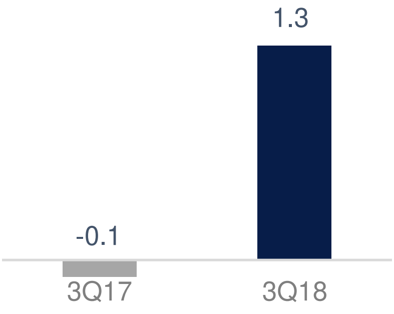
Sales volumes [thousand m3]



Total revenues [million PLN]



EBITDA [PLN million]

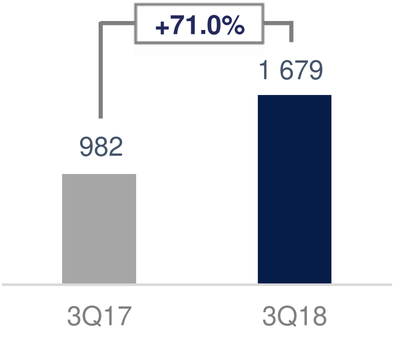


[thousand PLN]	1-3Q2018	1-3Q2017
Revenues		
Tradea	222,1	45,0
UEiG	17,6	16,6
EBITDA		
Tradea	5,6	0,6
UEiG	-1,4	-1,6

Standalone data of subsidiaries

- Higher sales results in wholesale energy trading through exchange and brokerage platforms (since present year the result is demonstrated in the item „Revenues/Financial Costs" according to MSFF 15, but included into EBITDA)
- 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



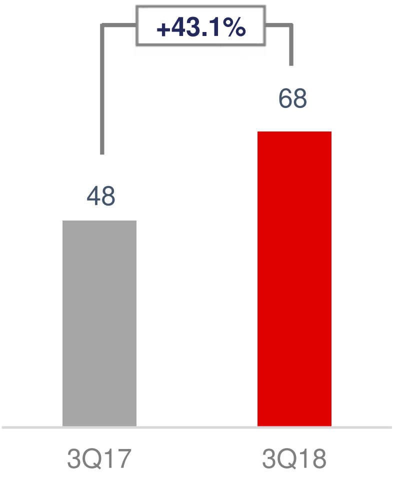
Future revenues from contracts signed with customers as of 30.09.2018 in UEiG

[in PLN thousand]	10.2018 – 2022
Future revenues	68 831
Gross profit on sales	11 541
Costs of contracts acquisition	-4 056
Profit on sales	**7 485**

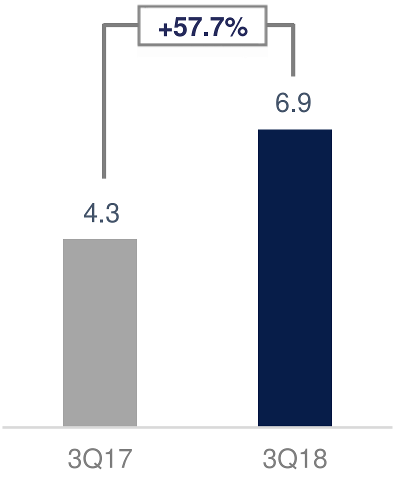
** Since 2018 the result on operations of Tradea has been included directly into the revenues/financial costs (this concerns the amount of PLN 33.5 million of revenues and PLN 31.5 million of costs in Q3 2018) – therefore, the growth of volumes did not translate directly into a proportional growth of revenues in the statement on Group's total revenues.*

NATURAL GAS SEGMENT

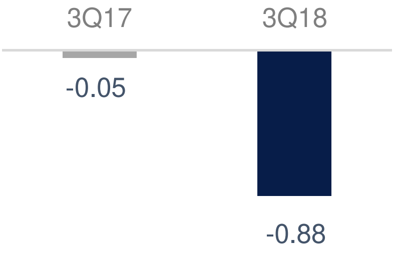
Sales volumes
[thousand m3]



Total revenues*
[million PLN]



EBITDA
[PLN million]



UNIMOT System Group
(natural gas companies)

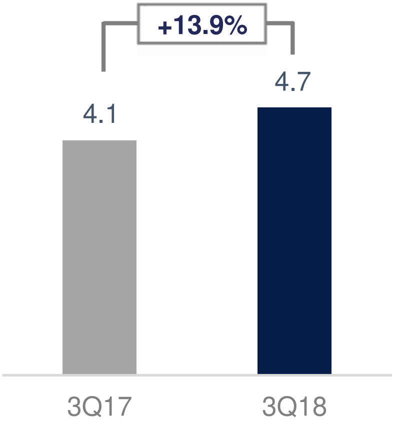
[thousand PLN]	3Q2018	3Q2017
Revenues	1 543	1 836
EBITDA	-90	823
Volumes	9 GWh	13 GWh

- Conducted activity: natural gas trade, sales and distribution (in-house infrastructure and PPE)
- Higher sales volumes
- Higher sales and distribution prices (according to new, significantly higher tariffs) and lower purchase prices (new, more attractive contracts)
- Negative financial results driven primarily by: high interest rates of subsidiaries and dynamically growing prices of natural gas on the market (by more than 20% in Q3 2018, by more than 40% since the beginning of the present year) and also a high base result (in Q3 2017 accrued due penalties)

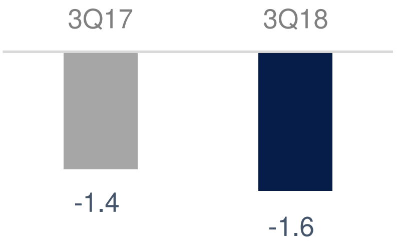
** Revenues from external entities*

PETROL STATIONS SEGMENT

Revenues
[PLN million]



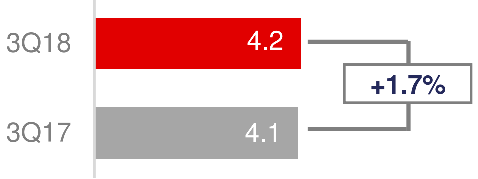
EBITDA
[PLN million]



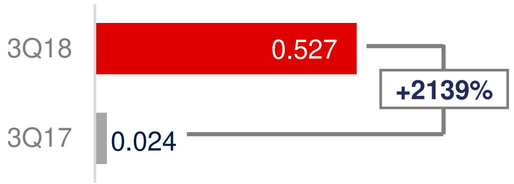
Volume of fuels sold at AVIA stations in Q2 2018:
9.2 million of litres

- Positive effect of franchise for the stations – growth of sales and revenues at petrol stations

Revenues – own stations* [PLN million]

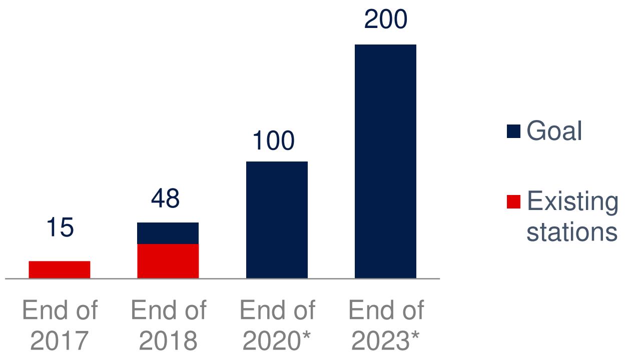


Revenues – franchise** [PLN million]



Expenditures on AVIA stations (2017-2018):
4.6 mln zł

Number of stations in AVIA chain



Types of Group's revenues from AVIA chain (most important ones at the top):

1. **Wholesale margin**
2. **Investment charges**
3. **Fixed charges**
4. **Other charges**

Revenues booked in the result of **Diesel+BIO segment**

Revenues booked in the result of **Petrol Stations**

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

AGENDA

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PERSPECTIVES FOR FUTURE QUARTERS

LIQUID FUELS

- Larger concentration on domestic fuels sales
- Further optimisation of logistic costs
- Preparations for various scenarios following the introduction of emission fee at the beginning of 2019

LPG

- Actions aimed at further diversification of purchase sources
- Development of offer and expansion on tank installations market
- Stability of LPG supplies from the East may constitute a challenge

AVIA STATIONS

- Incorporation of further petrol stations into the AVIA franchise chain – owning 48 stations until the end of 2018
- Development of franchise offer aimed at increased attractiveness

NATURAL GAS

- Further steps aimed at optimisation of gas segment activity
- Further works on the concept of a LNG stations chain in Poland
- Further works aimed at achieving higher tariffs (following the growing price of gas)

ELECTRICITY

- Acquisition of new customers and ensuring higher future profits
- Possible acquisitions of customer portfolios from other entities

UNIMOT GROUP

- Taking further reorganising actions aimed at further decrease of costs

AGENDA

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 will be 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.

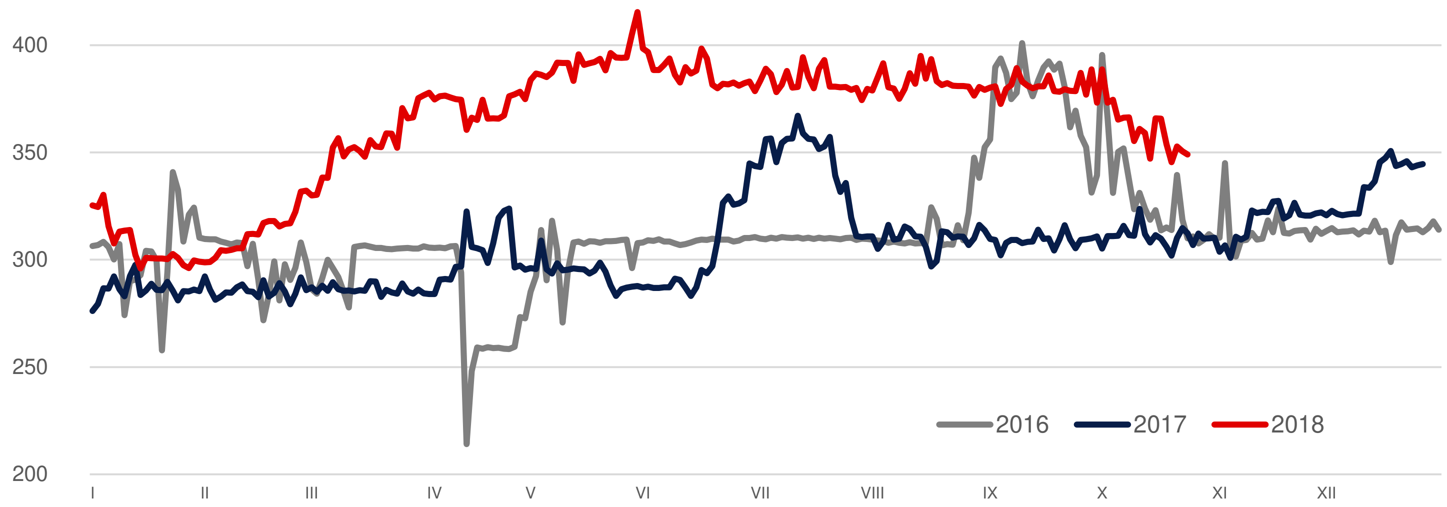
Platts ARA – reference prices for fuels in spot transactions collected and published daily by Platt Agency. ARA concerns places of product delivery/supply – in this case ports of Amsterdam, Rotterdam, Antwerp.

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.

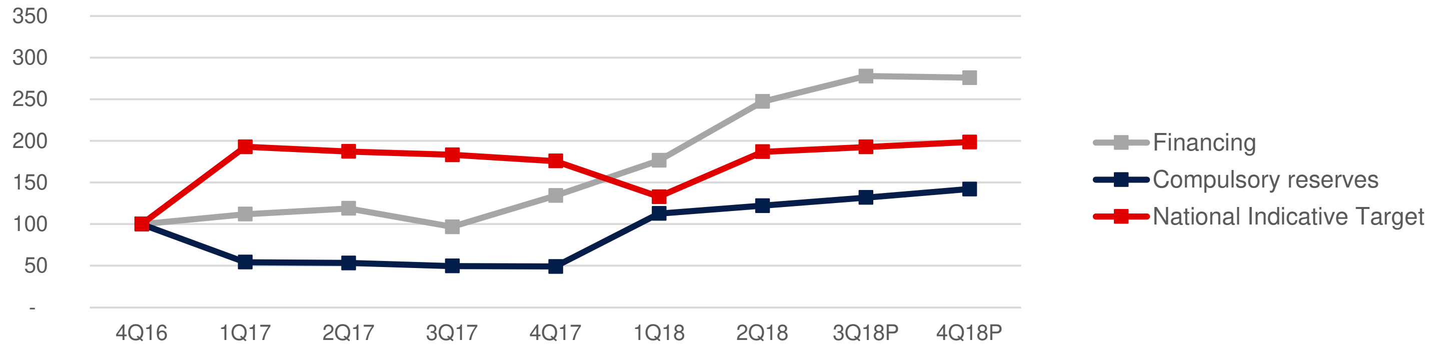
Mandatory reserve – reserve of fuel maintained by entities that produce and import into the territory of Poland particular liquid fuels. These entities are obliged to maintain determined reserves of fuels that they trade so as to ensure the energy security of the country.

MARKET ENVIRONMENT OF DIESEL – LAND PREMIUM

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



Growth of UNIMOT's costs compared to Q4 2016 (change)



Further diesel consumption growth
– by **5%** yoy in Q3 2018 (source: PKN Orlen)

Major factors influencing the level of Unimot's wholesale margins

REVENUE SIDE

- Sales volumes
- Land premium level
- Dynamics of volatility in diesel market prices (high growth dynamics – negative impact; high fall dynamics – positive impact)

COST SIDE

- Product purchase cost (conditioned by diesel quotations)
- Logistics cost
- NIT fulfilment cost**
  (dependent on NIT and blending levels as well as diesel and bio-components price spread – FAME quotations)
  – higher yoy
- Compulsory reserve cost ("distributed" over sold volumes)
  – higher yoy

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

*** Revenues representing these costs will be recorded in the books with a delay*

CASH FLOW STATEMENT

[PLN thousand]	3Q18	3Q17*
Operating activity cash flows		
Profit before taxation	11 214	13 370
Adjustments by items, in this:		
Amortisation	1 421	1 256
Net interests, transactional costs (concerning credits and loans) and dividends	1 748	1 209
Receivables change	18 511	53 957
Inventories change	37 935	-68 157
Trade payables change	-27 436	-34 912
Net operating activity cash flows	48 167	-14 648
Net investment activity cash flows	161	-1 162
Net financial activity cash flows	-5 090	-20 272

** 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]	09/30/2018	09/30/2017*
Fixed assets, *including:*		
Tangible assets	50 473	50 704
Intangible assets	19 265	20 255
Fixed assets in total	85 362	81 772
Current assets, *including:*		
Inventories	247 972	239 414
Trade and other receivables	248 267	166 813
Financial derivative instruments	3 510	2 783
Cash and cash equivalents	49 259	22 585
Total current assets	558 411	435 448
Total assets	643 773	517 220

[w tys. zł]	09/30/2018	09/30/2017*
[PLN thousand]		
Equity, *including:*	8 198	8 198
Share capital	174 437	163 112
Other capitals	182 529	201 735
Total equity		
Long-term liabilities, *including:*	10 739	12 119
loans and other debt instruments	31 754	14 966
Total long-term liabilities		
Short-term liabilities, *including:*	227 068	157 603
overdrafts	429 490	300 519
Total short-term liabilities	461 244	315 485
LT and ST Liabilities	643 773	517 220

** 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.*

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.

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

BUSINESS PROFILE

UNIMOT

LIQUID FUELS

- DIESEL OIL
- BIO-FUELS
- LPG GAS

AVIA FUEL STATIONS

NATURAL GAS

NATURAL GAS

ELECTRICITY

ELECTRICITY

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%
Tankuj24.pl Sp. z o.o.
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: **7.5%**

Possible to decrease to the level of **6.45%** by applying reduction coefficient (0.86), applied by UNIMOT

NIT FULFILLMENT IN 2018

1. Quarterly obligation and blending settlement*

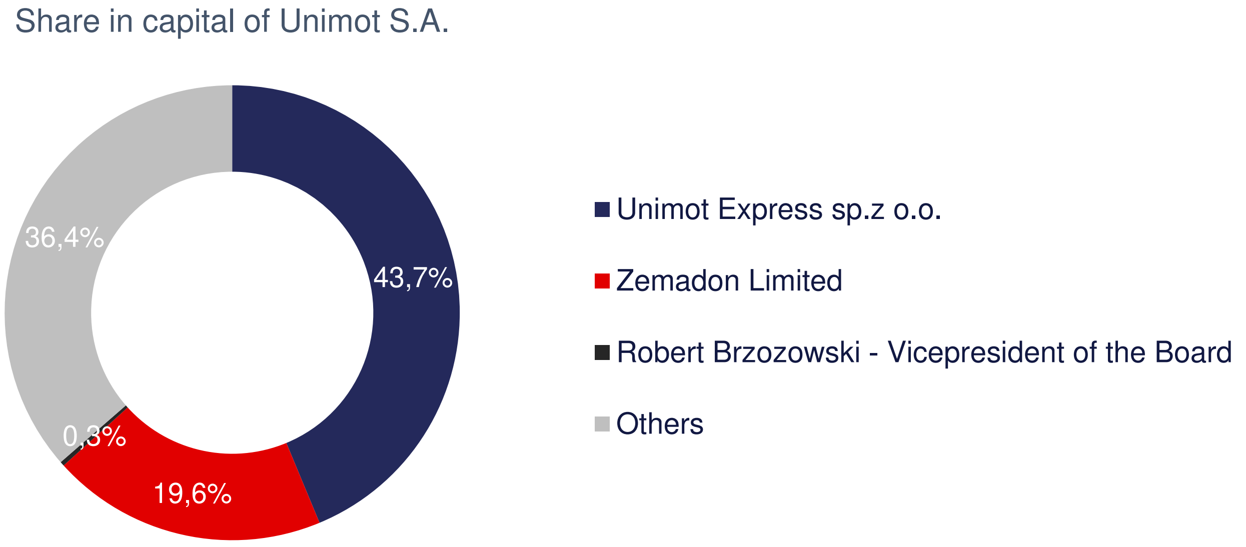
   - **Q1: min. 50%** of obligation fulfilled through blending
   - **Q2: min. 78%** of obligation fulfilled through blending
   - **Q3: min. 78%** of obligation fulfilled through blending
   - **Q4: min. 57%** of obligation fulfilled through blending

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; does not remove the obligatory blending or reduce its scope)

** * 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.	3 585 142	43,73%	3 585 142	41,94%
Zemadon Limited	1 602 411	19,55%	1 952 411	22,84%
Robert Brzozowski – Vice-President of the Board	25 730	0,31%	25 730	0,30%
Others	2 984 535	36,41%	3 334 535	34,92%
Total	**8 197 818**	**100,00%**	**8 897 818**	**100,00%**



As of 13/11/2018

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INVESTOR RELATIONS
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SPÓŁKA NOTOWANA NA GPW

spółka należy do SEG

AEO