



Interim condensed consolidated financial statements of the UNIMOT Capital Group

for III quarters of 2023



22 November 2023



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Selected data from the interim consolidated financial statements

	in PLN thousand		in EUR thousand	
	30.09.2023	Comparative data	30.09.2023	Comparative data
I. Sales revenue	9.838.267	9.703.412	2.149.360	2.069.840
II. Profit/(loss) on operating activities	163.222	267.075	35.659	56.970
III. Gross profit/(loss)	121.956	250.928	26.644	53.525
IV. Net profit/(loss) attributable to owners of the Parent Entity	91.631	200.830	20.019	42.839
V. Net profit/(loss)	93.161	200.806	20.353	42.834
VI. Net cash flow from operating activities	5.041	181.525	1.101	38.721
VII. Net cash flow from investing activities	(187.975)	(22.311)	(41.067)	(4.759)
VIII. Net cash flow from financing activities	121.698	(25.341)	26.587	(5.405)
IX. Total net cash flow	(54.542)	133.397	(11.916)	28.455
X. Total assets	2.729.671	1.665.277	588.850	355.077
XI. Liabilities and provisions for liabilities	2.045.432	961.483	441.244	205.011
XII. Long-term liabilities	572.389	96.614	123.477	20.600
XIII. Short-term liabilities	1.473.043	864.869	317.768	184.411
XIV. Equity	684.239	703.794	147.605	150.066
XV. Share capital	8.198	8.198	1.768	1.748
XVI. Number of shares (in thousands)	8.198	8.198	-	-
XVII. Profit/(loss) per ordinary share attributable to owners of the Parent Entity (in PLN/EUR)**.	11,18	24,50	2,44	5,23
XVIII. Diluted profit/(loss) per ordinary share attributable to owners of the Parent Entity (in PLN/EUR)	11,18	24,50	2,44	5,23
XIX. Book value per share (in PLN/EUR)***.	83,46	85,85	18,01	18,31
XX. Diluted book value per share (in PLN/EUR)	83,46	85,85	18,01	18,31

Comparative data for items relating to the Statements of Financial Position is presented as at 31 December 2022, and for items relating to the Statements of Total Revenues and the Statements of Cash Flows for the period from 1 January 2022 to 30 September 2022.

As at 30 September 2023, the number of shares used to calculate profit per ordinary share and diluted profit per ordinary share was 8,198 thousand.

As at 30 September 2022, the number of shares used to calculate profit per ordinary share and diluted profit per ordinary share was 8,198 thousand.

As at 30 September 2023, the number of shares used to calculate book value and diluted book value per share was 8,198 thousand.

At 31 December 2022, the number of shares used to calculate book value and diluted book value per share was 8,198 thousand.

The selected financial data has been converted into euro as follows:

The asset and liability items of the statements of financial position were converted into euro at the average exchange rate announced by the National Bank of Poland applicable as at 30 September 2023: PLN/EUR 4.6356 and for comparative data as at 31 December 2022: PLN/EUR 4.6899.

Individual items relating to the statements of total revenues and the statements of cash flows were converted at an exchange rate representing the arithmetic mean of the average exchange rates of the National Bank of Poland (NBP) in force on the last calendar day of each month, which amounted to PLN/EUR 4.5773 (9 months 2023), PLN/EUR 4.6880 (9 months 2022), respectively.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL REPORTING
STANDARDS AS ADOPTED BY THE EUROPEAN UNION**

Interim consolidated statements of financial position

<i>in PLN thousand</i>	<i>Note</i>	30.09.2023 (unexamined)	31.12.2022
Fixed assets			
Tangible fixed assets	2.8	428.907	101.838
Right to use assets	2.9	208.216	105.230
Intangible assets		7.018	1.427
Goodwill	1.1.4	52.920	17.904
Other financial assets	2.10	285	260
Long-term receivables		9.239	6.675
Derivative financial instruments	2.15	2.578	7.835
Assets from contracts with customers		9.491	8.586
Deferred tax assets		39.334	19.319
Total fixed assets		757.988	269.074
Current assets			
Inventories	2.11	541.002	257.175
Assets from contracts with customers		2.767	3.094
Trade and other receivables	2.12	896.333	728.757
Other financial assets	2.10	30.126	72.315
Derivative financial instruments	2.15	31.105	7.820
Income tax receivables		6.690	5.951
Cash and cash equivalents	2.13	451.545	312.463
Other current assets		12.115	8.628
Total current assets		1.971.683	1.396.203
TOTAL ASSETS		2.729.671	1.665.277

Interim consolidated statements of financial position (cont.)

<i>in PLN thousand</i>	<i>Note</i>	30.09.2023 (unexamine)	31.12.2022
Equity			
Share capital		8.198	8.198
Other capital		312.027	306.992
Exchange rate differences from conversion of foreign units		(158)	(56)
Retained profit and current year result		363.285	388.940
Equity of the shareholders of the Parent Entity		683.352	704.074
Non-controlling interests		887	(280)
Total equity		684.239	703.794
Long-term liabilities			
Liabilities from borrowings, leases and other debt instruments	2.14	514.390	96.332
Employee benefit obligations		19.049	282
Other liabilities	1.1.4	12.780	-
Derivative financial instruments	2.15	8.097	-
Provisions		17.961	-
Deferred tax liability		112	-
Total long-term liabilities		572.389	96.614
Short-term liabilities			
Overdraft facilities	2.14	400.378	206.754
Liabilities from loans, borrowings, leases and other debt instruments	2.14	86.696	11.300
Employee benefit obligations		4.356	1.290
Derivative financial instruments	2.15	51.308	16.356
Provisions		17.692	-
Income tax liabilities		5.507	23.144
Liabilities from contracts with customers		121.110	73.429
Trade and other liabilities		785.996	532.596
Total short-term liabilities		1.473.043	864.869
Total liabilities		2.045.432	961.483
TOTAL LIABILITIES		2.729.671	1.665.277

Interim consolidated statements of total revenues

<i>in PLN thousand</i>	<i>Note</i>	01.01.2023 30.09.2023 (unexamined)	01.07.2023 30.09.2023	01.01.2022 30.09.2022 (unexamined)	01.07.2022 30.09.2022 (unexamined)
Sales revenue	2.3	9.887.966	3.387.643	9.709.845	3.797.526
Profits/(losses) on financial instruments relating to fuel trading		(49.699)	(77.720)	(6.433)	16.920
Costs of products, services, goods and materials sold	2.5	(9.231.473)	(3.153.731)	(9.134.132)	(3.636.279)
Gross profit/(loss) on sales		606.793	156.191	569.280	178.167
Other operating revenues		7.117	2.561	13.212	1.956
Selling costs		(323.987)	(108.704)	(241.019)	(102.025)
Overheads		(113.609)	(50.206)	(62.564)	(16.480)
Other net profits/(losses)		1.649	176	(2.888)	60
Other operating costs		(14.741)	(9.664)	(8.946)	(3.325)
Operating profit/(loss)		163.222	(9.646)	267.075	58.353
Financial revenue		5.560	2.140	153	
Financial costs		(46.826)	(18.238)	(16.300)	(7.028)
Net financial revenues/(costs)	2.6	(41.266)	(16.098)	(16.147)	(7.028)
Profit/(loss) before tax		121.956	(25.744)	250.928	51.325
Income tax	2.7	(28.795)	5.005	(50.122)	(10.259)
Net profit/(loss) for the reporting period		93.161	(20.739)	200.806	41.066
of which attributable to:			-		
Shareholders of the Parent Entity		91.631	(22.231)	200.830	41.090
Non-controlling interests		1.530	1.492	(24)	(24)
Net profit/(loss) for the reporting period		93.161	(20.739)	200.806	41.066
Other total revenue /(loss)					
- which will be reclassified to profit or losses					
Exchange differences on conversion of units operating abroad		(102)	2	(82)	(141)
Other total revenue/(loss) for the financial year		(102)	2	(82)	(141)
Total comprehensive revenue/(loss) for the year rotatable		93.059	(20.737)	200.724	40.925
of which attributable to:			-		
Shareholders of the Parent Entity		91.529	(22.229)	200.748	40.949
Non-controlling interests		1.530	1.492	(24)	(24)
Total comprehensive revenue for the reporting period		93.059	(20.737)	200.724	40.925
Profits/(loss) per share attributable to equity holders of the Parent Entity (in PLN)		11,18	(2,71)	24,50	5,01
Diluted profit/(loss) per 1 share attributable to equity holders of the Parent Entity (in PLN)		11,18	(2,71)	24,50	5,01

Interim consolidated statements of cash flows

<i>in PLN thousand</i>	<i>Note</i>	01.01.2023 30.09.2023 (unexamined)	01.07.2023 30.09.2023	01.01.2022 30.09.2022 (unexamined)	01.07.2022 30.09.2022
Operating activity cash flows					
Profit/(loss) before tax		121.956	(25.744)	250.928	51.325
Adjustments for items:					
Depreciation of tangible fixed assets and right-of-use assets		44.505	20.949	9.753	3.549
Amortisation of intangible assets		728	354	616	120
Exchange rate loss/(profit)		(6.797)	(9.740)	(246)	(13.302)
Loss/(profit) on sale of subsidiaries		-	-	(9.386)	-
Loss/(profit) on sale of tangible fixed assets		(1.649)	(176)	2.888	(60)
Impairment of tangible fixed assets		6.300	6.300	-	-
Interest and transaction costs, dividends, net		33.439	13.392	16.149	7.287
Change in receivables and other current assets	2.22	(65.038)	(31.426)	(452.704)	(241.011)
Inventory status change	2.22	(244.774)	(85.231)	153.142	709.948
Change in client contract assets		(578)	(1.021)	(1.627)	534
Change in client contract liabilities	2.22	46.120	79.239	183.743	(319.854)
Change in trade and other liabilities	2.22	83.748	53.727	117.515	(10.523)
Result on valuation of derivatives		25.021	33.847	(43.052)	(132.723)
Change in provisions	2.22	(139)	101	-	-
Income tax (paid)/reimbursed		(37.802)	30	(46.194)	(6.031)
Net operating activity cash flows		5.041	54.602	181.525	49.259
Cash flow from investing activities					
Revenues on sale of tangible assets		3.229	1.471	793	360
Received interests and revenue from realisation of instruments hedging interest rate		5.560	2.140	525	50
Revenues from loans		10	3	5.399	11
Acquisition of tangible fixed assets and intangible assets		(147.527)	(21.258)	(33.551)	(24.920)
Inflows / (outflows) from other financial assets		41.995	(1.999)	-	-
Proceeds from disposal of subsidiaries		-	-	4.638	-
Net expenditure on acquisition of subsidiaries	1.1.4	(81.576)	(3.468)	-	-
Advances made for the acquisition of tangible fixed assets		(9.641)	-	-	-
Acquisition of other long-term investments		(25)	(25)	(115)	-
Net cash flow from investing activities		(187.975)	(23.136)	(22.311)	(24.499)
Cash flow from financing activities					
Borrowing of credits, loans and other debt instruments		411.295	31.755	8.188	-
Repayment of borrowed credits, loans and other debt instruments		(21.422)	(8.315)	(9.747)	(732)
Repayment of the Lotos Terminale bank loan under the transactions	1.1.4	(99.771)	-	-	-
Payment of lease obligations		(16.103)	(5.088)	(7.192)	(2.551)
Interest and commissions paid		(40.073)	(14.425)	(16.590)	(7.333)
Dividends paid	2.19	(112.228)	-	-	-
Net cash flow from financing activities		121.698	3.927	(25.341)	(10.616)
Change in cash and cash equivalents		(61.236)	35.393	133.873	14.144
Impact of exchange rate changes on cash and cash equivalents		6.694	9.740	(476)	13.174
Change in cash and cash equivalents		(54.542)	45.133	133.397	27.318
Cash and cash equivalents net of overdrafts at the beginning of the period	2.13.	105.709	6.034	(257.471)	(151.392)
Cash and cash equivalents net of overdrafts at the end of the period	2.12	51.167	51.167	(124.074)	(124.074)

Interim consolidated statements of changes in equity

<i>in PLN thousand</i>	<i>Note</i>	Share capital	Other capitals	Exchange rate diff. from conversion of foreign units	Retained earnings	Current year result	Total	Non-controlling shares	Total equity
Equity as at 1 January 2022		8 198	234 946	82	6 671	76 252	326 149	(274)	325 875
Total revenues for the financial year				(82)	-	200 830	200 748	(24)	200 724
- Net profit/(loss) for the period						200 830	200 830	(24)	200 806
- Other total revenue/loss for the financial year				(82)			(82)		(82)
Acquisition of control of subsidiaries						155	155	52	207
Profit transfer			72 046			(72 046)			
Equity as at 30 September 2022		8 198	306 992	-	6 671	205 191	527 052	(246)	526 806

<i>in PLN thousand</i>	<i>Note</i>	Share capital	Other capitals	Exchange rate diff. from conversion of foreign units	Retained earnings	Current year result	Total	Non-controlling shares	Total equity
Equity as at 1 January 2022		8 198	234 946	82	6 671	76 252	326 149	(274)	325 875
Total revenues for the financial year				(138)		373 955	373 817	(58)	373 759
- Net profit/(loss) for the period						373 955	373 955	(58)	373 897
- Other total revenue/loss for the financial year				(138)			(138)		(138)
Sales of net assets of subsidiaries					4 108		4 108		4 108
Acquisition of business units								52	52
Profit transfer			72 046		4 206	(76 252)			
Equity as at 31 December 2022		8 198	306 992	(56)	14 985	373 955	704 074	(280)	703 794

<i>in PLN thousand</i>	<i>Note</i>	Share capital	Other capitals	Exchange rate diff. from conversion of foreign units	Retained earnings	Current year result	Total	Non-controlling shares	Total equity
Equity as at 1 January 2023		8 198	306 992	(56)	14 985	373 955	704 074	(280)	703 794
Total revenues for the financial year		-	-	(102)	-	91 631	91 529	1 530	93 059
- Net profit/(loss) for the period		-	-	-	-	91 631	91 631	1 530	93 161
- Other total revenue/loss for the financial year		-	-	(102)	-	-	(102)	-	(102)
Dividend	2.19	-	-	-	-	(112 228)	(112 228)	-	(112 228)
Recognition of option liability for the redemption of non-controlling shares at the nominal value of the shares	1.1.4	-	(23)	-	-	-	-	-	(23)
Acquisition of business entities		-	-	-	-	-	-	(363)	(363)
Transfer of profit		-	5 058	-	256 669	(261 727)	-	-	-
Equity as at 30 September 2023		8 198	312 027	(158)	271 654	91 631	683 352	887	684 239

1. EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1.1. General information

1.1.1. Information about the Group

Unimot Spółka Akcyjna ("Unimot", the "Company", the "Parent Entity"), with its registered office Zawadzkie, 2A Świerkłańska Street, is the Parent Entity in the **UNIMOT Capital Group** (the "Capital Group", the "Group"). The Company was entered on 29 March 2011 in the Register of Entrepreneurs of the District Court in Opole, Poland, 8th Business Division of the National Court Register under KRS number: 0000382244.

The duration of the Parent Entity and the Group entities is indefinite.

The Parent Entity's core business is the control and management of other companies in the fuel and energy and related industries, strategic and organisational planning and decision-making processes; the commercial operation of petrol stations under the AVIA brand; and natural gas trading.

The core activities of the individual companies of the UNIMOT Group are presented in Note 1.1.3.

Unimot S.A. shares have been listed on the regulated market of the Warsaw Stock Exchange (Poland) since 7 March 2017.

1.1.2. Composition of the Parent Entity's Management Board and Supervisory Board

As at 30 September 2023 and at the date of these financial statements, the composition of the Parent Entity's Management Board was as follows:

▪ Adam Sikorski	President of the Management Board
▪ Robert Brzozowski	Vice-President of the Management Board
▪ Filip Kuropatwa	Vice- President of the Management Board

As at 30 September 2023 and at the date of these financial statements, the composition of the Parent Entity's Supervisory Board was as follows:

▪ Andreas Golombek	Chairman of the Supervisory Board
▪ Bogusław Satława	Vice-Chairman of the Supervisory Board
▪ Lidia Banach-Hoheker	Member of the Supervisory Board
▪ Piotr Cieślak	Member of the Supervisory Board
▪ Isaac Querub	Member of the Supervisory Board
▪ Piotr Prusakiewicz	Member of the Supervisory Board
▪ Ryszard Budzik	Member of the Supervisory Board

1.1.3. Composition of the UNIMOT Capital Group and description of changes in the Group's structure

The UNIMOT Group consists of the Parent Entity, which is Unimot Spółka Akcyjna, and the consolidated subsidiaries. As at 30 September 2023, the UNIMOT Group consisted of the following directly and indirectly consolidated subsidiaries:

Name of unit	Seat	Scope of core business units	Shareholdings and voting rights	Date of obtaining control
UNIMOT S.A.	Poland	Controlling and managing other companies in the fuel and energy and related industries, strategic and organisational planning and decision-making processes; Running the commercial activities of petrol stations under the AVIA brand; Trading in natural gas	not applicable	Parent Entity
UNIMOT SYSTEM Sp. z o.o.	Poland	Sale and distribution of gaseous fuels through mains	100,00%	20.01.2014
BLUE LNG Sp. z o. o.	Poland	Sale and distribution of gaseous fuels through mains	100,00%	04.07.2014
UNIMOT PALIWA Sp. z o.o.	Poland	Wholesale of fuels and related products	100,00%	16.11.2015
UNIMOT ENERGIA I GAZ Sp. z o.o.	Poland	Trading in electricity and gaseous fuels	100,00%	30.12.2015
TRADEA Sp. z o.o.	Poland	Electricity trading	100,00%	23.05.2016
UNIMOT UKRAINE LLC	Ukraine	Distribution of liquid fuels	100,00%	19.04.2018
UNIMOT ASIA LLC	China	Distribution of petroleum products	100,00%	04.09.2018
UNIMOT ENERGY LLC	Ukraine	Electricity distribution	100,00%	02.04.2019
ENERGY CLUSTER OPERATOR Ltd.	Poland	Planning, generation and coordination of energy distribution, consulting, advisory activities	80,00%	15.02.2021
UNIMOT INVESTMENTS Sp. z o.o.	Poland	Activities of head offices and holding companies, excluding financial holdings	100,00%	20.10.2021
UNIMOT T1 Ltd. *	Poland	Special purpose vehicle not carrying out activities	100,00%	20.10.2021
UNIMOT B1 Sp. z o.o.	Poland	Special purpose vehicle not carrying out activities	100,00%	20.10.2021
UNIMOT SA (Unimot LTD)	Switzerland	Distribution of liquid fuels	100,00%	17.05.2022
ŻYWIEC OZE-1 Sp. z o.o.	Poland	Electricity generation	100,00%	13.02.2023
OLAVION Sp. z o.o.	Poland	Rail transport and forwarding services	90,00%	07.03.2023
UNIMOT TERMINALE Sp. z o.o.	Poland	Storage and distribution of fuels	100,00%	07.04.2023
UNIMOT INFRASTRUCTURE Ltd.	Poland	Fuel storage and distribution, rental and property management	100,00%	07.04.2023
UNIMOT BITUMEN Sp. z o.o.	Poland	Bitumen production	100,00%	07.04.2023
RCEKOENERGIA Sp. z o.o.	Poland	Generation, transmission, distribution and energy utilities trading	100,00%	07.04.2023
UNIMOT AVIATION Sp. z o.o.	Poland	Trading in aviation fuel	75,00%	28.04.2023
UNIMOT COMMODITIES Ltd. o.o.	Poland	Logistics and trading activities in the energy raw materials industry (coal)	80,00%	04.07.2023
UNIMOT AVIATION SERVICES Ltd.	Poland	Support service activities related to air transport	75,00%	20.07.2023

* change of company name from Unimot T1 Sp. z o.o. to Unimot Centrum Usług Wspólnych Sp. z o.o. - registration in the National Court Register 2.11.2023.

Changes to the Group's structure in 2023 were as follows:

- On 13 February 2023, a subsidiary of Unimot S.A., viz: Unimot Energia i Gaz Sp. z o.o. entered into an agreement to acquire 95% of the shares in Żywiec RES-1, and acquired the remaining 5% on 15 February 2023.
- On 7 March 2023, Unimot S.A. signed a promised agreement to purchase from 2 individuals, including the existing majority shareholder, 4,140 shares representing 90% of the shares in the share capital of Olavion Sp. z o.o.. For details, see Note 1.1.4.
- On 7 April 2023, a subsidiary of Unimot S.A., viz: Unimot Investments Sp. z o.o. entered into a definitive agreement to acquire 100% of the shares in Lotos Terminale S.A. (currently: Unimot Terminale Sp. z o.o.), which holds directly or indirectly 100% of shares in Lotos Infrastruktura S.A. (currently: Unimot Infrastruktura Sp. z o.o.), Uni- Bitumen Sp. z o.o. (currently: Unimot Bitumen Sp. z o.o.) and RCEkoenergia sp. z o.o., as a result of which all the above companies became part of the UNIMOT Group. Detailed information is included in Note 1.1.4.
- On 28 April 2023, Unimot S.A. entered into an agreement for the transfer of shares in Partners4Sky Sp. z o.o. (currently Unimot Aviation Sp. z o.o.), acquiring 75% of the shares in the company. For details, see note 1.1.4.
- On 4 July 2023, Unimot S.A. entered into a Promised Agreement to acquire 80% of the shares in a company called P2T Sp. z o.o. (currently: Unimot Commodities sp. z o.o.). For details, see note 1.1.4.
- As of 11 July 2023, Unimot S.A. does not hold shares in 3 Seas Energy LLC
- On 20 July 2023, a subsidiary of Unimot S.A. - Unimot Aviation Sp. z o.o. (former Partners4Sky sp. z o.o.) established Unimot Aviation Services sp. z o.o.

Changes after the balance sheet date (after 30 September 2023):

No changes after the balance sheet date.

1.1.4. Settlement of share and interests acquisitions

Acquisition of Lotos Terminale S.A. (currently: Unimot Terminale Sp. z o.o.).

On 7 April 2023, Unimot Investments Sp. z o.o. (the "Buyer"), a subsidiary of Unimot S.A., in which Unimot S.A., holds 100% of the share capital, signed an agreement to purchase 7,500,000 ordinary registered shares of A series, 14,733,687 ordinary registered shares of B series, 45,722,126 ordinary registered shares of C series (the number of shares of all issues is 67,955,813) representing 100% of the share capital in Lotos Terminale S.A. (currently: Unimot Terminale Sp. z o.o.), from ORLEN S.A. (the 'Seller', formerly Polski Koncern Naftowy ORLEN S.A.) and on that date took control of Lotos Terminale S.A., with its registered office in Czechowice-Dziedzice, and its subsidiaries: Uni-Bitumen Sp. z o.o. (currently: Unimot Bitumen Sp. z o.o.) with its registered office in Gdańsk and Lotos Infrastruktura S.A. (currently: Unimot Infrastruktura Sp. z o.o.) with its registered office in Jasło, together with its subsidiary entity - RCEkoenergia Sp. z o.o. with its registered office in Czechowice-Dziedzice. The transaction will be accounted for using the acquisition method in accordance with IFRS 3.

The UNIMOT Group has acceded to the ORLEN S.A. implemented remedies related to the concentration between ORLEN S.A. and LOTOS Group resulting from the European Commission's positive conditional decision of 14 July 2020. The Remedial Measures set out in the decision were aimed at preventing negative effects of the planned concentration on competition in the relevant markets.

The UNIMOT Group thus seized opportunities to: to expand the scale of its business, to diversify its sources of revenue, to synergise the acquired businesses with the current activities of the UNIMOT Group, as well as to complement its own value chain and related competences (with warehousing and logistics).

The result of the transaction is the expansion of the UNIMOT Group's activities to include the function of Independent Logistic Operator (the 'ILO') of fuels based on its own infrastructure (so-called 'ILO' business), the companies: Lotos Terminale S.A., Lotos Infrastruktura S.A., RCE Ekoenergia Sp. z o.o.) and the production of modified bitumen together with the further development of trade in asphalt products (the so-called 'bitumen' business, company: Uni-Bitumen Sp. z o.o.).

The 'ILO' business comprises nine fuel terminals with a total current nominal capacity of 387,000 m³ in: Czechowice-Dziedzice, Jasło, Piotrków Trybunalski, Poznań, Rypin, Bolesławiec, Szczecin, Gutków and Gdańsk and long-term contracts for the provision of fuel handling and storage services for approximately 70% of the capacity of the acquired terminals. Upon completion of the ongoing development work carried out by ORLEN on the modernisation and expansion of the marine terminal in Szczecin, storage capacity will increase by 50,000 m³.

As a result of the transaction, UNIMOT Group has become the third player in the fuel storage market.

The assets acquired by RCEkoenergia include a wastewater treatment plant, a combined heat and power plant with 2 coal-fired boilers of with a total installed capacity of 14.8 MWt and a backpressure turbine with an installed capacity of 0.74 MW.

The 'bitumen' business includes asphalt plants in Jasło and Czechowice-Dziedzice, as well as a ten-year contract (with the possibility of extension) for the supply by the PKN ORLEN Group of asphalt products and raw material for their production in quantities of up to 500,000 tonnes per year, making the UNIMOT Group the second player on the asphalt sales market in terms of volume.

The agreement provides for a call option for the Seller in the event of a change of control of the Buyer (Unimot Investments) or Unimot S.A..

At the date of acquisition, the cash consideration transferred amounted to PLN 266 585 thousand (the 'initial basic price') and represented cash paid. The basic price consists of a contractually predetermined component and a component depending on the net debt value and working capital value of the acquired entity.

This amount will be subject to an adjustment resulting from the reconciliation of the net debt and working capital values of the acquired entity between the reference values as at 31 January 2023, on the basis of which the initial base price was determined, and the actual values as at 31 March 2023.

In accordance with the contractual provisions, the Seller and the Buyer are currently in the action phase of determining the price adjustment. On 20 July 2023, Unimot Terminale submitted a price adjustment calculation to the Seller, which shows a return of PLN 83,669 thousand by the Seller to the Buyer. The Seller has not confirmed that it agrees with this calculation. The parties are currently in discussions and exchanging written positions on the price adjustment. The disputed issues, if the parties do not reach an agreement, may be referred to an independent expert for evaluation or may be resolved in another manner agreed in the contract, e.g. through arbitration proceedings. Given the above, it is not possible to set a precise date for determining the amount of the price adjustment.

The transaction provides for an adjustment to the acquisition price due to an earn-out on the bitumen business, reimbursement of expenditures investments incurred by the Seller and a mechanism for additional settlement of expenditures (applies to ILO activities).

1.1.4 Settlement of share and interests acquisitions cont'd.

Acquisition of Lotos Terminale S.A. (now: Unimot Terminale Sp. z o.o.) - cont.

Earn-out on the bitumen business is dependent on Unimot Bitumen Sp. z o.o. (formerly Uni-Bitumen Sp. z o.o.) meeting the following two conditions between 2023 and 2032. (formerly Uni-Bitumen Sp. z o.o.) the following two conditions simultaneously: exceeding the reference EBITDA margin and exceeding the reference gross profit agreed with the Seller for each year. The earn-out payments will be made by the Buyer to the Seller upon repayment of the loans financing the acquisition, this will be no later than 2029. During the term of the Loan Agreement, the earn-outs will accrue if the conditions are met; upon repayment of the Loan Agreement, the Buyer is obliged to repay the accumulated value of the earn-outs due for earlier periods.

As part of the concluded transaction, Unimot Terminale will reimburse expenditures incurred by ORLEN in connection with an investment aimed at increasing the storage capacity for diesel, gasoline and aviation fuel, including the construction of the Aviation Fuel Handling Infrastructure on the premises of the Fuel Terminal in Szczecin to Unimot Terminale up to the agreed amount of the settlement of expenditures: PLN 39,720 thousand. The outlays will be reimbursed in tranches according to the schedule specified in the agreement, on the basis of invoices issued by the Seller, with payment of the last tranche to be made no later than 30 April 2029.

In addition to the above reimbursement of expenditures, a mechanism for additional settlement of expenditures has been agreed, which will depend on the achievement, within the next three years after obtaining an occupancy permit for the Terminal (for which the Seller will be responsible), by the ILO Group companies of an EBITDA margin ratio in excess of the contractual benchmark.

The preliminary settlement of the acquisition is set out below:

Acquisition consideration transferred (in PLN thousand)

Cash paid at the date of acquisition	266.585
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Provisional value of identifiable principal items of assets acquired and liabilities assumed at the date of acquisition (in PLN thousand)

Acquired assets	810.826
Fixed assets	
Tangible fixed assets	435.229
Right-of-use assets	23.878
Intangible assets	2.725
Long-term receivables	160
Deferred tax assets	12.928
Current assets	
Inventories	38.998
Trade and other receivables	91.229
Income tax receivables	1.187
Cash and cash equivalents	194.483
Other current assets	10.009

1.1.4 Settlement of share and interests acquisitions - cont.

Acquisition of Lotos Terminale S.A. (now: Unimot Terminale Sp. z o.o.) - cont.

Liabilities taken over:		328.232
Long-term liabilities		
Liabilities from borrowings, leases and other debt instruments		108.873
Employee benefit obligations		18.767
Provisions		17.961
Short-term liabilities		
Liabilities from borrowings, leases and other debt instruments		13.416
Employee benefit obligations		4.304
Income tax liabilities		304
Provisions		17.831
Client contract liabilities		1.561
Trade and other liabilities		145.215
Provisional net asset value	<i>B</i>	482.594
Temporary difference on a bargain purchase	<i>B-A</i>	216.009
Net cash flow in relation to the transaction:		
Net cash acquired with subsidiary		194.483
Cash payment at date of acquisition		(266.585)
Net cash outflow		(72.102)

The above flow is presented within investing activities in the consolidated statements of cash flows.

In addition, as part of the concluded transaction, within 10 days of its signing, Unimot Investments refinanced Lotos Terminale S.A.'s credit liabilities to the amount of PLN 99,771 thousand. The amount for has been presented under financing activities in the consolidated statements of cash flows.

The provisional values of assets and liabilities presented above, including the value of tangible fixed assets, are derived from the separate financial statements of the acquired companies: Lotos Terminale, Lotos Infrastruktura, RCEkoenergia, Uni-Bitumen (and not from the consolidated financial data of Lotos Terminale Group).

As the Lotos Terminals Group was formed as a result of previous numerous reorganisations such as demergers, in-kind contributions of organised parts of the enterprise, in-kind contributions of shares, within the Lotos Terminals Group's consolidated financial statements certain groups of fixed assets included valuations to fair value, which were prepared on Lotos Terminals' behalf for the purposes of accounting for acquisitions and in-kind contributions at Lotos Terminals Group level and Lotos Terminals Group statutory reporting.

The UNIMOT Group considered the historical data from the standalone financial statements of the acquired entities as adequate data (consistent valuation of all assets at historical values) for the provisional consolidation of the UNIMOT Group and a starting point for further valuation procedures to the fair values of all acquired assets at the date the UNIMOT Group took control.

At the date of approval of these interim condensed consolidated financial statements, the Group, with the involvement of independent experts, is in the process of allocating the purchase price, valuing the assets acquired and liabilities assumed (including contingent liabilities, e.g. for environmental risks and for the contingent payment of Unimot Terminale to PKN Orlen due to the additional settlement of capital expenditure) to fair values and valuing the Buyer's liabilities for price adjustment mechanisms (estimating the total fair value of the acquisition price).

The UNIMOT Group plans to make a final settlement of the transaction within 12 months of the acquisition.

The pre-determined result on the bargain acquisition, prudently within the condensed interim financial statements, was not recognised in the statements of total revenues, but was allocated as a reduction in tangible fixed assets (the largest item on the acquired entity's balance sheet and the most exposed to potential adjustments in determining fair value).

The result on a bargain acquisition will not be recognised in the consolidated statements of total revenues until after completion of the acquisition accounting process, the allocation of the purchase price and valuations to the fair values of the net assets acquired and the acquisition price, and an additional review of the identification and valuation procedures carried out for all items affecting the calculation of the result on the transaction.

The pre-determined fair value of the acquired trade and other receivables as at the date of acquisition amounted to PLN 91 329 thousand, while the gross value of these receivables amounted to: PLN 96 877 thousand. According to the best estimate at the present time, the Group considers the repayment of the reported trade and other receivables of PLN 91 329 thousand as probable.

The share of the Unimot Terminale Group in the consolidated sales revenue generated by the UNIMOT Group recognised in 2023 was: PLN 981,742 thousand, and in net revenue: PLN 49,472 thousand.

If the acquisition had taken place at the beginning of the financial year, Group sales revenue would have been higher by 105,288 thousand and the Group's net result would have been lower by PLN 28 868 thousand.

Costs related to the acquisition of control of Lotos Terminale S.A. amounted to PLN 10,267 thousand and were recognised as Overheads in the period in which the services were provided, including in the result of 2021: PLN 3,126 thousand, in the result of 2022: PLN 5,049 thousand and in the result of 2023: PLN 2 029 thousand and as a component of operating activities in the Statements of Cash Flows. These costs related to due diligence, legal services, advisory services (transactional, tax, environmental, technical, financial, antitrust advice) and internal staff costs.

Acquisition of Olavion Sp. z o.o.

On 9 January 2023, a preliminary conditional agreement was concluded for the sale of 100% of the shares in Olavion sp. z o.o. (the "Preliminary Agreement") from two individuals, including the majority shareholder (the "Seller") and seven members of the management team (the "Management Team"). Pursuant to the Preliminary Agreement, the parties agreed to enter into the Promissory Agreements for the sale of a total of 100% of the shares in Olavion.

Acquisition of shares from a majority shareholder

On 7 March 2023, Unimot S.A. signed a Promised Purchase Agreement from 2 individuals, including the existing majority shareholder, to purchase 4,140 shares representing 90% of the share capital in Olavion Sp. z o.o., a company operating in the rail transport industry, and took control of the company as of that date.

As part of its operations, Olavion provides rail transport services in Poland under its licence, as well as freight forwarding services at home and abroad. At the date of the acquisition, Olavion had 16 locomotives at its disposal and 79 employees, including 49 drivers. In addition to its qualified staff, it also has long-standing relationships and contracts that allow it to provide freight and forwarding services to its principals.

The purpose of the transaction is to complement the UNIMOT Group's value chain and competences in the area of logistics and transport, taking into account the Group's previous experience in supply planning and transport and storage logistics, as well as the transaction of acquiring shares in Lotos Terminale S.A., which includes 9 fuel terminals and assets related to the turnover of asphalt products. The acquisition of shares in Olavion allows UNIMOT Group to secure its own transport and logistics needs.

The transaction is accounted for using the acquisition method in accordance with IFRS 3.

As at the acquisition date, the fair value of the consideration transferred for the majority stake amounted to PLN 24 201 thousand and represented cash paid.

The basic price consists of a predetermined component in the contract, a component depending on the value of net debt at the date of acquisition and the difference in the value of working capital at the date of acquisition compared to the value at 30 November 2022. The basic price stated above was adjusted (increased) on 18 April 2023 by an amount of PLN 854 thousand taking into account the actual value of the net debt and the actual value of the working capital, both of which were included in the price calculation at the date of acquisition based on estimated data.

The total consideration transferred for the majority stake is subject to change, due to the earn-out mechanism included in the agreement. The additional price is dependent on the EBITDA of the acquired Company to be achieved in 2023 and 2024 and will be settled by the end of July 2025.

1.1.4. Settlement of share and interests acquisition

Acquisition of Olavion Sp. z o.o. - cont.

The Group estimated the amount of the conditional payment for 90% of the shares, taking into account the provisions of the agreement and the available financial forecasts, and recognised an additional liability in the amount of PLN 8,502 thousand (estimate of the conditional payment adjusted for discount). The amount of the contingent payment for 90% of the shares is limited (a maximum price is indicated in the agreement). As at 30 September 2023, the amount of the liability recognised in the consolidated statement of financial position including the settlement of the discount is PLN 8,675 thousand.

Management shares

As part of the Preliminary Agreement, the terms and conditions for the buy-out of the management cadre's 10% interest were agreed. As part of the Agreement, the executives made irrevocable offers to Unimot S.A. to sell the executives' shares representing a 10% interest in the capital of Olavion Sp. z o.o., and Unimot S.A. made irrevocable offers to the executives to purchase these shares. The purchase price is set out in the Agreement and depends on the EBITDA of Olavion Sp. z o.o. averaged for the financial years 2023-2024, and the date of conclusion of the agreements for the purchase of the shares of the executives is set at the latest: 7 July 2025.

According to the agreement, the redemption price, which depends on the EBITDA generated, is unlimited (there is no maximum price indicated in the agreement) and will be due to the executives if certain conditions are met: among others, the condition of continued employment (over a period coinciding with the period constituting the basis for determining the amount of the conditional payments) or the condition of not undertaking competitive activities. If these conditions are breached in 2023, the agreement provides for the redemption of the shares at a nominal price; if the conditions are breached in 2024, the agreement specifies the redemption price.

In view of the above, the Group assessed that the redemption amount to be paid to the executives, except for the nominal value of the shares, does not constitute contingent consideration for the entity acquired in the business combination, but a separate transaction to remunerate the executives for their services to the Group.

The Group has estimated the total redemption amount of the executives' shares based on the formula set out in the Agreement and available financial projections. The Group estimates that the executives will meet the criteria to receive the contingent payment.

At 30 September 2023, the Group charged remuneration costs to the consolidated statements of total revenues in proportion to the number of months in which the services were provided with an amount of PLN 4,000 thousand, recognised an expense for the unwinding of the discount in the amount of PLN 82 thousand and recognised an amount of PLN 23 thousand (the nominal value of the shares) within Other capital, secondarily recognising a Liability for the redemption of shares in the amount of PLN 4,105 thousand.

In subsequent periods, the Group will successively recognise in the statements of total revenues the costs from the management remuneration and increased the liability for share buybacks.

In accounting for the acquisition of 90% of the shares, the Group did not include the 10% non-controlling interest in equity due to the dispersion of the minority shareholders and the genesis of how they historically came to hold the shares, and given the approach adopted to account for the UNIMOT Group's buyout of these shares after analysing the economic content of the transaction.

The preliminary settlement of the acquisition is set out below:

Acquisition consideration transferred (in PLN thousand):

Cash paid at the date of acquisition	24.201
Cash paid as part of price adjustment	854
Estimate of contingent payment at the date of acquisition including discounting	8.502
Total payment	33.557

Carrying amounts of assets acquired and liabilities assumed at the date of acquisition (in thousands of PLN):

Acquired assets	42.968
Fixed assets	
Tangible fixed assets	911
Right-of-use assets	15.167
Deferred tax assets	856
Current assets	
Trade and other receivables	6.760
Cash and cash equivalents	18.971
Other current assets	303

Acquisition of Olavion Sp. z o.o. - cont.

Liabilities taken over	30.034
Long-term liabilities	
Liabilities from borrowings, leases and other debt instruments	11.882
Short-term liabilities	
Liabilities from borrowings, leases and other debt instruments	3.435
Income tax liabilities	1.108
Trade and other liabilities	13.609
Net asset value	12.934

Goodwill at date of acquisition	20.623
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Net cash flow in relation to the transaction:

Net cash acquired with subsidiary	18.971
Cash payment at the date of acquisition	(25.055)
Net cash outflow	(6.084)

The above flow is presented within investing activities in the consolidated statement of cash flows.

Recognised liabilities in the consolidated statements of financial position:

Contingent payment obligations to Majority Shareholders	8.675
<i>of which: corresponding to goodwill</i>	8.502
<i>of which: corresponding to the revenue statements - settlement of discounts</i>	173
Option commitments to redeem non-controlling interests	4.105
<i>of which: corresponding to the revenue statements - wage and salary costs</i>	4.000
<i>of which: corresponding to the revenue statements - settlement of discounts</i>	82
<i>of which: corresponding with Other capital</i>	23
Total Other long-term liabilities	12.780

Goodwill identified on the acquisition (tentatively determined) amounted to PLN 20,623 thousand. The Group has not yet made a final assessment as to whether goodwill consists of, inter alia, intangible assets meeting the criteria for identification and separation under IFRS. The UNIMOT Group plans to make a final settlement of the acquisition within 12 months from the acquisition date. Goodwill mainly represents the expected synergy of the UNIMOT Group's existing business with the acquired entity (mainly securing transport and logistics needs). The pre-determined goodwill was allocated to the segment: Infrastructure and Logistics. As at 30 September 2023, the Group has not identified indications of impairment in relation to this Goodwill.

The fair value of the acquired trade and other receivables at the date of acquisition was 6,760 thousand, this is also the gross value of these receivables it is anticipated that the full amount of the contractual receivables can be recovered.

Olavion Sp. z o.o.'s share of the UNIMOT Group's consolidated sales revenue recognised in 2023 was: PLN 51,701 thousand, and in the net result: PLN 6,811 thousand.

If the acquisition had taken place at the beginning of the financial year, the Group's sales revenue would have been by PLN 14,544 thousand and the Group's net result would have been higher by PLN 4 443 thousand.

Costs related to the acquisition of control of Olavion Sp. z o.o. amounted to PLN 405 thousand and were recognised as Overheads in the consolidated statements of total revenues in the period in which the services were provided, including in the result for 2022: PLN 152 thousand and in the result of 2023: PLN 253 thousand and as a component of operating activities in the Statements of Cash Flows.

1.1.4 Settlement of share and interests acquisitions

Acquisition of Partners4Sky Sp. z o.o. (currently: Unimot Aviation Sp. z o.o.)

On 28 April 2023, Unimot S.A. signed an agreement to purchase 75% of shares in Partners4Sky, a company active in aviation fuel trading - the sale of aviation fuels to companies and individuals owning helicopters or small aircraft.

The settlement of the acquisition is shown in the following table

Transferred acquisition consideration (in PLN thousand):

Cash paid at the date of acquisition	4
Total payment	4

Carrying amounts of assets acquired and liabilities assumed at the date of acquisition (in PLN thousand):

Acquired assets	215
Inventories	7
Short-term receivables	126
Cash and cash equivalents	82
Liabilities taken over	864
Loans and borrowings payable	727
Trade and other liabilities	137
Net asset value	(649)

Non-controlling interests measured at proportionate share of net assets	(162)
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Goodwill	491
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Net cash flow in relation to the transaction:

Net cash acquired with subsidiary	82
Cash payment at date of acquisition	(4)
Net cash inflow	78

The aim of the transaction was to extend UNIMOT Group's competences in the fuel industry - to include the aviation fuel market. In line with its development plans, the company will continue its existing activities in the area of sales to companies and individuals, but will also expand them to include passenger aviation sales (with the financial support of the UNIMOT Group), given the market potential (14 public airports and 60 aeroclub airports). The recognised goodwill reflects the expected benefits and synergies. The recognised goodwill was allocated to the segment: Diesel+BIO. As at 30 September 2023, the Group has not identified any indicators of impairment in relation to this Goodwill.

Unimot Aviation Sp. z o.o.'s share of the UNIMOT Group's consolidated revenue from sales recognised in 2023 amounted to: PLN 3 158 thousand, while in net revenue: PLN 185 thousand.

Acquisition of P2T Sp. z o.o. (currently: Unimot Commodities Sp. z o.o.)

On 4 July 2023, Unimot S.A. signed a Promised Purchase Agreement for the purchase of 80 shares representing an 80% stake in the share capital of P2T Sp. z o.o. and took control of the company on that date. An organised part of the P2 Trading Sp. z o.o. business was contributed to P2T Sp. z o.o., whose activities include trading in energy raw materials, including biomass and coal, purchase of sea and land freight, and supervision of deliveries at sea and land border crossings.

The purpose of the transaction was to expand the UNIMOT Group's activities in the fuel and energy sector. The transaction is subject to accounted for using the acquisition method in accordance with IFRS 3.

As at the acquisition date, the consideration transferred for the shares amounted to PLN 3,496 thousand and represented cash paid (basic sale price I). No later than 31 December 2023, the payment of PLN 10,000 thousand will take place. (basic sale price II).

The total amount of the consideration transferred for the shares may be subject to change, due to the mechanism included in the agreement for determining and paying the additional sale price. The additional price depends on the net result of the acquired company to be achieved in 2023 (from the date of acquisition) and in 2024, while it is limited to a maximum amount of PLN 9,000 thousand.

1.1.4. Settlement of acquisitions of shares and interests

Acquisition of P2T Sp. z o.o. (now Unimot Commodities Sp. z o.o.) - cont.

The preliminary settlement of the acquisition is set out below:

Acquisition consideration transferred (in PLN thousand):

Cash paid at the date of acquisition (basic price I)	3.496
Cash payable by 31 December 2023, including discount (base price II)	9.605
Total payment	13.101

Carrying amounts of assets acquired and liabilities assumed at the date of acquisition (in thousands of PLN):

Acquired assets	552
Fixed assets	
Tangible fixed assets	474
Current assets	
Inventories	48
Trade and other receivables	2
Cash and cash equivalents	28
Liabilities assumed	1.554
Short-term liabilities	
Liabilities from borrowings, leases and other debt instruments	1.533
Trade and other liabilities	21
Net asset value	(1.002)
Non-controlling interests measured at proportionate share of net assets	(200)
Goodwill at date of acquisition	13.902

Net cash flow in relation to the transaction:

Net cash acquired with subsidiary	28
Cash payment at the date of acquisition	(3.496)
Net cash outflow	(3.468)

Recognised liabilities in the consolidated statements of financial position:

Share premium liabilities recognised at the date of acquisition	9.605
Settlement of the discount in combination with the income statement	196
Total: Other short-term liabilities	9.801

Goodwill identified on acquisition (determined provisionally) amounted to PLN 13,902 thousand. The Group has not yet made a final assessment as to whether goodwill consists of, inter alia, intangible assets meeting the criteria for identification and separation under IFRS. The UNIMOT Group plans to make a final settlement of the acquisition within 12 months from the acquisition date. The pre-determined goodwill has been allocated to the segment: Solid fuel trading. As at 30 September 2023, the Group has not identified indicators of impairment in relation to this Goodwill.

Unimot Commodities Sp. z o.o.'s share of the UNIMOT Group's consolidated revenue from sales recognised in 2023 amounted to: PLN 40,659 thousand, and in net revenue: PLN 6,805 thousand.

Costs associated with the acquisition of control of P2T Sp. z o.o. amounted to PLN 265 thousand and were recognised as Overheads in the consolidated statements of total revenues in 2023 and as a component of operating activities in the Statements of Cash Flows.

1.2 Basis for the preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the European Union ("IAS 34").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022, which were published on 20 April 2023.

These interim consolidated financial statements are presented in Polish zlotys ("PLN") and all values, unless otherwise indicated, are given in thousands of PLN.

The interim condensed consolidated financial statements of the Group present the financial position of the UNIMOT Group (the "Group", the "UNIMOT Group", the "CG") as at 30 September 2023 and 31 December 2022, the results of its operations and its cash flows for the 9 and 3 months ended 30 September 2023 and 30 September 2022.

These interim condensed consolidated financial statements have not been reviewed by the statutory auditor.

The interim condensed consolidated financial statements of the UNIMOT Group have been prepared on the assumption that the Parent Entity and the UNIMOT Group companies will continue as a going concern in the foreseeable future. As at the date of preparation of these interim condensed consolidated financial statements, no circumstances indicating a threat to the going concern were identified.

1.3 Significant accounting policies

The accounting policies adopted by the UNIMOT Group are described in the financial statements for the year ended 31 December 2022.

Due to acquisitions being made during 2023, detailed accounting policies for this area are set out below.

Mergers of business units

The acquisition of control of an entity is accounted for using the acquisition method. Under the acquisition method used, at the date of acquisition the Group makes:

- identification and fair value measurement of all assets acquired and liabilities assumed (including contingent liabilities),
- valuation of the consideration transferred, which represents the fair value of the assets transferred, the liabilities incurred to the previous owners of the acquiree and the equity interests issued by the Group; the consideration also includes liabilities arising from contingent consideration arrangements,
- the measurement of the non-controlling interest in the acquiree at the value of the present ownership instruments' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The excess of the acquisition price and the value of the non-controlling interests over the net amount of the acquisition-date fair value of the identifiable assets acquired and liabilities assumed is recognised as goodwill.

Where the acquisition price and the value of the non-controlling interests is less than the net of the acquisition-date fair value of the identifiable assets acquired and liabilities assumed, the difference is recognised as a profit in the statements of total revenues (bargain purchase profit).

Transaction costs are recognised in the statements of total revenues as incurred.

If the accounting settlement of an acquisition (including valuations to the fair values of the net assets acquired and the acquisition price) is not completed by the end of the reporting period in which the acquisition took place, the Group presents approximate amounts in the financial statements for items whose settlement is not completed (provisional settlement).

If, as a result of the provisional settlement, the determined provisional value of the net assets acquired exceeds the provisionally determined acquisition price, the Group does not include the provisional settlement effect within the statements of total revenues, but prudently allocates the provisionally determined difference on the acquisition as a deduction from the largest group of assets acquired.

The Group uses the available measurement period (a maximum of one year from the acquisition date) to determine the fair values of the assets and liabilities (including contingent liabilities) acquired and the acquisition price. A profit on a bargain acquisition is only recognised in the statements of total revenues at the final settlement stage of the acquisition, and this is preceded by an additional review of the identification and measurement procedures to the fair values of the net assets acquired and the acquisition price.

Changes in the fair value of estimated items and contingent consideration that result from additional information obtained by the Group after the acquisition date on facts and circumstances that existed at the acquisition date adjust the fair values of the assets acquired and liabilities assumed and the value of the consideration paid to the Vendor (these are recognised retrospectively and affect the accounting for the acquisition).

In contrast, changes resulting from contingent consideration events after the acquisition date, such as the achievement of a certain EBITDA margin ratio or the achievement of a certain level of gross profit, are recognised in profit or loss for the period.

The Group assesses and identifies amounts that are not part of what the acquirer and the acquiree (or its former owners) exchanged in the business combination, i.e. amounts that are not part of the amount transferred in exchange for the acquiree. The Group accounts for separate transactions in accordance with the applicable IFRS.

The accounting policies applied in the preparation of these interim condensed consolidated financial statements for the nine months of 2023 are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended 31 December 2022, which were published on 20 April 2023, except for the application of new or revised standards, interpretations effective for annual periods beginning on or after 1 January 2023:

- IFRS 17 *Insurance contracts*

IFRS 17 *Insurance Contracts* is an accounting standard dedicated to insurance contracts. IFRS 17 replaced IFRS 4 *Insurance Contracts*. IFRS 17 applies to all types of insurance contracts (i.e. life insurance, non-life insurance, direct insurance and reinsurance contracts), regardless of the nature of the entity that enters into them, as well as to certain guarantees and financial instruments with discretionary participation. The standard provides several exceptions to the application of the recognition principles.

- Definition of estimates - Amendments to IAS 8

The amendments introduce a new definition of 'estimates' and clarify the distinction between changes in estimates and changes in accounting policies and adjustments of errors. They also clarify how entities apply valuation techniques and use inputs to determine estimates.

- Disclosure of accounting policies - Amendments to IAS 1 and Practice Statement 2

The amendments to IAS 1 and Practice Position 2 *Making Materiality Judgements* are intended to enhance the usefulness of the accounting policy disclosures presented by replacing the requirement for entities to disclose 'significant' accounting policies with a requirement to disclose "*material*" accounting policies and by adding guidance on how entities apply the principle of materiality when deciding on the disclosure of accounting policies.

- Deferred tax on assets and liabilities arising from a single transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12 that reduced the scope of the standard's initial recognition exception so that it no longer applies to transactions that result in equal positive and negative temporary differences.

The revised standards and interpretations, which apply for the first time in 2023, do not have a material impact on the interim condensed consolidated financial statements.

The following standards and interpretations have been published by the International Accounting Standards Board, but are not yet in force:

- IFRS 14 *Regulatory Accruals* (published 30 January 2014) - in accordance with the European Commission's decision, the approval process for the preliminary version of the standard will not be initiated until the final version is published - not endorsed by the EU at the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2016;

- Amendments to IFRS 10 and IAS 28: *Transactions for the sale or contribution of assets between an investor and its associate or joint venture* (published 11 September 2014) - the work leading to the approval of these amendments has been postponed indefinitely by the EU - the effective date has been postponed indefinitely by the IASB;
- Amendments to IAS 1: *Presentation of financial statements - Division of liabilities into current and non-current and Division of liabilities into current and non-current - deferral of effective date and Long-term liabilities containing covenants* (published on 23 January 2020 and 15 July 2020 and 31 October 2022) - not endorsed by the EU until the date of approval of these financial statements - applicable for annual periods beginning on or after 1 January 2024;
- Amendment to IFRS 16 *Leases: Lease Commitment in Sale and Leaseback Transactions* (issued 22 September 2022) - not endorsed by the EU up to the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 7: *Statement of Cash Flows* and IFRS 7: *Financial Instruments: Disclosures: Provider Financing Arrangements* (issued 25 May 2023) - not endorsed by the EU at the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 21: *The Effects of Changes in Foreign Exchange Rates: Non-exchangeability* (issued 15 August 2023) - not endorsed by the EU up to the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2025

According to the Group's estimates, the above-mentioned new standards and amendments to existing standards would not have a material impact on the interim condensed consolidated financial statements if applied by the Group at the balance sheet date.

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

Additional notes to the interim condensed consolidated financial statements form an integral part of these statements.

2.1 Reporting segments

The Parent Entity's Management Board has reviewed the reported reporting segments and, as a result, the following changes have been decided, starting from 2023, with respect to the last annual financial statements:

- separation of the segment: Petrol Stations, i.e. the retail fuel business within AVIA stations, due to its dynamic growth and increasing contribution to the Group's results, this segment has so far been presented under Other Activities;
- division of the Liquid Fuels Trading segment, into 2 segments: Fuels (DIESEL+BIO) and LPG - due to the monitoring of these 2 segments separately by the Parent Entity's Management Board and the fact that these 2 segments have different economic characteristics (such as average gross margins);
- separation of the segment: Bitumen, i.e. activities related to the production and trade of asphalt products - due to the acquisition of the Lotos Terminals Group (in April 2023), the activities of Unimot Bitumen Sp. z o.o. are presented within this segment; the Group decided to separate the existing activities of Unimot S.A. within bitumen trade into a separate reportable segment already from Q1 2023 (so far, these activities were presented within Segment: Other Activities);
- presentation of a new Segment: Solid Fuels - due to the entry of Unimot S.A. into the business of trading in solid fuels, including coal, as well as the acquisition of P2T Sp. z o.o., which operates in the area of trading in solid fuels, the results of this company are consolidated starting from the report for Q3 2023).
- presentation of a new segment: Infrastructure and Logistics, i.e. activities related to rail transport, freight forwarding services and fuel storage - due to the acquisitions finalised in 2023, this segment presents the activities of Olavion Sp. z o.o. and the activities of ILO (Independent Logistics Operator), i.e. Unimot Terminale Sp. z o.o. together with its subsidiaries Unimot Infrastruktura Sp. z o.o. and RCEkoenergia Sp. z o.o.

All of the aforementioned reporting segments, separated from 2023 onwards, constitute separate operating segments. The chief operating decision maker, i.e. the Parent Entity's Management Board, monitors the operating performance of these segments separately in order to make decisions on the allocation of resources, to assess the effects of this allocation and the results of operations.

As assessed by the Parent Entity's Management Board, the identified segments do not meet all the aggregation criteria under IFRS 8. The Parent Entity's Management Board has decided to report these operating segments as separate reporting segments.

Due to changes in the identification of reportable segments, in order to ensure comparability, the data for the period 9 and 3 months ended 30 September 2022 have been restated.

Apart from the changes mentioned above, the identification of reportable segments is consistent with the last annual consolidated financial statements.

As segment liabilities are not regularly reported to the Parent Entity's Board of Directors, the Group's does not show the allocation of liabilities to individual segments.

2.1.1. Statements of total revenues by reportable segment

<i>for the period 01.01.2023 - 30.09.2023</i>	Fuels (Diesel+Biofuels)	LPG	Natural gas	Electricity	Renewable energy sources	Petrol Stations	Bitumen	Infrastruct ure and Logistics	Solid fuels	Other activities (including corporate functions)	Eliminations	Total
Revenue from sales to external customers	6.995.060	755.024	226.577	333.265	11.938	462.826	921.253	128.832	50.205	2.986	-	9.887.966
Profits/(losses) on financial instruments relating to fuel trading	(54.398)	-	1.245	-	-	-	3.454	-	-	-	-	(49.699)
Sales between segments	367.768	-	-	-	-	-	-	36.085	-	-	(403.853)	-
Total revenues	7.308.430	755.024	227.822	333.265	11.938	462.826	924.707	164.917	50.205	2.986	(403.853)	9.838.267
Total cost of services, goods and materials sold	(7.041.691)	(662.724)	(191.815)	(311.926)	(15.018)	(436.538)	(779.510)	(157.756)	(37.162)	(1.186)	403.853	(9.231.474)
Segment result	266.739	92.300	36.007	21.339	(3.080)	26.288	145.196	7.161	13.043	1.800	-	606.793
Other operating revenues	939	955	1.151	369	4	80	383	628	354	2.254	-	7.117
Overheads	(186.205)	(51.564)	(19.523)	(11.244)	(1.825)	(33.723)	(60.510)	(16.415)	(3.982)	(52.606)	-	(437.596)
Other net profits/(losses)	993	(1.724)	22	-	-	404	-	(8)	16	1.946	-	1.649
Other operating costs	(1.232)	(769)	(6.877)	(106)	-	(1.253)	(585)	(160)	-	(3.759)	-	(14.741)
Operating activities result	81.233	39.198	10.780	10.358	(4.901)	(8.205)	84.484	(8.793)	9.431	(50.365)	-	163.222
Financial revenue												5.560
Financial costs												(46.826)
Income tax												(28.795)
Profit/loss for the period												93.161
Main non-cash items												
Depreciation	(5.907)	(2.422)	(1.010)	(78)	(370)	(8.778)	(4.567)	(19.598)	(74)	(2.428)	-	(45.233)
Balance sheet valuation of inventories at fair value	51.698	-	717	-	-	-	-	-	-	-	-	52.415
Balance sheet valuation of derivatives at fair value	(33.989)	-	(4.641)	3.251	-	-	18.186	-	-	(7.827)	-	(25.020)

2.1.1. Statement of total revenue by reportable segment - cont.

<i>for the period 01.07.2023 - 30.09.2023</i>	Fuels (Diesel+Biofuels)	LPG	Natural gas	Energy Electricity	Renewable energy sources	Petrol Stations	Bitumen	Infrastruct ure and Logistics	Solid fuels	Other activities (including corporate functions)	Eliminations	Total
Revenue from sales to external customers	2.196.208	250.840	43.129	121.440	2.224	176.647	504.311	57.392	42.001	(6.551)	-	3.387.643
Profits/(losses) on financial Instruments relating to fuel trading	(71.563)	-	(9.611)	-	-	-	3.454	-	-	-	-	(77.720)
Sales between segments	100.949	-	-	-	-	-	-	18.596	-	-	(119.545)	-
Total revenues	2.225.595	250.840	33.518	121.440	2.224	176.647	507.765	75.988	42.001	(6.550)	(119.545)	3.309.924
Total cost of services, goods and materials sold	(2.206.855)	(220.378)	(20.245)	(119.504)	(5.490)	(170.994)	(419.749)	(79.352)	(30.312)	(397)	119.545	(3.153.731)
Segment result	18.740	30.462	13.273	1.936	(3.266)	5.653	88.015	(3.364)	11.689	(6.947)	-	156.192
Other operating revenues	182	-	332	281	3	-	(882)	225	354	2.066	-	2.561
Overheads	(83.737)	(17.979)	(9.323)	(1.992)	123	(7.504)	(30.316)	(7.325)	(3.189)	2.331	-	(158.910)
Other net profits/(losses)	374	(1.297)	7	-	(3)	240	-	(9)	15	849	-	176
Other operating costs	(1.225)	(610)	(6.747)	(15)	-	(574)	229	(36)	-	(686)	-	(9.664)
Operating result	(65.666)	10.576	(2.458)	210	(3.143)	(2.186)	57.046	(10.508)	8.869	(2.387)	-	(9.646)
Financial revenues	-	-	-	-	-	-	-	-	-	-	-	2.140
Financial costs	-	-	-	-	-	-	-	-	-	-	-	(18.238)
Income tax	-	-	-	-	-	-	-	-	-	-	-	5.005
Profit/loss for the period	-	-	-	-	-	-	-	-	-	-	-	(20.740)
Main non-cash items	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	(2.734)	(1.138)	(338)	(33)	(155)	(3.242)	(2.294)	(10.534)	(41)	(794)	-	(21.303)
Balance sheet valuation of inventories at fair value	75.834	-	5.874	-	-	-	-	-	-	-	-	81.708
Balance sheet valuation of derivatives at fair value	(39.025)	-	(17.206)	7.232	-	-	17.799	-	-	(2.646)	-	(33.846)

2.1.1. Statement of total revenue by reportable segment - cont.

<i>for the period 01.01.2022 - 30.09.2022</i>	Fuels (Diesel+Biofuels)	LPG	Natural gas	Energy Electricity	Renewable energy sources	Petrol Stations	Bitumen	Infrastructure and logistics	Solid fuels	Other activities (including corporate functions)	Eliminations	Total
Sales revenue	7.650.949	765.897	477.505	351.612	4.882	340.918	107.882	-	-	10.200		9.709.845
Profits/(losses) on financial instruments relating to fuel trading	(6.433)											(6.433)
Total revenues	7.644.516	765.897	477.505	351.612	4.882	340.918	107.882	-	-	10.200		9.703.412
Cost of services, goods and materials, total	(7.236.268)	(676.217)	(457.204)	(334.747)	(4.839)	(320.452)	(98.675)	-	-	(5.730)		(9.134.132)
Segment result	408.248	89.680	20.301	16.865	43	20.466	9.207	-	-	4.470		569.280
Other operating revenues	334	959	564	293	9.677	87	-	-	-	1.298		13.212
Overheads	(166.022)	(31.932)	(9.441)	(8.898)	(3.878)	(22.874)	(7.290)	-	-	(53.248)		(303.583)
Other profits/(losses), net	(1)	-	(553)	(44)	(2.290)					-		(2.888)
Other operating costs	(213)	(1.216)	(204)	(157)	(41)	(205)	-	-	-	(6.910)		(8.946)
Operating profit	242.346	57.491	10.667	8.059	3.511	(2.526)	1.917	-	-	(54.390)		267.075
Financial revenue												153
Financial costs												(16.300)
Income tax												(50.122)
Profit/loss for the period												200.806
Main non-cash items												
Depreciation	(1.221)	(505)	(1.080)	(394)	(368)	(5.149)	(47)	-	-	(1.605)		(10.369)
Balance sheet valuation of inventories to fair value	-90.928	-	-	-	-	-	-	-	-	-	-	(90.928)
Balance sheet valuation of instruments derivatives to fair value	55.231	-	-	-	-	-	-	-	-	-	-	55.231

2.1.1. Statement of total revenue by reportable segment - cont.

<i>for the period 01.07.2022 - 30.09.2022</i>	Fuels (Diesel+Biofuels)	LPG	Natural gas	Energy Electricity	Renewable energy sources	Petrol Stations	Bitumen	Infrastructure and logistics	Solid fuels	Other activities (including corporate functions)	Eliminations	Consolidated
Sales revenue	3.018.388	304.529	128.122	174.844	1.152	116.663	49.044	-	-	4.784		3.797.526
Profits/(losses) on financial instruments related to fuel trading	16.920	-	-	-	-	-	-	-	-	-		16.920
Total revenues	3.035.308	304.529	128.122	174.844	1.152	116.663	49.044	-	-	4.784		3.814.446
Cost of sold services, goods and materials, total	(2.914.230)	(276.489)	(119.284)	(165.961)	(1.740)	(111.086)	(44.936)	-	-	(2.553)		(3.636.279)
Segment result	121.078	28.040	8.838	8.883	(588)	5.577	4.108	-	-	2.231		178.167
Other operating revenues	8	370	40	251	292	20	-	-	-	975		1.956
Overheads	(63.679)	(11.777)	(4.215)	(3.568)	(1.187)	(6.673)	(3.329)	-	-	(24.077)		(118.505)
Other net profits/(losses)	117	-	-	(51)	(6)	-	-	-	-	-		60
Other operating costs	(68)	(262)	-	-	(18)	(71)	-	-	-	(2.906)		(3.325)
Operating result	57.456	16.371	4.663	5.515	(1.507)	(1.147)	779	-	-	(23.777)		58.353
Financial revenues												-
Financial costs												(7.028)
Income tax												(10.259)
Profit/loss for the period												41.066
Main non-cash items												
Depreciation	(471)	(175)	(351)	(135)	(33)	(1.907)	(16)	-	-	(581)		(3.669)
Balance sheet valuation of inventories to fair value	(289.430)	-	-	-	-	-	-	-	-	-		(289.430)
Balance sheet valuation of instruments derivatives to fair value	115.373	-	-	-	-	-	-	-	-	-		115.373

2.1.2 Statements of financial position by reporting segment

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Fuels (Diesel+Biofuels)	1.086.064	1.185.896
LPG	134.441	11.746
Natural gas	146.922	65.657
Electricity	124.672	112.089
Renewable energy sources	35.915	19.692
Petrol Stations	206.435	153.238
Bitumen	307.316	5.016
Infrastructure and logistics	489.479	-
Solid fuels	84.983	-
Other activities (including corporate functions)	113.444	111.943
Total	2.729.671	1.665.277

2.2 Geographical breakdown of sale revenue by location of final customers

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Poland	7.552.128	7.329.983
Ukraine	819.855	1.062.666
Switzerland	386.004	239.619
Czech Republic	372.141	152.225
Belgium	185.443	265.358
Cyprus	162.233	70.623
Netherlands	79.849	223.102
United Arab Emirates	59.455	-
Bulgaria	48.363	29.403
Estonia	41.114	107.674
Slovakia	38.838	62.399
Lithuania	38.023	-
Germany	30.226	38.324
Romania	23.831	196
Sweden	16.519	-
Denmark	14.985	-
Latvia	11.265	170
Turkey	2.137	704
Kazakhstan	1.570	261
Hungary	1.207	12.748
China	693	120
Taiwan	684	385
United Kingdom	569	99.725
Luxembourg	467	-
Austria	231	10.186
Moldova	61	-
France	58	-
Ireland	18	-
Georgia	-	151
Serbia	-	3.823
Total	9.887.966	9.709.845

Main customers

In the nine months of 2023 and nine months of 2022, no Group customer exceeded 10% of revenue.

2.3 3 Sales revenue

<i>in PLN thousand</i>	01.01.2023 30.09.2023	01.01.2022 30.09.2022
Revenue from sales of products and services	495.869	13.887
Revenue from sale of goods and materials	9.392.097	9.695.958
Profits/(losses) on financial instruments relating to fuel trading	(49.699)	(6.433)
Total sales revenue	9.838.267	9.703.412

2.4 4 Costs by type

<i>in PLN thousand</i>	01.01.2023 30.09.2023	01.01.2022 30.09.2022
Depreciation of tangible fixed assets and intangible assets	(30.498)	(5.730)
Amortisation of right-of-use asset	(14.735)	(4.639)
Consumption of materials and energy	(310.809)	(7.327)
Third-party services	(384.864)	(217.410)
Taxes and charges	(12.887)	(7.134)
Remunerations	(100.687)	(47.847)
Social security and other benefits	(14.083)	(3.802)
Other costs by type	(21.645)	(15.342)
Total costs by type	(890.208)	(309.231)
Cost of goods and materials sold	(8.774.764)	(9.129.589)
Change in inventories status and accruals	(4.440)	2.370
Other	343	(1.265)
Total costs of products, services, goods and materials sold, selling costs and overheads	(9.669.070)	(9.437.715)

2.5 5 Cost of products, services, goods and materials sold

<i>in PLN thousand</i>	01.01.2023 30.09.2023	01.01.2022 30.09.2022
Cost of goods and materials sold	(8.783.929)	(8.778.243)
Valuation of inventories at fair value	52.415	(90.928)
Balance sheet valuation of derivatives at fair value	(17.194)	55.231
Inventory write-down costs	(5.584)	-
Effect of hedging instruments on inventories	-	(180.046)
Realised exchange rate differences on loans	2.946	(35.470)
Balance sheet valuation of loans	(10.631)	(2.363)
Realised exchange differences on settlements	(11.690)	(95.464)
Balance sheet valuation of settlements	(1.097)	(2.306)
Total	(8.774.764)	(9.129.589)
Cost of products and services sold	(456.709)	(4.543)
Total costs of products, services, goods and materials sold	(9.231.473)	(9.134.132)

2.6 Net financial revenues/(costs)

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Financial revenues		
Interest and commissions	4.786	153
Revenue from realisation of financial instruments hedging interest rates	774	-
Total financial revenue	5.560	153
Financial costs		
Interest and commissions	(38.999)	(16.300)
Valuation of financial instruments hedging interest rates	(7.827)	-
Total financial costs	(46.826)	(16.300)
Net financial revenues/ (costs)	(41.266)	(16.147)

2.7 Income tax

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Current income tax		
Income tax for the current year	(38.779)	(51.135)
Deferred tax		
Creation / reversal of temporary differences	9.984	1.013
Income tax recognised in the interim statements of total revenues	(28.795)	(50.122)

Effective tax rate

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.09.2023	30.09.2022
Profit/(loss) before tax	121.956	250.928
Tax based on the applicable tax rate	(23.172)	(47.676)
<i>Tax effects of the following items:</i>		
Costs to adjust income tax for the previous year	(409)	-
Non-deductible permanent costs	(3.250)	(5.332)
Permanent non-taxable revenues	679	2.394
Tax losses and temporary differences on which no recognition has been made due to deferred tax assets	(2.073)	(27)
Use of tax losses on which no deferred tax was recognised	-	532
Consolidation adjustment relating to the settlement of share acquisitions (recognition of management remuneration costs)	(760)	-
Impact of differences in taxation in foreign companies	80	(13)
Other	110	-
Income tax recognised in the interim statements of total revenues	(28.795)	(50.122)

2.8 Tangible fixed assets

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Land	36.389	4.350
Buildings and structures	318.883	34.702
Machinery and equipment	112.403	13.260
Means of transport	159.788	37.732
Other fixed assets	8.608	5.996
Fixed assets under construction	8.845	5.798
Total	644.916	101.838
Difference from bargain purchase of Lotos Terminals arising on provisional settlement, not recognised in Statements of Total Revenues until final settlement of transaction allocated to tangible fixed assets <i>(Note 1.1.4)</i>	(216.009)	-
Total tangible fixed assets	428.907	101.838

The significant increase within tangible fixed assets is due to:

- the consolidation of the Unimot Terminale Group (the assets acquired were fuel terminals and production facilities), the value of the tangible fixed assets acquired, according to the separate reporting data of the acquired entities, amounted to PLN 435 229 000.

The pre-assessed difference on the bargain purchase was allocated as a partial reduction of these tangible fixed assets, details of which are described in Note 1.1.4;

- increases in tangible fixed assets at Unimot Paliwa (rail tankers acquired).

The Group realised a net profit of PLN 1,649 thousand on the sale of tangible fixed assets (for 9 months 2023). In the comparable period, the Group realised a net loss of PLN 2,888 thousand on the sale of tangible fixed assets (for 9 months of 2022).

The Group incurred capital expenditure of PLN 157,168k in the nine-month period 2023, mainly for the purchase of rail tankers for the carriage of petrol or diesel (by Unimot Paliwa).

The Group incurred capital expenditure of PLN 25,210k in the nine-month period 2022, mainly for: modernisation and adaptation to the Avia brand of leased and owned petrol stations, hardware and equipment.

2.9 Right to use assets

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Land and rights of perpetual usufruct of land	23.580	-
Buildings and structures	125.504	88.073
Means of transport	55.285	16.731
Technical equipment	3.847	426
Total right to use assets	208.216	105.230

The increase in the balance of rights to use assets is mainly due to: new leases of locations within the AVIA station chain and contracts newly concluded by the Group due to the companies acquired during the year: Olavion (locomotive lease agreements) and the Unimot Terminale CG (mainly perpetual usufruct rights to land).

The Group has entered into new leases in the nine-month period 2023 resulting in the recognition of an asset for the right to use in the amount of PLN 90,495 thousand.

The Group has entered into new leases in the nine-month period 2022 resulting in the recognition of an asset for the right to use in the amount of PLN 38,975 thousand.

2.10 Other financial assets

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Long-term investments		
Interests in non-consolidated related entities	285	260
Total long-term	285	260
Short-term investments		
Loans granted	10	204
Term deposits over 3 months	10.292	-
Restricted cash to secure future hedging transactions	19.824	31.009
Restricted cash to secure natural gas trading transactions	-	41.102
Total short-term	30.126	72.315
Total other financial assets	30.411	72.575

The book value presented is not materially different from fair value.

2.11 Inventories

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Materials	11.402	5.249
Intermediates	1.068	1.804
Finished products	14.128	-
Goods – compulsory reserve	199.067	5.262
Goods - operating reserve	315.336	244.860
Total inventories	541.002	257.175

Valuation of inventories at fair value - level 1

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Acquisition cost of inventories valued at purchase cost	122.665	110.040
Write-down of inventories	(5.584)	-
Acquisition cost of inventories measured at fair value	372.679	148.308
Valuation of inventories at fair value	51.242	(1.173)
Total inventories	541.002	257.175

During the reporting period, an inventory write-down of PLN 5 584 000 was made. No inventory write-downs were released during the reporting period.

2.12 Trade and other receivables

<i>in PLN thousand</i>	30.09.2023	31.12.2022
<i>Gross trade receivables</i>	669.423	482.216
<i>Write-down</i>	(14.940)	(8.411)
Net trade receivables	654.483	473.805
Receivables from taxes, subsidies, duties, insurance, except income tax receivables	69.351	42.588
Advances for supplies and services	71.961	61.299
Excise duty security receivable	8.752	5.518
Treasury security receivables	4.899	4.899
Receivables from performance bonds and trade limits	75.451	137.797
Receivables from other deposits	472	1.219
Other receivables	10.964	1.632
Total trade and other receivables	896.333	728.757

The book value presented is not materially different from fair value.

2.13 Cash and cash equivalents

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Cash in bank accounts	229.544	206.529
Restricted cash in bank accounts	30.349	7.140
Cash on hand	1.138	2.349
Overnight and short-term deposits (up to 3 months)	186.210	95.000
Cash on the move	4.305	1.445
Cash and cash equivalents, the value shown in the statements of financial position	451.545	312.463
Overdraft facilities	(400.378)	(206.754)
Cash and cash equivalents, value reported in the statements of cash flows	51.167	105.709

The book value presented is not materially different from fair value.

2.14 Liabilities from loans, borrowings, leases and other debt instruments and overdrafts

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Long-term liabilities		
Credits and loans	210.868	-
Financial liability for leaseback	120.410	-
Lease liabilities	183.112	96.332
Total long-term liabilities	514.390	96.332
Short-term liabilities		
Credits and loans	43.874	348
Financial liability for leaseback	11.586	-
Lease liabilities	31.236	10.952
Total short-term liabilities	86.696	11.300
Overdraft facilities	400.378	206.754
Liabilities from loans, borrowings, leases and other debt instruments and overdrafts	1.001.465	314.386

The significant change in liabilities from loans, borrowings and leases is due to:

- the disbursed syndicated loan financing the Lotos Terminals acquisition (financing banks: mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Polska Kasa Opieki S.A. and Haitong Bank, S.A. Spółka Akcyjna Oddział w Polsce under the Loan Agreement dated 12 January 2022 and the Annexes dated: 30 September 2022 and 21 December 2022) in the total amount of PLN 242,771 thousand; during the year there was a total repayment of the revolving credit facility of PLN 8,000 thousand, repayment of the principal instalment of loan C of PLN 2,595 thousand and interest and commissions of PLN 14,192 thousand, interest accrued under the effective interest rate amounted to PLN 12,824 thousand, the balance of the loan as at 30 September 2023 is PLN 223,944 thousand, of which PLN 13,075 thousand is presented in the short-term part and PLN 210,868 thousand in the long-term part. Loan C is repayable quarterly and partly in a balloon instalment in 2028, loan D will be repayable quarterly from 09.2024 and partly in a balloon instalment in 2028, loan B is payable in a balloon instalment in 2028. Interest rate: WIBOR 3m + margin. The margin is variable and depends on the EBITDA/net debt ratio of the Unimot Investments Group (Unimot Investments, Unimot Terminale Sp. z o.o., Unimot Infrastruktura Sp. z o.o., RCEkoenergia Sp. z o.o., Unimot Bitumen Sp. z o.o.). The margin will be verified and revised on a quarterly basis - based on data in terms of EBITDA generated over the last 12 months and the level of Net Debt at the end of the quarter. The first quarterly margin revision will take place at the end of June 2024.
- loan received from a non-consolidated related party (Parent Entity Unimot Express) in the amount of PLN 30 000 thousand; accrued interest: PLN 798 thousand; loan presented in the short-term part;

The significant change in liabilities form loans, borrowings and leases is due to:

- financing of rail tankers and wagons under sale-leaseback transactions concluded with PKO Leasing and ING Lease; based on the Group's analysis, there was no sale and transfer of control of assets under the sale-leaseback, therefore the transaction is not treated as a lease under IFRS 16, but as a granted financing / investment loan; it is presented and measured separately from lease liabilities; the financing drawn down amounted to PLN 139,579 thousand, instalment repayments of PLN 12,458 thousand and interest accrual and repayment took place in the period. The financing period is 8 years / 10 years. Instalments payable monthly.

- the incurrence of new finance leases and repayments of instalments during the period, the newly recognised lease liabilities related mainly to location leases within the AVIA station chain and agreements newly entered into by the Group due to companies acquired during the year: Olavion (locomotive lease agreements) and the Unimot Terminale CG (mainly rights of perpetual usufruct of land); the liabilities were measured at the present value of the remaining lease payments as if the acquired leases were new leases at the date of acquisition using the lessee's incremental discount rates estimated for the companies; as at 30 September 2023, the balance of lease liabilities relating to the newly acquired companies amounts to PLN 64,525 thousand.

The book value presented is not materially different from fair value.

In the period covered by these interim condensed consolidated financial statements, as well as after the reporting date, there were no defaults in the repayment of principal or interest. There were no breaches of other terms and conditions contained in the loan agreements.

2.15 Derivative financial instruments

Derivative financial instruments - financial assets

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Long-term		
Futures and FX forward contracts	356	7.835
Commodity swaps	2.222	-
Total	2.578	7.835
Short-term		
Futures and FX forward contracts	15.141	7.820
Commodity swaps	15.964	-
Total	31.105	7.820

Derivative financial instruments - financial liabilities

<i>in PLN thousand</i>	30.09.2023	31.12.2022
Long-term		
Futures and FX forward contracts	269	-
IRS contracts	7.828	-
Total	8.097	-
Short-term		
Futures, FX forwards	51.308	16.356
Total	51.308	16.356

There were no transfers between the different levels of the fair value hierarchy during the reporting period.

2.16 Transactions and status of settlements with related entities

Identification of related entities

- Unimot Express Sp. z o.o. (Parent Entity)
- Zemadon Limited (related entity of Unimot Express Sp. z o.o.).
- Ammerviel Limited (related entity of Unimot Express Sp. z o.o.).
- Unimot Truck Sp. z o.o. (related entity of Unimot Express Sp. z o.o.)
- U.C. Energy Ltd (personally related entity of Unimot S.A.).
- GO & BIOGAS Sp. z o.o. (personally related entity of Unimot S.A.).

<i>in PLN thousand</i>	Sales		Purchase	
	01.01.2023	01.01.2022	01.01.2023	01.01.2022
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Non-consolidated related entities	673	9.458	4.839	2.629
Total	673	9.458	4.839	2.629

<i>in PLN thousand</i>	Sales		Purchase	
	01.07.2023	01.07.2022	01.07.2023	01.07.2022
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Non-consolidated related entities	138	1.445	1.460	1.242
Total	138	1.445	1.460	1.242

<i>in PLN thousand</i>	Trade receivables, loans and other receivables		Trade liabilities, loans and other liabilities	
	30.09.2023	31.12.2022	30.09.2023	31.12.2022
	Non-consolidated related entities	1.469	2.423	31.061
Total	1.469	2.423	31.061	1.724

According to the information available to the Parent Entity's Management Board, the transactions concluded by the Company or its subsidiaries with related parties during the reporting period were concluded on an arm's-length basis, and their nature and terms resulted from the Company's operations.

2.17 Contingent liabilities, sureties and guarantees

<i>in PLN/EUR/USD thousand</i>	As at 30.09.2023			As at 31.12.2022		
	PLN	EUR	USD	PLN	EUR	USD
Parent Entity's own contingent liabilities	-	-	-	356	3.500	-
insurance guarantees provided as excise duty security	-	-	-	-	-	-
performance bonds and trade limits	-	-	-	356	3.500	-
Contingent liabilities relating to related entities	535.643	24.067	2.000	79.126	25.000	3.600
insurance guarantees provided as excise duty security	205.000	-	-	27.100	-	-
sureties issued for guarantees	-	-	-	-	-	-
insurance submitted as concession bonds	27.000	-	-	27.000	-	-
guarantees for proper implementation of agreements and	26.161	12.067	-	18.943	14.000	-
surety for the proper performance of contracts and trade limits	277.482	12.000	2.000	6.083	11.000	3.600
Total contingent liabilities, sureties and guarantees	535.643	24.067	2.000	79.482	28.500	3.600

The significant increase in contingent liabilities is due to the following events:

Unimot S.A. has become the guarantor of obligations under the Insurance Guarantee Agreement concluded on 10 March 2023 with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. to secure payment of excise tax and fuel charges by Unimot Paliwa Sp. z o.o. The amount of the guarantee is PLN 30 million and its validity period is from 11 April 2023 to 10 April 2024. The beneficiary of the guarantee is the Head of the Tax Office in Pruszków.

Unimot S.A. has become the guarantor of obligations under the Insurance Guarantee Agreement concluded on 24 March 2023 with UNIQA Towarzystwo Ubezpieczeń S.A. to secure the payment of excise tax and fuel charges by Unimot Paliwa Sp. z o.o.. The amount of the guarantee is PLN 25 million and its expiry date is from 11 April 2023 to 10 April 2024. The beneficiary of the guarantee is the Head of the Tax Office in Pruszków.

Unimot S.A. has become the guarantor of obligations under the Insurance Guarantee Agreement concluded on 14 March 2023 with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. to secure the payment of excise tax and fuel charges by Unimot Terminale S.A. (formerly Lotos Terminale S.A. in force following the acquisition by Unimot Investments Sp. z o.o. of 100% of the shares in Lotos Terminale). The amount of the guarantee is PLN 150 million and its validity period is from 1 April 2023 to 31 March 2024. The beneficiary of the guarantee is the Head of the 2nd Tax Office in Bielsko-Biała.

Unimot S.A. has guaranteed the payment by Unimot Investments Sp. z o.o. to Orlen S.A. (PKN Orlen S.A.) of such amounts as may arise under the agreement for the acquisition of shares in Lotos Terminale S.A. (SPA) dated 12 January 2022 and the agreement concerning the lease and settlement of investment expenditures in Szczecin dated 12 January 2022. The maximum amount of the surety is PLN 6 million and the maximum term of the surety is 31 December 2032.

On 1 December 2022, an agreement was concluded for the provision of real estate and settlement of capital expenditures related to the implementation of the investment in the fuel terminal in Szczecin. The agreement was concluded between PKN Orlen and Lotos Terminale with Unimot S.A. and Unimot Investments Sp. z o.o. as guarantors. Under the agreement, Unimot S.A. and Unimot Investments jointly and severally guaranteed the payment by Lotos Terminale to Orlen S.A. (PKN Orlen S.A.) the amount of the settlement of expenditures and incidental receivables agreed in the agreement up to a maximum of PLN 78 million. The surety came into effect on the date of completion of the transaction of acquisition by UNIMOT Group of 100% of shares in Lotos Terminale and the maximum term of the surety is 31 December 2032.

On 30 June 2023, a Surety Agreement was entered into between Unimot Paliwa Sp. z o.o. and ORLEN S.A. securing ORLEN S.A.'s receivables from Unimot Investments Sp. z o.o. under the Conditional Master Sale Agreement dated 12 January 2022 (the "Secured Agreement"). The maximum value of the security is PLN 180 million and the maximum term of the security expires on 31 December 2024.

On 19 July 2023, a bank guarantee in the amount of PLN 2.4 million was issued under the umbrella loan with Bank Millennium, underwritten by Unimot S.A., as security for the proper performance of the agreement for the creation and maintenance of inventories of diesel, unleaded petrol and light fuel oil concluded between Unimot Paliwa Sp. z o.o. and PERN S.A.. The guarantee is valid until 30 June 2024.

On 18 August 2023, Unimot S.A. issued a guarantee/guarantee (First Demand Guarantee), the beneficiary of which is ING Bank N.V. Amsterdam, Lancy Geneva branch. The guarantee secures the obligations of Unimot Paliwa Sp. z o.o. that may arise in connection with the Trade & Commodity Finance (TCF) Facility granted to the company. The maximum value of the security is USD 100 million. The security is valid for the entire duration of the bank financing, granted for an indefinite period. As at 30 September 2023, the utilisation balance of the secured facility is USD 0.

On 23 August 2023, Unimot S.A. issued a surety, the beneficiary of which is A/S Global Risk Management Ltd. The surety secures the liabilities of Unimot Bitumen Sp. z o.o. that may arise in connection with the agreement signed with the beneficiary (Master Agreement of 22 May 2023). The maximum amount of the surety is USD 2 million.

On 20 September 2023, Unimot S.A. signed an agreement with SBK Polska Sp. z o.o. under which it issued a surety for the liabilities of Unimot Commodities Sp. z o.o. under the commercial agreement between SBK Polska Sp. z o.o. and Unimot Commodities Sp. z o.o. The maximum amount of the security is PLN 6 million and the validity of the surety ends on 30 November 2023.

2.18 Seasonality of operations

There is regular moderate volatility in product sales volumes during the year due to the seasonal fluctuations in fuel demand in particular in the segments:

- sales of natural gas, solid fuels and electricity due to significantly higher demand during the heating season in Q1 and Q4,
- Fuel/Biofuel/LPG sales - increased demand for fuels in Q3 and Q4,
- bitumen sales - due to the peak road construction and repair season falling in the third and fourth quarters.

2.19 Dividends paid and proposed to be paid

On 5 June 2023, the Ordinary General Meeting of Shareholders resolved to allocate Unimot S.A.'s separate net profit for 2022 to:

- dividend payment: PLN 112 228 thousand (PLN 13.69 per share),
- supplementary capital: PLN 5,059 thousand.

The dividend date has been set at 12 June 2023 and the payment date at 16 June 2023.

2.20 Liabilities for future capital expenditure

At 30 September 2023, the Group is committed to incurring future expenditure on tangible fixed assets amounting to PLN 74 million. This amount will be used to purchase new electric locomotives.

2.21 Information on significant pending proceedings before a court, an authority competent for arbitration proceedings or a public administration body

No proceedings where the value represents more than 10% of the Issuer's equity.

2.22 Explanatory note to the statements of cash flows

The reasons for the differences between the on-balance-sheet changes in certain items and the changes in the status as shown in the statements of cash flows is shown in the table below:

<i>in PLN thousand</i>	01.01.2023
	30.09.2023
Change in receivables and other current assets resulting from the statements of financial position	(173.627)
Acquisition of Olavion	7.063
Acquisition of Unimot Terminale	101.398
Acquisition of Unimot Aviation	126
Acquisition of Unimot Commodities	2
Change in receivables and other current assets in the statements of cash flows	(65.038)
Change in inventories arising from the statements of financial position	(283.827)
Acquisition of Unimot Terminale	38.998
Acquisition of Unimot Aviation	7
Acquisition of Unimot Commodities	48
Change in inventories in the statements of cash flows	(244.774)
Change in trade, employee benefit and other liabilities arising from the statements of financial position	288.013
Acquisition of Olavion	(26.216)
Acquisition of Unimot Terminale	(168.286)
Acquisition of Unimot Aviation	(137)
Acquisition of Unimot Commodities	(9.626)
Change in trade, employee benefit and other liabilities in the statements of cash flows	83.748
Change in provisions arising from the statements of financial position	35.653
Acquisition of Unimot Terminale	(35.792)
Change in provisions in the statements of cash flows	(139)
Change in liabilities from contracts with customers arising from the statements of the financial situation	47.681
Acquisition of Unimot Terminale	(1.561)
Change in liabilities from contracts with customers in the statements of cash flows	46.120

2.23 Events after the balance sheet date

On 17 October 2023, Unimot S.A. issued a guarantee in favour of KUKE S.A., securing Unimot Paliwa Sp. z o.o.'s liabilities that may arise in connection with the General Agreement for the provision of State Treasury guaranteed payment insurance guarantees No. IN/GP/78/2023 signed between KUKE S.A. and Unimot Paliwa Sp. z o.o. General Agreement for the provision of payment insurance guarantees guaranteed by the State Treasury No. IN/GP/78/2023. The maximum value of the liability is PLN 288 million, the guarantee is valid until 31 December 2027. No insurance guarantees have been issued under the General Agreement until 22 November 2023.

On 20 October 2023, an insurance guarantee was issued as security for receivables related to the performance of the business of trading liquid fuels with foreign countries by Unimot Energia i Gaz Sp. z o.o. The beneficiary of the guarantee is the Head of the Second Mazovian Tax Office in Warsaw. The maximum amount of security is PLN 10 million, the validity period of the guarantee expires on 19 October 2025. The guarantee was granted under the signed with Allianz Trade / TU Euler Hermes S.A. Agreement for the provision of insurance guarantees under revolving limit no. 1546.

On 27 October 2023, an insurance performance bond (valid from 1 November 2023) was issued for the contract between Unimot Energia i Gaz Sp. z o.o. and Polska Spółka Gazownictwa Sp. z o.o. (beneficiary of the guarantee). The maximum amount of the security is PLN 6.2 million, the validity period of the guarantee expires on 31 October 2024. The guarantee was granted under the signed with Allianz Trade / TU Euler Hermes S.A. Agreement for the provision of insurance guarantees under revolving limit No. 1546.

On 7 November 2023, Unimot S.A. issued a surety/guarantee (Parent Entity Guarantee) for the obligations of Unimot Paliwa Sp. z o.o. to Preem AB that may arise within the framework of commercial cooperation. The maximum amount of the security is USD 4 million and the validity of the guarantee ends on 31 January 2027.

On 22 November 2023, The Supervisory Board of the Parent Entity appointed the following persons to the Parent Entity's Management Board with effect from 1 January 2024, for a joint five-year term of office of the Management Board:

1. Aneta Szczesna-Kowalska to the position of Vice-President for HR,
2. Michal Hojowski to the position of Vice President for Energy Transformation.

Zawadzkie, 22 November 2023

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

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

.....
Filip Kuropatwa
 Vice-President of the
 Management Board of Unimot
 S.A.

.....
Agnieszka Zając-Krysińska
 Person drawing up the report

3. REPRESENTATION OF THE MANAGEMENT BOARD AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On the reliability of the preparation of the interim condensed consolidated financial statements

The Management Board of Unimot S.A. declares that, to the best of its knowledge, these Interim Condensed Consolidated Financial Statements of the UNIMOT Group and the comparative data have been prepared in accordance with the regulations binding on the Issuer and reflect in a true, reliable and clear manner the property and financial situation and the financial result of the UNIMOT Group.

These interim condensed consolidated financial statements of the UNIMOT Group have been approved for publication and signed by the Board of Directors of Unimot S.A. on 22 November 2023.

Zawadzkie, 22 November 2023

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Adam Sikorski

President of the Management Board of Unimot S.A.

.....

Robert Brzozowski

Vice-President of the Management Board of Unimot S.A.

.....

Filip Kuropatwa

Vice-President of the Management Board of Unimot S.A.