



**Interim condensed
consolidated financial statements
of the UNIMOT Capital Group**

for the first half of 2023



September 14, 2023



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Selected data from the interim consolidated financial statements

	in PLN thousand		in EUR thousand	
	30.06.2023	Comparative data	30.06.2023	Comparative data
I. Sales revenue	6 528 344	5 888 966	1 415 206	1 268 435
II. Profit/(loss) on operating activities	172 868	208 722	37 474	44 957
III. Gross profit/(loss)	147 700	199 603	32 018	42 993
IV. Net profit/(loss) attributable to owners of the Parent Entity	113 862	159 740	24 683	34 407
V. Net profit/(loss)	113 900	159 740	24 691	34 407
VI. Net operating activity cash flows	(49 561)	132 266	(10 744)	28 489
VII. Net cash flow from investing activities	(164 839)	2 188	(35 734)	471
VIII. Net cash flow from financing activities	117 771	(14 725)	25 530	(3 172)
IX. Total net cash flow	(99 675)	106 079	(21 607)	22 849
X. Total assets	2 394 569	1 665 277	538 069	355 077
XI. Liabilities and provisions for liabilities	1 689 394	961 483	379 614	205 011
XII. Long-term liabilities	522 962	96 614	117 512	20 600
XIII. Short-term liabilities	1 166 432	864 869	262 102	184 411
XIV. Equity	705 175	703 794	158 456	150 066
XV. Share capital	8 198	8 198	1 842	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)	13,89	19,49	3,01	4,20
XVIII. Diluted profit/(loss) per ordinary share attributable to owners of the Parent Entity (in PLN/EUR)	13,89	19,49	3,01	4,20
XIX. Book value per share (in PLN/EUR)	86,02	85,85	19,33	18,31
XX. Diluted book value per share (in PLN/EUR)	86,02	85,85	19,33	18,31

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

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

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

As of 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 was 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 June 2023: PLN/EUR 4.4503 and for comparative data as of 31 December 2022: PLN/EUR 4.6899.

The individual items relating to the statements of total revenues and the statements of cash flows were converted according to an exchange rate being the arithmetic mean of the average exchange rates of the National Bank of Poland applicable on the last calendar day of the individual months, which amounted to PLN/EUR 4.6130 (6 months of 2023), PLN/EUR 4.6427 (6 months of 2022), respectively.

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

Interim consolidated statements of financial position

<i>in PLN thousand</i>	<i>Note</i>	30.06.2023 (unexamined)	31.12.2022
Fixed assets			
Tangible fixed assets	2.8	420 836	101 838
Right to use assets	2.9	183 143	105 230
Intangible assets		6 004	1 427
Goodwill	1.1.4	39 017	17 904
Other financial assets	2.10	260	260
Long-term receivables		8 691	6 675
Derivative financial instruments	2.15	198	7 835
Client contract assets		8 317	8 586
Deferred tax assets		31 864	19 319
Total fixed assets		698 330	269 074
Current assets			
Inventories	2.11	455 723	257 175
Client contract assets		2 920	3 094
Trade and other receivables	2.12	857 839	728 757
Other financial assets	2.10	28 130	72 315
Derivative financial instruments	2.15	27 648	7 820
Income tax receivables		13 552	5 951
Cash and cash equivalents	2.13	295 557	312 463
Other current assets		14 870	8 628
Total current assets		1 696 239	1 396 203
TOTAL ASSETS		2 394 569	1 665 277

Interim consolidated statements of financial position (cont.)

<i>in PLN thousand</i>	<i>Note</i>	30.06.2023 (unexamined)	31.12.2022
Equity			
Share capital		8 198	8 198
Other capitals		312 027	306 992
Exchange rate differences from conversion of foreign units		(160)	(56)
Retained earnings and current year result		385 516	388 940
Equity of the Shareholders of the Parent Entity		705 581	704 074
Non-controlling shares		(406)	(280)
Total equity		705 175	703 794
Long-term liabilities			
Liabilities from loans, borrowings, leases and other debt instruments	2.14	469 970	96 332
Employee benefit liabilities		19 049	282
Other liabilities	1.1.4	10 801	-
Derivative financial instruments	2.15	5 181	-
Provisions		17 961	-
Total long-term liabilities		522 962	96 614
Short-term liabilities			
Overdraft facilities	2.14	289 523	206 754
Liabilities from loans, borrowings, leases and other debt instruments	2.14	74 131	11 300
Employee benefit liabilities		4 792	1 290
Derivative financial instruments	2.15	14 540	16 356
Provisions		17 591	-
Income tax liabilities		1 604	23 144
Client contract liabilities		41 871	73 429
Trade and other liabilities		722 380	532 596
Total short-term liabilities		1 166 432	864 869
Total liabilities		1 689 394	961 483
TOTAL LIABILITIES		2 394 569	1 665 277

Interim condensed statements of total revenues

<i>in PLN thousand</i>	Note	01.01.2023	01.04.2023	01.01.2022	01.04.2022
		30.06.2023 (unexamined)	30.06.2023 (unexamined)	30.06.2022 (unexamined)	30.06.2022 (unexamined)
Sales revenue	2.3	6 500 323	3 228 079	5 912 319	3 587 288
Profits/(losses) on financial instruments relating to fuel trading		28 021	20 936	(23 353)	(69 568)
Cost of products, services, goods and materials sold	2.5	(6 077 742)	(3 047 266)	(5 497 853)	(3 337 200)
Gross profit/(loss) from sales		450 602	201 749	391 113	180 520
Other operating revenues		4 556	3 571	11 256	10 637
Cost of sale		(215 283)	(101 254)	(138 994)	(87 344)
Overheads		(63 403)	(39 514)	(46 084)	(33 133)
Other net profit/(loss)		1 473	677	(2 948)	(2 799)
Other operating costs		(5 077)	(1 388)	(5 621)	(3 315)
Profit/(loss) on operating activities		172 868	63 841	208 722	64 566
Financial revenues		3 420	2 278	439	408
Financial costs		(28 588)	(22 689)	(9 558)	(5 635)
Net financial revenues/(costs)	2.6	(25 168)	(20 411)	(9 119)	(5 227)
Profit/(loss) before taxation		147 700	43 430	199 603	59 339
Income tax	2.7	(33 800)	(11 520)	(39 863)	(14 344)
Net profit/(loss) for the reporting period		113 900	31 910	159 740	44 995
of which attributable to:					
Shareholders of the Parent Entity		113 862	32 032	159 740	44 998
Non-controlling shares		38	38	-	(3)
Net profit/(loss) for the reporting period		113 900	31 910	159 740	44 995
Other total revenue/(loss)					
- which will be reclassified into profit or loss when certain conditions are met					
Exchange differences on conversion of units operating abroad		(104)	(87)	59	89
Other total revenue/(loss) for the financial year		(104)	(87)	59	89
Total comprehensive revenue/(loss) for the financial year		113 796	31 823	159 799	45 084
of which attributable to:					
Shareholders of the Parent Entity		113 758	31 945	159 799	45 087
Non-controlling shares		38	(122)	-	(3)
Total comprehensive revenue for the reporting period		113 796	31 823	159 799	45 084
Profit/(loss) per share attributable to equity holders of the Parent Entity (in PLN)		13,89	3,91	19,49	5,49
Diluted profit/(loss) per share attributable to shareholders of the Parent Entity (in PLN)		13,89	3,91	19,49	5,49

Interim condensed statements of cash flow

<i>in PLN thousand</i>	<i>Note</i>	01.01.2023 30.06.2023 (unexamined)	01.04.2023 30.06.2023 (unexamined)	01.01.2022 30.06.2022 (unexamined)	01.04.2022 30.06.2022 (unexamined)
Operating activity cash flows					
Profit/(loss) before taxation		147 700	43 430	199 603	59 339
Adjustments for items:					
Depreciation of tangible fixed assets and right-of-use assets		23 556	18 089	6 204	3 334
Amortisation of intangible assets		374	271	496	234
Exchange rate loss/(profit)		2 943	4 725	13 056	10 740
Loss (profit) on sale of subsidiaries		-	-	(5 390)	(5 390)
Loss/(profit) on sale of tangible fixed assets		(1 473)	(677)	2 948	2 799
Interest and transaction costs, dividends, net		20 047	15 290	8 862	5 563
Change in receivables and other current assets	2.22	(33 612)	(59 730)	(211 993)	113 817
Inventory status change	2.22	(159 543)	15 860	(556 806)	(159 984)
Change in client contract assets		443	73	(2 161)	(1 018)
Change in client contract liabilities	2.22	(33 119)	7 011	503 597	428 180
Change in trade and other liabilities	2.22	30 021	(51 184)	124 042	(330 619)
Result on valuation of derivatives		(8 826)	(93)	89 671	(31 934)
Change in provisions	2.22	(240)	(240)	-	-
Income tax paid		(37 832)	(9 879)	(39 863)	(14 344)
Net operating activity cash flows		(49 561)	(17 054)	132 266	80 717
Cash flow from investing activities					
Revenues on sales of tangible fixed assets		1 758	1 758	433	149
Interest received		3 420	2 094	475	71
Revenues from loans		27	23	5 388	14
Acquisition of tangible fixed assets and intangible assets		(126 269)	(93 600)	(8 631)	(5 931)
Loans granted		(20)	-	-	-
Revenue from other financial assets		43 994	12 510	-	-
Proceeds from disposal of subsidiaries		-	-	4 638	4 638
Net expenditure on acquisition of subsidiaries	1.1.4	(78 108)	(72 878)	-	-
Advances made for the acquisition of tangible fixed assets		(9 641)	(9 641)	-	-
Acquisition of other investments		-	-	(115)	-
Net cash flow from investing activities		(164 839)	(159 734)	2 188	(1 059)
Cash flow from financing activities					
Borrowing of credits, loans and other debt instruments		379 540	379 540	8 188	13
Repayment of credits, loans and other debt instruments taken		(13 107)	(13 107)	(9 015)	(427)
Repayment of the Lotos Terminals bank loan as part of the transaction	1.1.4	(99 771)	(99 771)	-	-
Payment of liability under lease agreements		(11 015)	(7 894)	(4 641)	(2 669)
Interest and commissions paid		(25 648)	(19 111)	(9 257)	(5 636)
Dividends paid	2.19	(112 228)	(112 228)	-	-
Net cash flow from financing activities		117 771	127 429	(14 725)	(8 719)
Change in cash and cash equivalents		(96 629)	(49 359)	119 729	70 939
Impact of exchange rate changes on cash and cash equivalents		(3 046)	(4 810)	(13 650)	(10 651)
Change in cash and cash equivalents		(99 675)	(54 169)	106 079	60 288
Cash and cash equivalents, net of overdraft facilities at the beginning of the period	2.13.	105 709	60 203	(257 471)	(211 680)
Środki pieniężne i ich ekwiwalenty po pomniejszeniu o kredyty w rachunku bieżącym na koniec okresu	2.13.	6 034	6 034	(151 392)	(151 392)

Interim consolidated statements of changes in equity

<i>in PLN thousand</i>	<i>Note</i>	Share capital	Other capitals	Exchange rate differences 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		-	-	59	-	159 740	159 799	-	159 799
- <i>Net profit/(loss) for the period</i>		-	-	-	-	159 740	159 740	-	159 740
- <i>Other total revenue/(loss) for the financial year</i>		-	-	59	-	-	59	-	59
Loss of control of subsidiaries		-	-	-	-	156	156	52	208
Profit transfer		-	72 046	-	-	(72 046)	-	-	-
Equity as at 30 June 2022		8 198	306 992	141	6 671	164 102	486 104	(222)	485 882

<i>in PLN thousand</i>	<i>Note</i>	Share capital	Other capitals	Exchange rate differences 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
- <i>Net profit/(loss) for the period</i>		-	-	-	-	373 955	373 955	(58)	373 897
- <i>Other total revenue/(loss) for the financial year</i>		-	-	(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 differences 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		-	-	(104)	-	113 862	113 758	38	113 796
- <i>Net profit/(loss) for the period</i>		-	-	-	-	113 862	113 862	38	113 900
- <i>Other total revenue/(loss) for the financial year</i>		-	-	(104)	-	-	(104)	-	(104)
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 units		-	-	-	-	-	-	(164)	(164)
Profit transfer		-	5 058	-	256 669	(261 727)	-	-	-
Equity as at 30 June 2023		8 198	312 027	(160)	271 654	113 862	705 581	(406)	705 175

1. EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information

1.1.1. Information on the Capital Group

Unimot Spółka Akcyjna ("Unimot", the "Company", the "Parent Entity"), with its registered office in 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 industry and related industries, strategic and organisational planning and decision-making processes; trading activities in petrol stations under the AVIA brand; and natural gas trading.

The scopes of 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

As at 30 June 2023 and at the date of these statements, the Parent Entity's Management Board was composed 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 June 2023 and at the date of these statements, the Parent Entity's Supervisory Board was composed 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 consolidated subsidiaries.

During the reporting period and as at 30 June 2023, the UNIMOT Group consisted of the following directly and indirectly consolidated subsidiaries:

Name of unit	Seat	Scope of the unit's core business	Shares and voting rights held	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	nie dotyczy	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	Liquid fuel distribution	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
3 SEAS ENERGY LLC	U.S.A.	Distribution of petroleum products	75,00%	21.05.2020
OPERATOR KLASTRA ENERGII Sp. z o.o.	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 Sp. z o.o.	Poland	Non-operating special purpose vehicle	100,00%	20.10.2021
UNIMOT B1 Sp. z o.o.	Poland	Non-operating special purpose vehicle	100,00%	20.10.2021
UNIMOT SA (Unimot LTD)	Switzerland	Liquid fuel distribution	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	Fuel storage and distribution	100,00%	07.04.2023
UNIMOT INFRASTRUKTURA Sp. z o.o.**	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
RCKOENERGIA Sp. z o.o.	Poland	Generation, transmission, distribution and trading of energy utilities	100,00%	07.04.2023
UNIMOT AVIATION Sp. z o.o.***	Poland	Trading in aviation fuel	75,00%	28.04.2023

* conversion from S.A. to Sp. z o.o. - registration in the KRS 31.07.2023

** conversion from S.A. to Sp. z o.o. - registration in KRS 01.08.2023

*** change of the name of PARTNERS4SKY Sp. z o.o. to Unimot Aviation Sp. z o.o. - KRS registration 24.07.2023

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

- On 13 February 2023, a subsidiary of Unimot S.A., i.e: UNIMOT Energia i Gaz sp. z o.o. entered into an agreement to acquire 95% of the shares in Żywiec OZE-1, and on 15 February 2023 acquired the remaining 5% of shares.
- 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.. As at the acquisition date, the amount of the consideration transferred (basic price) amounted to PLN 24 200 thousand and represented cash paid. 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 net debt and the actual value of working capital, both of which were included in the price calculation on the acquisition date based on estimated data. For details, see Note 1.1.4.
- On 7 April 2023, a subsidiary of Unimot S.A., i.e: UNIMOT Investments sp. z o.o. concluded a final agreement for the acquisition of 100% of shares in Lotos Terminale S.A., which holds directly or indirectly 100% of shares in Lotos Infrastruktura S.A., Uni-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 to transfer 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.

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

- On 4 July 2023, Unimot S.A. entered into a Promised Agreement to acquire an 80% share in a company called P2T sp. z o.o. (currently Unimot Commodities sp. z o.o.).
- As of 11 July 2023, Unimot S.A. has no 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.

1.1.4. Accounting for acquisitions of shares and interests

Acquisition of Lotos Terminale S.A.

On 7 April 2023, Unimot Investments Sp. z o.o. (the "Buyer"), a subsidiary of Unimot S.A., in which Unimot S.A., holds a 100% shareholding, 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 a 100% shareholding 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 - RCEknergia 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 joined the implemented by by ORLEN S.A. 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 Remedies set out in the decision were aimed at preventing the negative effects of the planned concentration on competition in the relevant markets.

The UNIMOT Group thus seized opportunities to: expand the scale of its business, diversify its sources of revenue, synergise the acquired businesses with the current activities of the UNIMOT Group, as well as 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 ('ILO') of fuels based on its own infrastructure (so-called 'ILO' business), 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 'NOL' business comprises nine fuel terminals with a total current nominal capacity of 387,000 m³ in: Czechowice-Dziedzice, Jasło, Piotrków Trybunalski, Poznan, Rypin, Bolesławiec, Szczecin, Gutkowo and Gdansk and long-term contracts to provide fuel handling and storage services for approximately 70% of the capacity of the acquired terminals. Upon completion of the 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, the UNIMOT Group has become the third player in the fuel storage market.

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 by 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 of Unimot S.A..

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

This amount will be subject to an adjustment resulting from a reconciliation of the net debt and working capital values of the entity to be acquired 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 of 31 March 2023.

On 20 July 2023, Unimot Terminals submitted a price adjustment calculation to the Seller, which resulted in the return of PLN 83,669 thousand by the Seller to the Buyer. Pursuant to the contractual provisions, the Seller, within 45 working days from the date of receipt of the price adjustment calculation, should inform the Buyer of its acceptance or non-acceptance thereof, together with the indication of the disputed items and the presentation of a proposal for their adjustment. If the parties fail to agree on the price adjustment calculation within 20 consecutive days, an independent expert shall be engaged to determine the correct amount of the price adjustment. Given the above, it is not possible to set a precise deadline for determining the amount of the price adjustment.

The transaction foresees an acquisition price adjustment for the earn-out on the bitumen business, reimbursement of capital expenditures incurred by the Seller and a mechanism for additional settlement of expenditures (relating to the NOL business).

1.1.4 Accounting for acquisitions of shares and interests cont.

Acquisition of Lotos Terminale S.A. - 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 in accordance with 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 aforementioned reimbursement of expenditures, a mechanism for additional settlement of expenditures has been agreed upon, 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 NOL Group companies of an EBITDA margin ratio exceeding the contractual reference ratio.

A preliminary settlement of the acquisition is set out below:

Acquisition payment transferred (in PLN thousand)

Cash paid at the date of acquisition		266 585
Total payment	A	266 585

Provisional value of identifiable major 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. Accounting for acquisitions of shares and interests - cont.

Acquisition of Lotos Terminale S.A. - cont.

Liabilities taken over:		328 232
Liabilities from loans, borrowings, leases and other debt instruments		108 873
Employee benefit liabilities		18 767
Provisions		17 961
Short-term liabilities		
Liabilities from loans, borrowings, leases and other debt instruments		13 416
Employee benefit liabilities		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 transaction cash flow:		
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 in the amount of PLN 99,771 thousand. The amount for was presented in financial 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 standalone statements of the acquired companies: Lotos Terminale, Lotos Infrastruktura, RCEkonoergia, Uni-Bitumen (and not from the consolidated financial data of Lotos Terminale Group).

As the Lotos Terminale 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 consolidated statements of the Lotos Terminale Group some groups of fixed assets included valuations to fair values, which were prepared at the request of Lotos Terminale for the purpose of accounting for acquisitions and in-kind contributions at the level of the Lotos Terminale Group and statutory reporting of the Lotos Terminale Group.

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

As 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 Unimot Terminals' contingent payments to PKN Orlen due to 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 purchase price).

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

The pre-determined result on the bargain acquisition, prudently within the condensed interim financial statements, has not been recognised in the statements of total revenues, but has been 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).

1.1.4. Accounting for acquisitions of shares and interests - cont.

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, allocation of the purchase price and valuations to the fair values of the net assets acquired and the acquisition price, and additional review of the identification and valuation procedures performed 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 was 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 Terminals Group in the consolidated sales revenue generated by the UNIMOT Group recognised for H1 2023 was: PLN 438,820 thousand, and in the net result: PLN 17,645 thousand.

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

Costs associated with the acquisition of control of Lotos Terminals 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 2021 result: 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 activity 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 for the sale of 100% of the shares in Olavion sp. z o.o. was concluded. (the "Preliminary Agreement") from two individuals, including the majority shareholder (the "Seller") and seven executives (the "Executives"). Pursuant to the Preliminary Agreement, the parties agreed to enter into the Promissory Agreements for the sale of a total of 100% of Olavion's shares.

Acquisition of shares from a majority shareholder

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 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 employed 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 complete 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 warehouse 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 will enable the UNIMOT Group to secure its own transport and logistics needs.

The transaction is subject to the acquisition method of accounting in accordance with IFRS 3.

At the date of acquisition, the fair value of the consideration transferred for the majority shareholding 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 shareholding 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. Accounting for acquisitions of shares and interests - cont.

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

As at 30 June 2023, the Group estimated the amount of the contingent 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 contingent payment adjusted for discount). The amount of the conditional payment for 90% of the shares is limited (a maximum price is indicated in the agreement).

Shares of management

As part of the Preliminary Agreement, the terms and conditions for the buy-out of the management team's 10% share were agreed. As part of the Agreement, the executives made irrevocable offers to Unimot S.A. to sell the shares owned by the executives representing a 10% share 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 is dependent 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.

As at 30 June 2023, the Group has charged PLN 2,276 thousand to the consolidated statements of total revenues. In the following periods, the Group will successively recognise in the statements of total revenues the expenses for management remuneration and increase the liability for share repurchase. The expanded discount will be recognised in finance costs.

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 taken to account for the UNIMOT Group's buyout of these shares after analysing the economic content of the transaction.

A 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
Discounted contingent payment estimate	8 502
Total payment	33 557

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

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

1.1.4. Accounting for acquisitions of shares and interests - cont.

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

Long-term liabilities	
Liabilities from loans, borrowings, leases and other debt instruments	11 882
Short-term liabilities	
Liabilities from loans, 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
Net cash flow in relation to the transaction:	
Net cash acquired with subsidiary	18 971
Cash payment at date of acquisition	(25 055)
Net cash outflows	(6 084)

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

Recognised liabilities in the consolidated statements of financial position:

Liabilities due to contingent payment to Majority Shareholders (corresponds to goodwill)	8 502
Option liabilities to redeem non-controlling shares	2 299
<i>of which: in combination with the Consolidated statements of total revenues</i>	<i>(2 276)</i>
<i>of which: in combination with Other capital</i>	<i>(23)</i>
Total Other long-term liabilities	10 801

Goodwill identified on acquisition (determined provisionally) 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. The 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 June 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 amounted to PLN 6,760 thousand, this is also the gross value of these receivables it is anticipated that the full amount of the contractual receivables will be recoverable.

The share of Olavion Sp. z o.o. in the consolidated sales revenue generated by the UNIMOT Group recognised for H1 2023 was: PLN 31,367 thousand, and in the net result: PLN 4,790 thousand.

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

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 activity in the Statements of Cash Flows.

1.1.4. Accounting for acquisitions of shares and interests - cont.

Nabycie Partners4Sky Sp. z o.o. (obecnie: Unimot Aviation Sp. z o.o.)

The settlement of the acquisition is shown in the table below

Acquisition consideration transferred (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
Liabilities from loans and borrowings	727
Trade and other liabilities	137
Net asset value	(649)

Non-controlling interests valued 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 June 2023, the Group has not identified any indicators of impairment in relation to this Goodwill.

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 jointly with the Group's consolidated financial statements for the year ended 31 December 2022, which were published on 20 April 2023.

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 of 30 June 2023 and 31 December 2022, the results of its operations and its cash flows for the 6 and 3 months ended 30 June 2023 and 30 June 2022.

These interim condensed consolidated financial statements have been reviewed by the auditor.

The interim condensed consolidated financial statements of the UNIMOT Group have been prepared on the assumption that the Parent Entity and 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 settled using the acquisition method.

Under the acquisition method of accounting, at the date of acquisition the Group performs:

- identification and valuation at fair value of all assets acquired and liabilities assumed (including contingent liabilities),
- valuation of the consideration transferred, which represents the fair value of the assets transferred, liabilities incurred to the previous owners of the acquired entity and equity shares issued by the Group; the consideration also includes liabilities arising from contingent consideration arrangements,
- the valuation of non-controlling shares in the acquiree at the value of the current 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.

If the purchase price and the value of the non-controlling interests is less than the net amount of the acquisition-date-determined fair value of the identifiable assets acquired and liabilities assumed, the difference is recognised as 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 fair value valuations of the net assets acquired and the acquisition price) is not completed by the end of the reporting period in which the acquisition takes place, the Group presents in its financial statements approximate amounts for the 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 take into account the overshooting effect of the transaction settlement within the statements of total revenues, but prudently allocates the provisionally determined difference on the acquisition as a reduction of the largest group of assets acquired.

The Group uses the available valuation 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. The 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 purchase price.

Changes in the fair value of estimated items and contingent consideration, which 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 Seller (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 six-month period 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 profit sharing. 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 materiality in making accounting policy disclosure decisions.

- 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 are applicable for the first time in 2023, have no 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* (issued 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 issued - 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 - Deferred effective date and Short-term liabilities containing contractual clauses* (published on 23 January 2020 and 15 July 2020 and 31 October 2022 respectively) - not endorsed by the EU up to 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 liability 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 *Statements of cash flows and IFRS 7: Financial instruments: Disclosures: Vendor 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;

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 explanatory 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 reportable 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. retail fuel trading activities within AVIA petrol stations, due to its dynamic growth and increasing share in the Group's results, this segment was previously presented within Other Activities;
- division of the Liquid Fuels Trading segment, into 2 segments: Fuels (Diesel+Bio) and LPG - due to the fact that these 2 segments are monitored separately by the Parent Entity's Management Board and 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 in asphalt products - due to the acquisition of Lotos Terminals Group (in Q4.2023), 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 solid fuels trading business, including coal, as well as the acquisition of P2T Sp. z o.o., which operates in the area of solid fuels trading (the results of this company will be consolidated starting from the statement for Q3 2023)
- presentation of a new segment: Infrastructure and Logistics, i.e. activities related to rail transport, shipping 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 NOL (Independent Logistics Operator), i.e. Unimot Terminals 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 main body responsible for making operational decisions, i.e. the Parent Entity's Management Board, monitors the operational performance of these segments separately in order to make decisions regarding 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 the changes in the identification of reporting segments, the data for the six and three months ended 30 June 2022 have been restated to ensure comparability.

In addition to the above changes, the identification of reporting segments is consistent with the most recent annual consolidated financial statements.

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

Statements of total revenues by reporting segments

for the period 01.01.2023 - 30.06.2023	Fuels (Diesel+Biofuels)	LPG	Natural gas	Electricity	Renewable energy sources	Petrol stations	Bitumen	Infrastruct ure and Logistics	Solid fuels	Other activities (including corporate functions)	Elimination	Total
Revenue from sales to external customers	4 798 851	504 183	183 448	211 825	9 714	286 179	416 942	71 440	8 204	9 536	-	6 500 323
Profits/(losses) on financial instruments relating to fuel trading	17 165	-	10 856	-	-	-	-	-	-	-	-	28 021
Sales between segments	266 819	-	-	-	-	-	-	17 489	-	-	(284 308)	-
Total revenues	5 082 835	504 183	194 304	211 825	9 714	286 179	416 942	88 929	8 204	9 536	(284 308)	6 528 344
Total cost of services, goods and materials sold	(4 834 836)	(442 346)	(171 570)	(192 422)	(9 528)	(265 544)	(359 761)	(78 404)	(6 850)	(789)	284 308	(6 077 742)
Segment result	247 999	61 838	22 734	19 403	186	20 635	57 181	10 525	1 354	8 747	-	450 602
Other operating revenues	757	955	819	88	1	80	1 265	403	-	188	-	4 556
Cost of sale and overheads	(102 469)	(33 584)	(10 200)	(9 252)	(1 948)	(26 219)	(30 194)	(9 090)	(793)	(54 937)	-	(278 686)
Other net profit/(loss)	619	(427)	15	-	3	164	-	1	1	1 098	-	1 473
Other operating costs	(7)	(159)	(130)	(91)	-	(679)	(814)	(124)	-	(3 073)	-	(5 077)
Result from operating activities	146 899	28 622	13 238	10 148	(1 758)	(6 019)	27 438	1 715	562	(47 978)	-	172 868
Financial revenues												3 420
Financial costs												(28 588)
Income tax												(33 800)
Net profit for the period												113 900
Main non-cash items												
Amortisation	(3 173)	(1 284)	(672)	(45)	(215)	(5 536)	(2 273)	(9 064)	(33)	(1 635)	-	(23 930)
Balance sheet valuation of inventories at fair value	(24 136)	-	(5 157)	-	-	-	-	-	-	-	-	(29 293)
Balance sheet valuation of derivatives at fair value	5 036	-	12 565	(3 981)	-	-	387	-	-	(5 181)	-	8 826

Statements of total revenues by reporting segment - cont.

<i>for the period 01.04.2023 - 30.06.2023</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)	Elimination	Total
Revenue from sales to external customers	2 223 796	205 722	54 886	117 053	6 161	152 165	399 605	64 305	2 762	1 623	-	3 228 079
Profits/(losses) on financial instruments relating to fuel trading	14 909	-	6 027	-	-	-	-	-	-	-	-	20 936
Sales between segments	154 933	-	-	-	-	-	-	13 708	-	-	(168 641)	-
Total revenues	2 393 638	205 722	60 913	117 053	6 161	152 165	399 605	78 013	2 762	1 623	(168 641)	3 249 015
Total cost of services, goods and materials sold	(2 316 452)	(177 651)	(46 909)	(110 708)	(5 854)	(139 674)	(345 460)	(70 343)	(2 192)	(664)	168 641	(3 047 266)
Segment result	77 186	28 072	14 004	6 345	307	12 491	54 145	7 670	570	959	-	201 749
Other operating revenues	112	899	796	(86)	-	1	1 265	396	-	188	-	3 571
Cost of sale and overheads	(26 963)	(18 091)	(6 386)	(4 213)	(1 273)	(14 081)	(27 427)	(8 381)	(490)	(33 463)	-	(140 768)
Other net profit/(loss)	148	(481)	(7)	-	3	115	-	1	-	899	-	677
Other operating costs	(3)	(33)	(27)	(84)	-	(261)	(814)	(124)	-	(42)	-	(1 388)
Result from operating activities	50 481	10 365	8 380	1 962	(963)	(1 735)	27 169	(438)	80	(31 460)	-	63 841
Financial revenues												2 278
Financial costs												(22 689)
Income tax												(11 520)
Net profit for the period												31 910
Main non-cash items												
Amortisation	(2 017)	(1 162)	(336)	(22)	(109)	(2 897)	(2 258)	(8 730)	(16)	(813)	-	(18 360)
Balance sheet valuation of inventories at fair value	(4 351)	-	(2 131)	-	-	-	-	-	-	-	-	(6 482)
Balance sheet valuation of derivatives at fair value	1 047	-	7 070	(3 594)	-	-	-	-	-	(5 181)	-	(658)

Statements of total revenues by reporting segment - cont.

<i>for the period 01.01.2022 - 30.06.2022</i>	Fuels (Diesel+Biofuels)	LPG	Natural gas	Electricity	Renewable energy sources	Petrol stations	Bitumen	Other activities (including corporate functions)	Consolidated
Sales revenue	4 632 561	461 368	349 383	176 768	3 730	224 255	58 838	5 416	5 912 319
Profits/(losses) on financial instruments relating to fuel trading	(23 353)	-	-	-	-	-	-	-	(23 353)
Total revenues	4 609 208	461 368	349 383	176 768	3 730	224 255	58 838	5 416	5 888 966
Total cost of services, goods and materials sold	(4 322 038)	(399 728)	(337 920)	(168 786)	(3 099)	(209 366)	(53 739)	(3 177)	(5 497 853)
Segment result	287 170	61 640	11 463	7 982	631	14 889	5 099	2 239	391 113
Other operating revenues	326	589	524	42	9 385	67	-	323	11 256
Cost of sale and overheads	(102 343)	(20 155)	(5 226)	(5 330)	(2 691)	(16 201)	(3 961)	(29 171)	(185 078)
Other net profit/(loss)	(118)	-	(553)	7	(2 284)	-	-	-	(2 948)
Other operating costs	(145)	(954)	(204)	(157)	(23)	(134)	-	(4 004)	(5 621)
Result from operating activities	184 890	41 120	6 004	2 544	5 018	(1 379)	1 138	(30 613)	208 722
Financial revenues									439
Financial costs									(9 558)
Income tax									(39 863)
Net profit for the period									159 740
Main non-cash items									
Amortisation	(750)	(330)	(729)	(259)	(335)	(3 242)	(31)	(1 024)	(6 700)
Balance sheet valuation of inventories at fair value	198 502	-	-	-	-	-	-	-	198 502
Balance sheet valuation of derivatives at fair value]	(60 142)	-	-	-	-	-	-	-	(60 142)

Statements of total revenues by reporting segment - cont.

<i>for the period 01.04.2022 - 30.06.2022</i>	Fuels (Diesel+Biofuels)	LPG	Natural gas	Electricity	Renewable energy sources	Petrol stations	Bitumen	Other activities (including corporate functions)	Consolidated
Sales revenue	2 874 175	273 157	152 473	102 733	1 268	139 325	40 490	3 667	3 587 288
Profits/(losses) on financial instruments relating to fuel trading	(69 568)	-	-	-	-	-	-	-	(69 568)
Total revenues	2 804 607	273 157	152 473	102 733	1 268	139 325	40 490	3 667	3 517 720
Total cost of services, goods and materials sold	(2 682 355)	(239 603)	(147 386)	(100 255)	(867)	(127 119)	(37 374)	(2 241)	(3 337 200)
Segment result	122 252	33 554	5 087	2 478	401	12 206	3 116	1 426	180 520
Other operating revenues	73	569	521	42	9 382	49	-	1	10 637
Cost of sale and overheads	(65 792)	(9 525)	(2 912)	(2 587)	(1 724)	(13 375)	(2 244)	(22 318)	(120 477)
Other net profit/(loss)	31	-	(553)	7	(2 284)	-	-	-	(2 799)
Other operating costs	(7)	(766)	(102)	(154)	-	(60)	-	(2 226)	(3 315)
Result from operating activities	56 557	23 832	2 041	(214)	5 775	(1 180)	872	(23 117)	64 566
Financial revenues									408
Financial costs									(5 635)
Income tax									(14 344)
Net profit for the period									44 995
Main non-cash items									
Amortisation	(269)	(330)	(449)	(134)	(141)	(1 684)	(15)	(546)	(3 568)
Balance sheet valuation of inventories at fair value	67 344	-	-	-	-	-	-	-	67 344
Balance sheet valuation of derivatives at fair valuej	82 271	-	-	-	-	-	-	-	82 271

2.1.2 Statements of financial position by reporting segments

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Fuels (Diesel+Biofuels)	931 460	1 185 896
LPG	92 662	11 746
Natural gas	85 785	65 657
Electricity	124 459	112 089
Renewable energy sources	34 495	19 692
Petrol stations	182 493	153 238
Bitumen	301 204	5 016
Infrastructure		
and Logistics	429 366	-
Solid fuels	372	-
Other activities (including corporate functions)	212 273	111 943
Total	2 394 569	1 665 277

2.2 Geographical breakdown of sales revenue by location of final customers

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.06.2023	30.06.2022
Poland	5 276 638	4 560 831
Ukraine	505 427	525 308
Czech Republic	232 128	110 789
Switzerland	144 803	84 500
Belgium	129 046	162 026
Cyprus	53 650	7 818
Netherlands	45 869	166 186
Bulgaria	41 955	25 102
Slovakia	21 894	24 166
Germany	18 147	29 461
Lithuania	16 813	-
Denmark	14 985	-
Romania	11 583	196
Sweden	7 980	-
Turkey	1 591	-
Latvia	1 559	170
Hungary	1 207	7 563
Estonia	867	71 622
Kazakhstan	735	261
China	525	120
Luxembourg	467	-
Austria	231	8 763
Taiwan	190	385
France	54	-
Georgia	-	151
United Kingdom	-	99 725
Serbia	-	3 823
Total	6 528 344	5 888 966

Main customers

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

2.3 Sales revenues

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.06.2023	30.06.2022
Revenue from sales of products and services	233 510	9 724
Revenue from the sale of goods and materials	6 266 813	5 902 595
Profits/(losses) on financial instruments relating to fuel trading	28 021	(23 353)
Total sales revenues	6 528 344	5 888 966

2.4 Costs by type

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.06.2023	30.06.2022
Depreciation of tangible fixed assets and amortisation of intangible assets	(15 880)	(3 724)
Amortisation of right-of-use asset	(8 050)	(2 976)
Materials and energy consumption	(148 978)	(3 329)
Third-party services	(240 266)	(132 262)
Taxes and charges	(9 011)	(3 751)
Remunerations	(56 870)	(33 530)
Social security and other benefits	(8 321)	(2 501)
Other costs by type	(12 797)	(10 975)
Total costs by type	(500 173)	(193 048)
Cost of goods and materials sold	(5 859 164)	(5 494 652)
Change in inventory status and accruals	3 025	2 920
Other	(116)	1 849
Total costs of products, services, goods and materials sold, costs of sale and overheads	(6 356 428)	(5 682 931)

2.5 Cost of products, services, goods and materials sold

<i>in PLN thousand</i>	01.01.2023	01.01.2022
	30.06.2023	30.06.2022
Cost of goods and materials sold	(5 853 761)	(5 455 850)
Valuation of inventories at fair value	(29 293)	198 502
Balance sheet valuation of derivatives	14 007	(60 142)
Effect of realisation of hedges on Inventories	-	(55 352)
Realised exchange rate differences on loans	24 956	(11 097)
Balance sheet valuation of loans	1 604	(13 844)
Realised exchange differences on settlements	(7 321)	(95 524)
Balance sheet valuation of settlements	(9 356)	(1 345)
Total	(5 859 164)	(5 494 652)
Production cost of products and services sold	(218 578)	(3 201)
Total costs of products, services, goods and materials sold	(6 077 742)	(5 497 853)

2.6 Net financial revenues/(costs)

<i>in PLN thousand</i>	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Financial revenues		
Interest and commissions	3 146	439
Revenue from realisation of financial instruments hedging interest rates	275	-
Total financial revenues	3 421	439
Financial costs		
Interest and commissions	(23 468)	(9 558)
Valuation of financial instruments hedging interest rates	(5 121)	-
Total financial costs	(28 589)	(9 558)
Net financial revenues/(costs)	(25 168)	(9 119)

2.7 Income tax

<i>in PLN thousand</i>	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Current income tax		
Income tax for the current year	(33 008)	(34 374)
Deferred tax		
Creation / reversal of temporary differences	(792)	(5 489)
Income tax reported in the interim statements of total revenues	(33 800)	(39 863)

Effective tax rate

<i>in PLN thousand</i>	01.01.2023 30.06.2023	01.01.2022 30.06.2022
Profit/(loss) before taxation	147 700	199 603
Tax based on the applicable tax rate	(28 063)	(37 925)
<i>Tax effects of the following items:</i>		
Costs to adjust income tax for the previous year	(262)	-
Non-deductible fixed costs	(4 238)	(1 938)
Permanent non-taxable revenues	499	-
Tax losses and temporary differences on which no deferred tax asset was recognised	(1 204)	-
Consolidation adjustment to account for share acquisitions (recognition of management remuneration costs)	(432)	-
Impact of differences in taxation in foreign companies	(100)	-
Income tax reported in the interim statements of total revenues	(33 800)	(39 863)

2.8 Tangible fixed assets

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Land	36 497	4 350
Buildings and structures	232 566	34 702
Machinery and equipment	112 082	13 260
Means of transport	144 146	37 732
Other fixed assets	7 553	5 996
Fixed assets under construction	104 002	5 798
Total	636 845	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 (Note 1.1.4)	(216 009)	-
Total tangible fixed assets	420 836	101 838

The significant increase within tangible fixed assets is due to:

- the consolidation of the Unimot Terminals Group (the assets acquired are fuel terminals and production facilities), the value of the acquired tangible fixed assets according to the standalone reporting data of the acquired entities amounts to PLN 435 229 thousand.

The pre-estimated difference on bargain purchase has been allocated as a partial reduction of these tangible fixed assets, details 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 1 473 thousand on the sale of tangible fixed assets (for 6 months 2023). In the comparable period, the Group realised a net loss of PLN 2 948 thousand on the sale of tangible fixed assets (for 6 months 2022).

The Group incurred capital expenditure of PLN 126 269 thousand in the six-month period 2023, mainly for the purchase of rail tankers for the transportation of petrol or diesel (by Unimot Paliwa).

The Group incurred capital expenditure of PLN 6,962 thousand in the six-month period 2022, mainly for: modernisation and adaptation to the Avia brand of leased and own petrol stations, hardware and equipment.

2.9 Right to use assets

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Land and rights of perpetual usufruct of land	23 669	-
Buildings and structures	108 466	88 073
Means of transport	47 337	16 731
Technical equipment	3 671	426
Total right to use assets	183 143	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 GK Unimot Terminals (mainly perpetual usufruct rights to land).

The Group entered into new leases in the six-month period 2023 resulting in the recognition of a right-of-use asset of PLN 85,963 thousand.

The Group entered into new leases in the six-month period 2022 resulting in the recognition of a right-of-use asset of PLN 25,569 thousand.

2.10 Other financial assets

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Long-term investments		
Shares in non-consolidated related entities	260	260
Total long-term	260	260
Short-term investments		
Loans granted	13	204
Restricted cash to hedge future hedging transactions	21 144	31 009
Restricted cash hedging natural gas trading transactions	6 973	41 102
Total short-term	28 130	72 315
Total other financial assets	28 390	72 575

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

2.11 Inventories

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Materials	19 339	5 249
Intermediates	2 215	1 804
Finished products	17 419	-
Goods - compulsory reserve	236 073	5 262
Goods - operating inventory	180 677	244 860
Total inventories	455 723	257 175

Valuation of inventories at fair value - level 1

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Cost of acquisition of inventories valued at purchase price	107 740	110 040
Cost of acquiring inventories valued at fair value	378 449	148 308
Valuation of inventories at fair value	(30 466)	(1 173)
Total inventories	455 723	257 175

Inventories were not written down or reversed during the reporting period.

2.12 Trade and other receivables

<i>in PLN thousand</i>	30.06.2023	31.12.2022
<i>Gross trade receivables</i>	654 551	482 216
<i>Write-down</i>	(16 016)	(8 411)
Net trade receivables	638 535	473 805
Receivables from taxes, subsidies, duties, insurance, except income tax receivables	61 152	42 588
Advances for deliveries and services	75 243	61 299
Receivables under excise duty security	7 470	5 518
Treasury security receivables	4 899	4 899
Receivables from performance bonds and trade limits	67 389	137 797
Receivables from other deposits	1 284	1 219
Other receivables	1 867	1 632
Total trade and other receivables	857 839	728 757

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

2.13 Cash and cash equivalents

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Cash in bank accounts	222 711	206 529
Restricted cash in bank accounts	45 008	7 140
Cash on hand	1 161	2 349
Short-term deposits (up to 3 months)	24 893	95 000
Cash on the move	1 784	1 445
Cash and cash equivalents, value reported in the statements of financial position	295 557	312 463
Overdraft facilities	(289 523)	(206 754)
Cash and cash equivalents, value reported in the statements of cash flows	6 034	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>	30.06.2023	31.12.2022
Long-term liabilities		
Credits and loans	215 916	-
Liability relating to leasebacks	95 228	-
Lease liabilities	158 826	96 332
Total long-term liabilities	469 970	96 332
Short-term liabilities		
Credits and loans	40 380	348
Liability relating to leasebacks	8 131	-
Lease liabilities	25 620	10 952
Total short-term liabilities	74 131	11 300
Overdraft facilities	289 523	206 754
Liabilities from loans, borrowings, leases and other debt instruments and overdrafts	833 624	314 386

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

- the disbursed syndicated loan financing the Lotos Terminals acquisition transaction (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 Annexes dated: 30 September 2022 and 21 December 2022) in the total amount of PLN 242,771 thousand; during the period there was a total repayment of the revolving credit facility in the amount of PLN 8,000 thousand and interest and commissions in the amount of PLN 8,043 thousand, interest accrued at the effective interest rate amounted to PLN 6,208 thousand, the amount of PLN 10,380 thousand and the amount of PLN 10,380 thousand relating to the revolving credit facility amounted to PLN 8,043 thousand. PLN 10 380 thousand relating to loan C (4 quarterly instalments) was presented in the short-term part, the remaining part in the long-term part (the remaining part of loan C repayable quarterly, loan D - first payments in 2025 and loan D - payable in a balloon instalment, due at the latest in 2028); the loan balance as at 30 June 2023 amounts to PLN 226 073 thousand. Interest rate: WIBOR 3m + margin. The margin is variable and depends on the EBITDA/net debt ratio of the Unimot Investments Group (Unimot Investments, Lotos Terminale S.A., Lotos Infrastruktura S.A, 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
- a loan received from an unconsolidated related entity (Parent Entity Unimot Express) in the amount of PLN 30,000 thousand, the loan is presented in the short-term part;

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

- financing of rail tankers and wagons under leaseback transactions concluded with PKO Leasing and ING Lease; on the basis of the Group's analysis, there was no sale and transfer of control of assets under the 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 the lease liability; the financing drawn down amounted to PLN 108,466 thousand, instalment repayments of PLN 5,107 thousand and interest accrual and repayment took place during the period. The financing period is 8 years / 10 years. Instalments payable monthly.

- the incurrence of new finance leases and the repayment of instalments in 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 GK Unimot Terminale (mainly rights of perpetual usufruct of land); the liabilities were valued 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 June 2023, the balance of lease liabilities relating to the newly acquired companies amounts to PLN 46,585 thousand.

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

During the period covered by these interim condensed consolidated financial statements, as well as after the reporting date, there were no defaults on principal or interest payments.

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>	30.06.2023	31.12.2022
Long-term		
Futures, FX forwards, commodity swaps	198	7 835
Total	198	7 835
Short-term		
Futures, FX forward, commodity swaps	27 648	7 820
Total	27 648	7 820

Derivative financial instruments - financial liabilities

<i>in PLN thousand</i>	30.06.2023	31.12.2022
Long-term		
IRS contracts	5 181	-
Total	5 181	-
<i>in PLN thousand</i>	30.06.2023	31.12.2022
Futures, FX forward, commodity swaps	14 540	16 356
Total	14 540	16 356

There were no transfers between 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>	Sale		Purchase	
	01.01.2023	01.01.2022	01.01.2023	01.01.2022
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Non-consolidated related entities	535	8 013	3 379	1 387
Total	535	8 013	3 379	1 387

<i>in PLN thousand</i>	Sale		Purchase	
	01.04.2023	01.04.2022	01.04.2023	01.04.2022
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Non-consolidated related entities	-	7 162	2 912	167
Total	-	7 162	2 912	167

<i>in PLN thousand</i>	Trade receivables, loans and other receivables		Trade liabilities, loans and other liabilities	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Non-consolidated related entities	1 077	2 423	30 058
Total	1 077	2 423	30 058	1 724

According to the information available to the Parent Entity's Management Board, the transactions entered into by the Company or its subsidiaries with related entities 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 30.06.2023		As at 31.12.2022		
	PLN	EUR	PLN	EUR	USD
	Parent Entity's own contingent liabilities	-	-	356	3 500
insurance guarantees provided as security for excise duty	-	-	-	-	-
performance bonds and trade limits	-	-	356	3 500	-
Contingent liabilities relating to related entities	523 808	24 000	79 126	25 000	3 600
insurance guarantees provided as security for excise duty	205 000	-	27 100	-	-
sureties issued for insurance guarantees lodged as concession bonds	27 000	-	27 000	-	-
performance bonds and trade limits	20 326	12 000	18 943	14 000	-
surety for the proper performance of contracts and trade limits	271 482	12 000	6 083	11 000	3 600
Total contingent liabilities, sureties and guarantees	523 808	24 000	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 liabilities under the Insurance Guarantee Agreement concluded on 10 March 2023 with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. in order to secure the 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. became the guarantor of liability under the Insurance Guarantee Agreement concluded on 24 March 2023 with UNIQA Towarzystwo Ubezpieczeń 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 25 million and its validity period is from 11.04.2023 to 10.04.2024. The beneficiary of the guarantee is the Head of the Tax Office in Pruszków.

Unimot S.A. became the guarantor of liability 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. effective after the acquisition by Unimot Investments sp. z o.o. of 100 per cent of Lotos Terminale shares). 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 provided joint and several surety for 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 amount 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. 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.

2.18 Seasonality of operations

During the year, there is regular moderate volatility in product sales volumes due to seasonal fluctuations in fuel demand, particularly in the segments:

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

2.19 Dividends paid and proposed to be paid

On 5 June 2023, the Ordinary General Meeting of Shareholders made a decision on the allocation of Unimot S.A.'s 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 June 2023. The Group has committed to incur future expenditure on tangible fixed assets in the amount of PLN 74 million. This amount will be used to purchase new electric locomotives.

2.21 Information on significant pending proceedings before a court, a competent authority 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 balance sheet movements of certain items and the movements reported in the statements of cash flows are shown in the table below:

<i>in PLN thousand</i>	01.01.2023
	30.06.2023
Change in receivables and other current assets arising from the statements of financial position	(137 340)
Nabycie Olavion	7 063
Acquisition of Unimot Terminale	101 398
Acquisition of P4Sky	126
Change in investment receivables	(4 859)
Change in receivables and other current assets in the statements of cash flows	(33 612)
Inventory status change from the statements of financial position	(198 548)
Acquisition of Unimot Terminale	38 998
Acquisiiton of P4Sky	7
Inventory status change in the statements of cash flows	(159 543)
Change in trade, employee benefit liabilities and other liabilities arising from the statements of financial position	222 854
Acquisition of Olavion	(24 410)
Acquisition of Unimot Terminale	(168 286)
Acquisition of P4Sky	(137)
Change in trade, employee benefit liabilities and other liabilities in the statements of cash flows	30 021
Change in provisions arising from the statements of financial position	35 552
Acquisition of Unimot Terminale	(35 792)
Change in reserves in the statements of cash flows	(240)
Change in Client contract liabilities arising from the statements of financial position	(31 558)
Acquisition of Unimot Terminale	(1 561)
Change in Client contract liabilities in the statements of cash flows	(33 119)

2.23 Events after the balance sheet date

- On 4 July 2023, Unimot S.A. entered into a Promised Agreement under which it acquired from two individuals 80% of the shares in a company intended for logistics and trading activities in the energy raw materials industry operating under the name P2T sp. z o.o. (within the Group, the company will operate under the name Unimot Commodities Sp. z o.o.). For the acquisition of 80% of shares, Unimot S.A. is obliged to pay the basic price and an additional price to be determined under the earn-out mechanism through the payment of a share in profit generated in 2023-2024. The total value of Unimot's involvement, excluding the additional price to be calculated under the earn-out mechanism, amounts to PLN 15 million. As at the acquisition date, the amount of the consideration transferred for the shares (basic price) was PLN 3 497 thousand and represented cash paid.

- On 19 July 2023, a bank guarantee in the amount of PLN 2.4 million was issued under the umbrella loan with Bank Millennium, guaranteed 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.

Zawadzkie, 14 September 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.

.....
Małgorzata Walnik

Person drawing up the statements

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.

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.

Zawadzkie, 14 September 2023

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