



# CONSOLIDATED FINANCIAL STATEMENTS OF THE UNIMOT CAPITAL GROUP

for the financial year ended  
31 December 2022



## SELECTED CONSOLIDATED FINANCIAL DATA OF THE UNIMOT CAPITAL GROUP

	in PLN thousand		in EUR thousand	
	31.12.2022	Comparative data	31.12.2022	Comparative data
<b>I. Sales revenue</b>	<b>13 384 882</b>	<b>8 207 216</b>	<b>2 854 954</b>	<b>1 792 947</b>
II. Profit/(loss) on operating activities	485 374	104 410	103 529	22 809
III. Gross profit/(loss)	464 224	96 353	99 018	21 049
IV. Net profit/(loss) attributable to owners of the Parent Entity	373 955	76 252	79 763	16 658
<b>V. Net profit/(loss)</b>	<b>373 897</b>	<b>75 961</b>	<b>79 751</b>	<b>16 594</b>
VI. Net cash flow from operating activities	502 260	(139 954)	107 131	(30 574)
VII. Net cash flow from investing activities	(105 675)	(18 992)	(22 540)	(4 149)
VIII. Net cash flow from financing activities	(38 251)	(36 113)	(8 159)	(7 889)
IX. Total net cash flow	358 334	(195 059)	76 432	(42 613)
<b>X. Total assets</b>	<b>1 665 277</b>	<b>1 231 288</b>	<b>355 077</b>	<b>267 706</b>
XI. Liabilities and provisions for liabilities	961 483	905 413	205 011	196 855
XII. Long-term liabilities	96 614	92 297	20 600	20 067
XIII. Short-term liabilities	864 869	813 116	184 411	176 787
XIV. Equity	703 794	325 875	150 066	70 852
<b>XV. Share capital</b>	<b>8 198</b>	<b>8 198</b>	<b>1 748</b>	<b>1 782</b>
XVI. Number of shares (in thousands)	8 198	8 198	-	-
<b>XVII. Profit/(loss) per ordinary share attributable to owners of the Parent Entity (in PLN/EUR)</b>	<b>45,62</b>	<b>9,30</b>	<b>9,73</b>	<b>2,03</b>
XVIII. Diluted profit/(loss) per ordinary share attributable to owners of the Parent Entity (in PLN/EUR)	45,62	9,30	9,73	2,03
<b>XIX. Book value per share (in PLN/EUR)</b>	<b>85,85</b>	<b>39,75</b>	<b>18,31</b>	<b>8,64</b>
XX. Diluted book value per share (in PLN/EUR)	85,85	39,75	18,31	8,64
<b>XX. Dividend paid per share (in PLN/EUR)</b>	<b>-</b>	<b>1,97</b>	<b>-</b>	<b>0,44</b>

Comparative data for items relating to the statements of financial position is presented as of 31 December 2021, and for items relating to the statements of total revenues and statements of cash flows for the period from 1 January 2021 to 31 December 2021.

As of 31 December 2022, the number of shares used to calculate profit per ordinary share and diluted profit per ordinary share was 8,198 thousand.

As of 31 December 2021, the number of shares used to calculate profit per ordinary share and diluted profit per ordinary 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.

As of 31 December 2021, 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 have been converted into euro at the average exchange rate announced by the National Bank of Poland applicable as of 31 December 2022: PLN/EUR 4.6899 and for comparative data as of 31 December 2021: PLN/EUR 4.5994.

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 announced by the National Bank of Poland in force on the last calendar day of each month, which amounted to PLN/EUR 4.6883 (2022), PLN/EUR 4.5775 (2021) respectively.

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## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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### CONSOLIDATED FINANCIAL STATEMENTS FOR 2022

Additional explanatory notes to the consolidated financial statements constitute their integral part

<i>in PLN thousand</i>	<i>Note</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>FIXED ASSETS</b>			
Tangible, fixed assets	7.1.	101 838	45 965
Right to use assets	7.2.	105 230	69 856
Intangible assets	7.3.	19 331	21 233
Other financial assets	7.5.	260	260
Derivative financial instruments	7.17.	7 835	0
Long-term receivables	7.8.	6 675	30 500
Assets from contracts with customers	7.10.	8 586	7 739
Deferred tax assets	7.6.	19 319	12 163
<b>TOTAL FIXED ASSETS</b>		<b>269 074</b>	<b>187 716</b>
<b>CURRENT ASSETS</b>			
Inventories	7.7.	257 175	325 215
Assets from contracts with customers	7.10.	3 094	2 128
Trade and other receivables	7.9.	728 757	513 303
Other financial assets	7.5.	72 315	36 128
Derivative financial instruments	7.17.	7 820	59 465
Income tax receivables		5 951	11 573
Cash and cash equivalents	7.12.	312 463	79 092
Other current assets	7.11.	8 628	16 668
<b>TOTAL CURRENT ASSETS</b>		<b>1 396 203</b>	<b>1 043 572</b>
<b>TOTAL ASSETS</b>		<b>1 665 277</b>	<b>1 231 288</b>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

<i>in PLN thousand</i>	<i>Note</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>EQUITY</b>			
Share capital	7.13.	8 198	8 198
Other capital	7.13.	306 992	234 946
Foreign exchange differences on conversion of foreign operations		(56)	82
Retained earnings and current year result		388 940	82 923
<b>Equity of shareholders of the Parent Entity</b>		<b>704 074</b>	<b>326 149</b>
Non-controlling interests		(280)	(274)
<b>TOTAL EQUITY</b>		<b>703 794</b>	<b>325 875</b>
<b>LONG-TERM LIABILITIES</b>			
Loans, borrowings, leases and other debt instruments liabilities	6.1.	96 332	65 078
Employee benefit liabilities	7.14.	282	219
Derivative financial instruments	7.17.	0	24 944
Deferred tax liability	7.6.	0	2 056
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>96 614</b>	<b>92 297</b>
<b>SHORT-TERM LIABILITIES</b>			

Overdraft facilities	6.1.	206 754	336 563
Loans, borrowings, leases and other debt instruments liabilities	6.1.	11 300	8 829
Derivative financial instruments	7.17.	16 356	58 685
Employee benefit liabilities	7.14.	1 290	753
Income tax liabilities		23 144	0
Liabilities from contracts with customers	7.15.	73 429	9 492
Trade and other liabilities	7.16.	532 596	398 794
<b>TOTAL CURRENT LIABILITIES</b>		<b>864 869</b>	<b>813 116</b>
<b>LIABILITIES IN TOTAL</b>		<b>961 483</b>	<b>905 413</b>
<b>TOTAL LIABILITIES</b>		<b>1 665 277</b>	<b>1 231 288</b>

## CONSOLIDATED STATEMENTS OF TOTAL REVENUES

<i>in PLN thousand</i>	<i>Note</i>	<b>01.01.2022 31.12.2022</b>	<b>01.01.2021 31.12.2021</b>
Sales revenue	5.1.	13 369 364	8 193 013
Profits/(losses) on financial instruments relating to fuel trading		15 518	14 203
Cost of services, goods and materials sold	5.2.	(12 430 677)	(7 840 977)
<b>Gross profit/(loss) on sales</b>		<b>954 205</b>	<b>366 239</b>
Other operating revenues	5.3.	4 402	2 262
Selling costs		(367 403)	(211 734)
Overheads		(97 368)	(48 901)
Other net profits/(losses)	5.4.	2 416	18
Other operating costs	5.5.	(10 878)	(3 474)
<b>Operating activity profit/(loss)</b>		<b>485 374</b>	<b>104 410</b>
Financial revenue	5.6.	819	695
Financial costs	5.6.	(21 969)	(8 752)
<b>Net financial revenue/(costs)</b>		<b>(21 150)</b>	<b>(8 057)</b>
<b>Profit/(loss) before tax</b>		<b>464 224</b>	<b>96 353</b>
Income tax	5.8.	(90 327)	(20 392)
<b>Net profit/(loss) for the financial year</b>		<b>373 897</b>	<b>75 961</b>
<b>of which attributable to:</b>			
Shareholders of the Parent Entity		373 955	76 252
Non-controlling interests		(58)	(291)
<b>Net profit/(loss) for the financial year</b>		<b>373 897</b>	<b>75 961</b>
<b>Other comprehensive revenue/(loss) for the financial year</b>		<b>(138)</b>	<b>66</b>
Exchange differences on conversion of foreign operations		(138)	66
<b>Total revenues/(losses) for the financial year</b>		<b>373 759</b>	<b>76 027</b>
<b>of which attributable to:</b>			
Shareholders of the Parent Entity		373 817	76 318
Non-controlling interests		(58)	(291)
<b>Total revenues for the financial year in total</b>		<b>373 759</b>	<b>76 027</b>

Profit/(loss) per share attributable to equity holders of the Parent Entity (in PLN)	5.7.	45,62	9,30
Diluted profit/(loss) per share attributable to equity holders of the Parent Entity (in PLN)	5.7.	45,62	9,30

## CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>in PLN thousand</i>	<i>Note</i>	<b>01.01.2022 31.12.2022</b>	<b>01.01.2021 31.12.2021</b>
<b>Cash flow from operating activities</b>			
<b>Profit/(loss) before tax</b>		<b>464 224</b>	<b>96 353</b>
<b>Adjustments for items:</b>			
Depreciation of tangible, fixed assets and rights to use assets	7.1.,7.2.	15 743	11 709
Depreciation of intangible assets	7.3.	742	976
Foreign exchange loss/(profit)		(5 435)	6 737
Loss/(profit) on sale of subsidiaries	5.4.	(5 390)	0
Loss/(profit) on sale of tangible, fixed assets	5.4.	2 974	(18)
Interest, transaction costs (relating to borrowings) and dividends, net		21 481	8 328
Change in receivables and other current assets	9.1.	(182 537)	(222 466)
Change in inventories	7.7.	68 040	(158 520)
Change in assets from contracts with customers	7.10.	(1 813)	(3 312)
Change in liabilities from contracts with customers	7.15.	63 937	5 362
Change in short-term trade and other liabilities	9.1.	153 629	133 434
Result on valuation of derivatives		(23 463)	177
Change in employee benefit liabilities	7.14.	600	177
Impairment of investments		0	1 501
Income tax paid		(70 472)	(20 392)
<b>Net cash flow from operating activities</b>		<b>502 260</b>	<b>(139 954)</b>
<b>Cash flow from investing activities</b>			
Inflows from sale of tangible, fixed assets		2 480	2 340
Interest received		670	92
Repayments of loans granted	7.5.	5 309	42 861
Inflows from disposal of subsidiaries		4 638	24
Acquisition of tangible, fixed assets		(61 752)	(14 143)
Acquisition of intangible assets		(1 123)	(473)
Loans granted		0	(49 671)
Expenditure on other financial assets	7.5.	(41 130)	0
Advances made for the acquisition of fixed assets		(14 767)	0
Acquisition of other investments		0	(22)
<b>Net cash flow from investing activities</b>		<b>(105 675)</b>	<b>(18 992)</b>
<b>Cash flow from financing activities</b>			
Borrowing of loans, borrowings and other debt instruments	6.3.	8 188	15 839
Repayment of borrowings and other debt instruments taken out	6.3.	(11 890)	(17 443)
Dividends paid		0	(16 149)
Payment of liabilities under finance leases	6.3.	(12 579)	(9 396)
Interest and transaction costs paid	6.3.	(21 907)	(8 964)
Other inflows/(outflows) from financing activities		(63)	0
<b>Net cash flow from financing activities</b>		<b>(38 251)</b>	<b>(36 113)</b>
<b>Change in cash and cash equivalents</b>			
Impact of exchange rate changes on cash and cash equivalents		4 846	(6 035)
<b>Change in cash and cash equivalents</b>		<b>363 180</b>	<b>(201 094)</b>
<b>Cash and cash equivalents less bank overdrafts as of 1 January</b>	7.12.	<b>(257 471)</b>	<b>(56 377)</b>
<b>Cash and cash equivalents less bank overdrafts as of 31 December</b>	7.12.	<b>105 709</b>	<b>(257 471)</b>



## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

### Equity of shareholders of the Parent Entity

<i>in PLN thousand</i>	Share capital	Other capital (including treasury shares)	Foreign exchange differences on conversion of foreign operations	Retained earnings	Current year result	Total	Non-controlling interests	Total equity
<b>Equity as of 1.1.2021</b>	<b>8 198</b>	<b>218 816</b>	<b>16</b>	<b>3 794</b>	<b>35 156</b>	<b>265 980</b>	<b>(99)</b>	<b>265 881</b>
<b>Total revenue for the financial year</b>	-	-	66	-	76 252	76 318	(291)	76 027
- Net profit for the period	-	-	-	-	76 252	76 252	(291)	75 961
- Other comprehensive revenue/(loss) for the financial year	-	-	66	-	-	66	-	66
<b>Transactions with shareholders of the Parent Entity, recognised directly in equity</b>								
Contributions from and distributions to shareholders	-	-	-	-	(16 149)	(16 149)	-	(16 149)
Dividend	-	-	-	-	(16 149)	(16 149)	-	(16 149)
Acquisition of control of subsidiaries	-	-	-	-	-	-	116	116
Profit/(loss) transfer	-	16 130	-	2 877	(19 007)	-	-	-
<b>Equity as of 31.12.2021</b>	<b>8 198</b>	<b>234 946</b>	<b>82</b>	<b>6 671</b>	<b>76 252</b>	<b>326 149</b>	<b>(274)</b>	<b>325 875</b>

### Equity of shareholders of the Parent Entity

<i>in PLN thousand</i>	Share capital	Other capital (including treasury shares)	Foreign exchange differences on conversion of foreign operations	Retained earnings	Current year result	Total	Non-controlling interests	Total equity
<b>Equity as of 1.1.2022</b>	<b>8 198</b>	<b>234 946</b>	<b>82</b>	<b>6 671</b>	<b>76 252</b>	<b>326 149</b>	<b>(274)</b>	<b>325 875</b>
<b>Total revenue for the financial year</b>	-	-	(138)	-	373 955	373 817	(58)	373 759
- Net profit/(loss) for the period	-	-	-	-	373 955	373 955	(58)	373 897
- Other comprehensive revenue/(loss) for the financial year	-	-	(138)	-	-	(138)	-	(138)
<b>Transactions with shareholders of the Parent Entity, recognised directly in equity</b>								
Contributions from and distributions to shareholders	-	-	-	-	-	-	-	-
Sales of net assets of subsidiaries	-	-	-	4 108	-	4 108	-	4 108
Acquisition of control of subsidiaries	-	-	-	-	-	-	52	52
Profit/(loss) transfer	-	72 046	-	4 206	(76 252)	-	-	-
<b>Equity as of 31.12.2022</b>	<b>8 198</b>	<b>306 992</b>	<b>(56)</b>	<b>14 985</b>	<b>373 955</b>	<b>704 074</b>	<b>(280)</b>	<b>703 794</b>

## EXPLANATORY NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS



## 1. GENERAL INFORMATION

### 1.1. INFORMATION ON THE CAPITAL GROUP

**Unimot Spółka Akcyjna** ("Unimot", the "Company", the "Parent Entity"), with the registered office in Zawadzkie, Świerklańska Street, 2A, is the Parent Entity of **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.

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#### BASIC INFORMATION ABOUT THE PARENT ENTITY

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NAME	<b>Unimot S.A.</b>
LEGAL FORM	Joint Stock Company
SITE	Świerklańska Street 2A, 47-120 Zawadzkie, Poland
KRS	0000382244 - District Court in Opole, VIII Economic Division of the National Court Register, Poland
REGON	160384226
NIP	7561967341
CORE BUSINESS	Controlling and managing other companies in the fuel and energy industry and related industries, strategic and organisational planning and decision-making processes; Running the commercial activities of the petrol stations under the AVIA brand; Trading in natural gas
PRINCIPAL PLACE OF BUSINESS	Poland

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The core activities of the individual companies of the UNIMOT Group are presented in Note 1.2.

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

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

### 1.2 COMPOSITION OF THE UNIMOT GROUP

The UNIMOT Group consists of the Parent Entity, which is Unimot Spółka Akcyjna, and subsidiaries.

As of 31 December 2022, the UNIMOT Group comprised the following directly and indirectly consolidated subsidiaries:

Name of unit	Headquarters	Scope of the unit's core business
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			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 the 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 in the network system	100,00%	20.01.2014
BLUE LNG Sp. z o. o.	Poland	Sale and distribution of gaseous fuels in the network system	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
3 SEAS ENERGY LLC	U.S.A.	Distribution of petroleum products	75,00%	21.05.2020
ENERGY CLAST 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	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	Distribution of liquid fuels	100,00%	17.05.2022

#### Changes to the Group structure in 2022 were as follows:

On 9 May 2022, Tradea sp. z o.o sp. k. was deleted from the National Court Register (the company ceased to exist) by virtue of a shareholders' resolution on the dissolution of Tradea sp. z o.o sp. k.

On 7 June 2022, a new company became part of the Group, i.e. UNIMOT SA (UNIMOT LTD), based in Geneva, Switzerland, in which Unimot S.A. holds 100% of the shares.

On 1 June 2022, a subsidiary of Unimot S.A., i.e.: Unimot Energia i Gaz sp. z o.o. ("UEiG") sold 80% of the shares in Naturalna Energia sp. z o.o. ("NE"), representing a 100% stake owned by UEiG to a third party. Given that on the date of the aforementioned sale of shares in NE, i.e. 1 June 2022, NE held 100% of the shares in 2 companies, i.e. PV Energy sp. z o.o. and Our Clean Air sp. z o.o., together with the sale of shares in NE, there was a change in indirect control of the aforementioned companies PV Energy sp. z o.o. and Our Clean Air sp. z o.o..

### 1.3. COMPOSITION OF THE PARENT ENTITY'S MANAGEMENT AND SUPERVISORY BODIES

At the balance sheet date and at the date of these consolidated financial statements, the composition of the Parent Entity's management and supervisory bodies was as follows:

**Composition of the Board as of 31 December 2022 and as of the date of these financial statements:**

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

There were no changes in the composition of the Parent Entity's Management Board during the reporting period.

**Composition of the Supervisory Board as of 31 December 2022 and as of the date of these financial statements:**

- 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

## **2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **2.1. STATEMENT OF CONFORMITY**

#### **Compliance with IFRS**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU IFRS"). At the date this report was authorised for issue, given the ongoing process of IFRS implementation in the European Union, the IFRSs applicable to these financial statements do not differ from EU IFRSs.

#### **Basis of preparation**

The consolidated financial statements have been prepared on a historical cost basis, with the exception of derivative financial instruments and diesel and natural gas inventories valued at fair value financial result. The consolidated financial statements of the Group to which the Company belongs as a subsidiary are prepared by Unimot Express Sp. z o.o. with its registered office in Warsaw, Al. Jerozolimskie 142A, 02-305 Warsaw.

## **2.2. GOING CONCERN ASSUMPTION**

The consolidated financial statements as of and for the period ended 31 December 2022 have been prepared on the assumption that the UNIMOT Group will continue as a going concern in the foreseeable future. As of the date of these consolidated financial statements, no circumstances indicating a threat to the Group's going concern have been identified.

## **2.3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS THERETO**

**New or revised standards and interpretations effective for annual periods beginning on or after 1 January 2022 have been applied:**

- 1 Amendments to IAS 16: Tangible, fixed assets: Tangible, fixed assets: revenue earned before commissioning.
- 2 Amendments to IAS 37: Burdensome contracts - costs of meeting contractual obligations.
- 3 Amendments to IFRS 3: Business Combinations - Reference to the Framework.
- 4 Amendments arising from the IFRS Review 2018 - 2020:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards: a subsidiary applying IFRS for the first time.
  - IFRS 9 Financial Instruments: Charges under the 10% test when ceasing to recognise financial liabilities.
  - Illustrative examples for IFRS 16 Leases: Lease incentives.
  - IAS 41 Agriculture: Accounting for taxation in fair value valuation.

The revised standards and interpretations, which apply for the first time in 2022, do not have a material impact on the Group's financial statements.

#### **New standards and interpretations that have been published but are not yet effective:**

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 until the date of approval of these financial statements - applicable to 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;
- IFRS 17 *Insurance Contracts* (published 18 May 2017) including Amendments to IFRS 17 (published 25 June 2020) - applicable for annual periods beginning on or after 1 January 2023;
- 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* (published on 23 January 2020 and 15 July 2020, respectively) - 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 2023;
- Amendments to IAS 1 and Practice Statement 2: *Accounting Policies Disclosures* (issued 12 February 2021) - effective for annual periods beginning on or after 1 January 2023;
- Amendments to IAS 8: *Definition of Accounting Estimates* (issued 12 February 2021) - effective for annual periods beginning on or after 1 January 2023;
- Amendments to IAS 12: *Deferred tax on assets and liabilities arising from a single transaction* (issued 7 May 2021) - applicable for annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 17 *Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information* (issued 9 December 2021) - applicable for annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates on the sale or contribution of assets between an investor and its associates or joint ventures.

The Parent Entity's Management Board does not expect the introduction of other standards and interpretations to have a material impact on the Group's accounting policies.

## 2.4. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in accordance with EU IFRS requires the Parent Entity's Management Board to make professional judgements, estimates and assumptions that affect the accounting policies adopted and the values of assets, liabilities, revenue and costs presented. The estimates and related assumptions are based on historical experience and other factors that are considered reasonable in the circumstances and the results give rise to professional judgements as to the book value of assets and liabilities that are not directly derived from other sources. The actual value may differ from the estimated value.

Judgements, estimates and related assumptions are reviewed on an ongoing basis. A change in accounting estimate is recognised in the period in which the estimate is changed, or in the current and future periods if the change in estimate applies to both the current and future periods.

Significant judgements and estimates made by the Parent Entity's Management Board in applying EU IFRS are set out in the following notes:

- note 7.4 - impairment test of cash flow generating units to which goodwill has been allocated,
- note 7.6 - deferred tax assets and liabilities.
- note 7.14 - employee benefit liabilities,
- note 8.1 - valuation of financial instruments,
- note 9.2 - contingent liabilities.

## 2.5 FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of the Parent Entity and the presentation currency of these consolidated financial statements is the Polish zloty (PLN). Data in the consolidated financial statements is presented in PLN, rounded off to the nearest thousand, unless specified otherwise.

### 3. DESCRIPTION OF THE PRINCIPAL ACCOUNTING POLICIES USED

The accounting policies set out below have been applied to all periods presented in the consolidated financial statements.

#### 3.1 CONSOLIDATION PRINCIPLES

The consolidated financial statements of the Group include the assets, liabilities, equity, revenue, costs and cash flows of the Parent and its subsidiaries presented as if they belonged to a single entity and are prepared as of the same reporting date as the Parent Entity's standalone financial statements using the same accounting policies for similar transactions and other events in similar circumstances.

Subsidiaries are consolidated using the full method. Joint ventures and investments in associates are valued using the equity method.

In order to carry out full consolidation, all items of assets, liabilities, revenue and costs of the Parent Entity's and its subsidiaries' statements are summed up, and appropriate consolidation rules are carried out, which primarily include:

- determination of the non-controlling interest in the net profit or loss of subsidiaries for the reporting period,
- identifying and presenting separately from the Parent Entity's equity the non-controlling interest in the net assets of subsidiaries,
- exclusion of the balance of internal settlements between Group entities,
- exclusion of revenue, costs and cash flows relating to intra-Group transactions, as well as any profits or losses arising from intra-Group transactions.

#### Investments in subsidiaries

Subsidiaries are entities controlled by the Parent Entity. The Parent Entity controls an investee when, by virtue of its involvement in that investee, it is exposed to variable financial performance or has rights to variable financial performance and has the ability to influence the amount of that performance through its power over that investee. In assessing the degree of control, the effect of existing and potential voting rights that are exercisable or convertible at the reporting date is taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the effective date of disposal. Non-controlling interests are presented in the consolidated statements of financial position as equity attributable to non-controlling interests, separately from equity attributable to shareholders of the Parent Entity.

#### Mergers of business entities

Mergers of business entities under common control, including the acquisition of an organised part of a business, are recognised by aggregating the individual asset and liability items and the revenue and costs of the combined

companies as of the date of the combination. The effect of business entities mergers under common control has no effect on the consolidated financial data. Other business entities mergers are accounted for using the acquisition method.

The application of this method involves the following steps:

- identifying the acquirer,
- determination of the takeover date
- the recognition and valuation of identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree
- the recognition and valuation of goodwill or bargain purchase profits.

## 3.2. TRANSACTIONS IN FOREIGN CURRENCIES

Transactions denominated in foreign currencies at the date of the transaction are recorded in the relevant functional currency using the exchange rate at the date of the transaction. Monetary items of assets and liabilities denominated in a foreign currency are converted into the functional currency at the reporting date using the exchange rate prevailing at that date. Exchange differences arising from the settlement of foreign currency transactions and the balance sheet valuation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary asset and liability items valued at historical cost in a foreign currency are converted into the functional currency using the exchange rate at the date of the transaction. Non-monetary items of the statements of financial position denominated in a foreign currency valued at fair value are converted into the functional currency at the exchange rate prevailing at the date of estimation of fair value.

Foreign exchange profits and losses arising from the settlement of foreign currency transactions and the balance sheet valuation of financial assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## 3.3. TANGIBLE, FIXED ASSETS

### Own tangible, fixed assets

Tangible fixed assets include both fixed assets and assets under construction. The initial value of tangible, fixed assets is determined at purchase price or production cost. Cost includes the purchase price of the asset (i.e. the amount due to the seller less deductible value added tax and excise tax), public charges (in the case of imports) and other costs directly attributable to the purchase and preparation of the asset for use, including transport, loading, unloading and storage costs. Rebates, discounts and other similar reductions and recoveries reduce the purchase price of the asset.

The cost of an item of tangible, fixed assets also includes the estimated costs of dismantling and removing it and the costs of restoring the site on which it was located, which the Group is obliged to do in connection with its acquisition or construction.

Tangible, fixed assets are valued and disclosed in the statements of financial position at the end of the reporting period at net book value, i.e. they are recognised at acquisition price or reliably estimated production cost, less depreciation and impairment losses and asset grants.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset affect its initial value as part of its cost. These costs are capitalised when the inflow of economic benefits is probable and the amount of these costs can be valued reliably.



Other borrowing costs are recognised as a cost in the period in which they are incurred.

Where a specific item of tangible, fixed assets consists of separate and significant components with different useful lives, these components should be treated as separate assets.

#### Expenditure incurred at a later date

Subsequent costs of the replaced parts of an item of tangible, fixed assets that can be reliably estimated and it is probable that the economic benefits associated with the replaced items of tangible, fixed assets will flow to the Group are capitalised. All other expenditure is recognised in profit or loss as a cost when incurred.

#### Depreciation

Tangible, fixed assets, or their material and separate components, are depreciated on a straight-line basis from the time they are available for use, i.e. from the moment the asset is adapted to the place and conditions required for its operation, over a period corresponding to its estimated useful life including residual value. Land is not depreciated. The Group assumes the following useful lives for the various categories of tangible, fixed assets:

- buildings and structures - 10 to 20 years
- plant and machinery - 3 to 10 years
- means of transport - 5 to 7 years old
- other tangible fixed assets - 3 to 10 years

The correctness of the useful lives, depreciation methods and residual values of tangible, fixed assets used are reviewed annually by the Group. The creation and reversal of impairment losses on tangible, fixed assets are recognised in other operating activities.

Depreciation begins when the fixed asset is available for use. Depreciation ceases at the earlier of the date when the fixed asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations or is removed from the balance sheet records as a result of liquidation, sale or retirement.

### 3.4. RIGHT TO USE ASSETS

When a new arrangement is entered into, the Group assesses whether the arrangement is or contains a lease. An arrangement is a lease or contains a lease if it transfers the right to control the use of an identified asset for a given period in return for consideration. To assess whether the right to control the use of an identified asset for a given period is transferred under an arrangement, the Group assesses whether it has the following rights in aggregate for the entire period of use:

- the right to obtain substantially all the economic benefits from the use of the identified asset, and
- the right to direct the use of an identified asset.

If the Group has the right to control the use of an identified asset for only part of the term of the contract, the contract contains a lease in respect of that part of the term. Rights arising from leases, rental agreements, leases and other agreements that meet the definition of a lease in accordance with the requirements of IFRS 16 are recognised as assets for the right to use the underlying assets within tangible assets and secondarily as lease liabilities.

The Group recognises the right-of-use asset and the lease liability at the commencement date. The commencement date is the date on which the lessor makes the underlying asset available for use by the lessee. The Group exercises its right of exemption from the requirements of IFRS 16 when recognising:

- short-term leases - leases which, at the commencement date, have a lease term of not more than 12 months. Leases where a call option has been introduced are not short-term leases.
- leasing concerning low-value assets - assets whose unit initial value of a new leased asset does not exceed PLN 20,000, excluding the right of perpetual usufruct of land.

Subsequent costs of the replaced parts of an item of tangible, fixed assets that can be reliably estimated and it is probable that the economic benefits associated with the replaced items of tangible, fixed assets will flow to the Group are capitalised. All other expenditure is recognised in profit or loss as a cost as incurred. At the commencement date, the Group measures the right-of-use asset at cost.

The cost of the right-of-use asset should, in accordance with IFRS 16, include:

- the initial amount of the lease liability valuation,
- any lease payments paid on or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the lessee and,
- an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, refurbishing the site on which it was located or refurbishing the underlying asset to the condition required by the terms of the lease, unless those costs are incurred for the purpose of generating inventory. The lessee assumes the obligation to pay these costs at the commencement date or as a result of using the underlying asset for the period.

At the commencement date, the Group measures the lease liability at the present value of the lease payments outstanding at that date. Lease payments are discounted using the lease interest rate if this rate can be readily determined. Otherwise, the Group uses the lessee's marginal interest rate.

### 3.5. INTANGIBLE ASSETS

Intangible assets are considered to be:

- development costs
- goodwill
- software
- acquired property rights (concessions, patents, licences, trademarks, etc.),
- other intangible assets
- other intangible assets not yet available for use (under construction)
- 

#### Goodwill

All mergers of entities, excluding entities under common control, are accounted for using the acquisition method. Goodwill is calculated as the excess of the costs incurred in a merger of entities over the acquirer's share of the fair value of the identifiable net assets.

After initial recognition, goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to cash generating units and is not amortised, but is subject to annual impairment testing. Goodwill impairment losses are not reversed in a subsequent period.

In the case of acquisitions for which the excess of identifiable net assets over the purchase price has been determined, this amount is charged directly to profit or loss.

### Research and development

Expenditure incurred during the research phase with the intention of acquiring new scientific or technical knowledge is recognised in financial result as it is incurred.

Expenditure incurred on development work, the results of which are applied in the development or production of a new or significantly improved product, is subject to capitalisation if the production of a new product (or process) is technically possible and economically justified and the Group has the technical, financial and other resources necessary to complete the development work. Costs to be capitalised include: costs of materials, salaries of employees directly involved in the development work and a reasonable portion of indirect costs directly related to the production of the intangible asset.

Other development costs are recognised in financial result as incurred. Capitalised development costs are recognised as intangible assets based on their purchase price less depreciation and impairment losses.

### Other intangible assets

Other intangible assets acquired by the Group are initially valued at cost and recognised in the financial statements prepared at the end of the reporting period at net book value, i.e. less depreciation and impairment losses.

### Expenditure incurred at a later date

Subsequent expenditure on components of existing intangible assets is only capitalised if it increases the future economic benefits associated with the component. Other expenditure is recognised in financial result as incurred.

### Depreciation

Intangible assets with finite useful lives are depreciated on a straight-line basis from the time they are ready for use, i.e. from the time the asset is adjusted to the location and conditions required to make it operational, over the period corresponding to their estimated useful lives. Goodwill and intangible assets with indefinite useful lives are subject to annual impairment tests. The creation and reversal of impairment losses on intangible assets is recognised in other operating activities.

The estimated useful life of intangible assets is as follows:

- development costs - 5 years
- computer software - 2 to 5 years
- acquired property rights (concessions, licences, patents) - 2 to 5 years
- other intangible assets - 2 to 10 years

### 3.6. INVESTMENT PROPERTIES

Investment properties are properties held for rental revenue, for appreciation in value or for both. The initial value of investment properties is determined at cost. Investment property is depreciated on a straight-line basis over its useful life, taking into account its residual value. Land is not depreciated. The estimated useful life of investment properties is the same as that of tangible, fixed assets.

### 3.7. FINANCIAL ASSETS AND LIABILITIES

#### Financial instruments

##### Financial instruments other than derivatives

The Group recognises a financial asset or a financial liability in the statements of financial position when, and only when, it becomes bound by the contractual provisions of the instrument. Financial assets purchased or sold through a standardised purchase or sale transaction are recognised or derecognised, as appropriate, on either the trade date or the settlement date.

The Group ceases to recognise a financial asset when the contractual rights to receive cash flows from the asset expire or until the rights to receive cash flows from the financial asset are transferred in a transaction that transfers substantially all the significant risks and benefits of ownership. Any interest in the transferred financial asset that is created or retained by the Group is treated as an asset or liability.

The Group also ceases to recognise a financial asset when there is a material modification to a financial asset, including when an amendment to the contract of a financial asset necessitates a change in the relevant accounting category for that asset.

Assets and liabilities are offset and reported on a net basis in the statements of financial position only if the Group has a legally enforceable right to offset certain financial assets and liabilities and intends either to settle the transaction on a net basis for the financial assets and liabilities being offset or to realise the offsetting financial assets and settle the financial liabilities simultaneously.

The Group classifies financial instruments, other than derivative financial assets, into the following categories: financial assets valued at amortised cost, financial assets valued at fair value through other comprehensive revenue and financial assets valued at fair value financial result

The classification of financial assets is determined at initial recognition, depending on the nature and purpose of the financial assets.

The inclusion of a financial asset in one of the categories is based on an analysis of two equivalent criteria:

- Group's business model for financial asset management and
- the contractual cash flow characteristics of the financial asset.

Reclassification of financial assets only takes place when the business model that determines how these assets are managed changes.

Derivatives embedded in financial assets (in underlying contracts that are not derivatives that are financial assets) are not segregated - the entire financial asset is classified in the appropriate accounting category according to the criteria indicated above.

#### Financial assets at fair value through other comprehensive revenue

Financial assets valued at fair value through other comprehensive revenue are those that meet both of the following conditions:

- the financial asset is held in accordance with a business model that seeks to both receive contractual cash flows and sell financial assets, and
- the contractual terms of the financial asset give rise to cash flows on specified dates that are solely the repayment of principal and interest on the principal outstanding.

Subsequent to initial recognition, financial assets in this category are valued at fair value and the effects of changes in fair value, other than interest revenue write-down for expected credit losses and foreign exchange differences are recognised in other comprehensive revenue and presented in equity. On derecognition of financial assets, the cumulative amount of profits or losses previously recognised in other comprehensive revenue is transferred to financial result of the current period.

On initial recognition of investments in equity instruments not held for trading, the Group may exercise the option to recognise changes in their fair value in other comprehensive, this election being irrevocable and made at the level of the individual investment in the equity instrument. On derecognition of a financial asset that is an equity instrument designated as an option to be valued at fair value through other comprehensive revenue, profits and losses previously recognised in other comprehensive revenue are not reclassified to current period financial result.

When the Group designates equity instruments to be valued at fair value through other comprehensive revenue, all profits and losses on the instrument, including foreign exchange profits and losses (other than dividend revenue which is recognised in the statements of total revenues), are recognised in other comprehensive revenue and the Group does not have the option to reclassify them to the statements of total revenues.

Assets in this category are recognised as tangible assets, provided their maturity exceeds 12 months from the reporting date.

#### Financial assets at fair value through financial result

Financial assets at fair value through financial result are those that:

- do not meet the criteria for classification as valued at amortised cost or valued at fair value through other comprehensive revenue,
- meet the criteria for classification as valued at amortised cost or valued at fair value through other comprehensive revenue, but have been designated as an option to be valued at fair value through financial result by an irrevocable decision of the Group on initial recognition (only if this eliminates or significantly reduces the accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the associated profits or losses on a different basis).

Financial assets do not meet the criteria for classification in other categories (i.e. they are valued at fair value through financial result) if they

- the financial asset is not held according to a business model that seeks to hold the financial asset to earn contractual cash flows or according to a business model that seeks to hold the financial asset to earn contractual cash flows and sell it,
- the contractual terms of the financial asset give rise, at specified dates, to cash flows that are not solely repayment of principal and interest on the principal outstanding (except for equity instruments that the Group has designated as at fair value through other comprehensive revenue on initial recognition).

#### Financial assets valued at amortised cost

Financial assets valued at amortised cost are financial assets that meet both of the following conditions:

- the financial asset is held in accordance with a business model whose objective is to hold the financial asset to earn contractual cash flows, and
- the contractual terms of the financial asset give rise to cash flows on specified dates that are solely the repayment of principal and interest on the principal outstanding.

Assets in this category are recognised as tangible assets, provided their maturity exceeds 12 months from the reporting date. Such assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are valued at amortised cost less impairment losses.

Financial assets valued at amortised cost may be sold subject to the Group's stated principles of conformity of the sale with the criteria of the business model, which is to hold the financial assets to earn contractual cash flows.

When financial assets valued at amortised cost are derecognised, the Group discloses an analysis of the profit or loss recognised in the statements of total revenues resulting from the derecognition of those financial assets and information about the reasons for derecognition.

#### Modifications to financial assets

Where an asset not valued at fair value through financial result is modified that does not result in derecognition of the asset on the balance sheet, the Group determines the new gross carrying amount of the asset after the modification and relates the change in that amount from the gross carrying amount before the modification to the statements of total revenues as a result of the modification of financial assets.

#### Initial valuation

On initial recognition, the Group measures a financial asset or financial liability at its fair value, which, in the case of financial assets or financial liabilities not at fair value through financial result, is increased or decreased by transaction costs directly attributable to the acquisition or issue of those financial assets or financial liabilities.

Financial receivables are initially recognised at fair value, with the fair value of trade receivables at initial recognition being the nominal value resulting from sales invoices issued. After initial recognition, trade and other receivables of a financial nature are valued at amortised cost using the effective interest rate, taking into account impairment losses. Other receivables that are not financial assets at the end of the reporting period are valued at the amount due.

#### Impairment

For trade receivables without a significant financing component (as defined in IFRS 15), the Group applies a simplified impairment model and measures the write-down for expected credit losses over the life of the receivable from initial recognition. For the purpose of calculating the write-down for expected credit losses for trade receivables, the Group uses the provision matrix method, which is based on the Group's historical credit loss experience. Under this method, the Group calculates the write-down for expected credit losses based on the aging of trade receivable balances at the balance sheet date, using write-down coverage ratios for the different aging ranges determined on the basis of historical repayment data adjusted for current and expected macroeconomic conditions. For the purposes of applying the provisioning matrix, the Group groups receivables into homogeneous portfolios, based on common credit risk characteristics.

For all other financial assets within the scope of the IFRS 9 impairment model, the Group recognises expected lifetime credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk of a financial asset has not increased significantly since initial recognition, the Group calculates a write-down for expected credit losses over a 12-month horizon. Lifetime expected credit losses are losses resulting from all possible default events over the expected life of the financial instrument. Conversely, 12-month expected credit losses represent the portion of lifetime expected credit losses arising from default events on a financial instrument that are possible within 12 months after the balance sheet date. The amount of the write-down is the difference between the gross carrying amount of the asset and the present value of the expected future cash flows, discounted at the original effective interest rate.

The Group measures expected credit losses on financial instruments in a manner that takes into account:

- unencumbered and probability-weighted amount, which is determined by assessing a range of possible outcomes,
- the time value of money, and
- reasonable and demonstrable information that is available without undue cost or effort at the reporting date about past events, current conditions and projections of future economic conditions.

The book value of the asset is determined using the write-down account and the amount of the loss is recognised in financial result in cost of sales. When a trade receivable is uncollectible, it is written down. Subsequent repayments of previously written-down receivables are recognised under cost of sales in financial result.

### Financial liabilities

The Group classifies all financial liabilities as valued after initial recognition at amortised cost, except for financial liabilities valued at fair value financial result. Such liabilities, including derivatives that are liabilities, are valued after initial recognition at fair value.

Financial liabilities valued at fair value through financial result are those that:

- meet the definition of financial liabilities held for trading,
- have been designated as an option to be valued at fair value through financial result by an irrevocable decision of the Group on initial recognition (subject to the conditions set out in IFRS 9 being met)

A financial liability held for trading is a liability that:

- (a) acquired or incurred principally for the purpose of selling or repurchasing in the near term,



(b) at initial recognition form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a current actual pattern of short-term profit-taking; or

(c) are a derivative (except for derivatives that are financial guarantee contracts or designated and effective hedging instruments).

Financial assets and liabilities valued at fair value through financial result, including derivatives, are valued after initial recognition at fair value, with a valuation profit/loss recognised in the revenue statements.

The Group does not designate derivatives as hedging instruments under hedge accounting.

### 3.8. INVENTORIES

Inventories in the Group are: products, semi-finished products, goods and materials.

In connection with its operations, the Group fulfils so-called regulatory obligations, including, in particular, the obligation to create and maintain compulsory reserve and to settle the so-called fuel surcharge provided for in the Act of 16 February 2007 on stocks of crude oil, petroleum products and natural gas and the principles of proceeding in situations of threat to the state's fuel security and disturbances on the oil market (Journal of Laws of 2021, item 2249, as amended).

The amount of minimum inventories of crude oil or fuels held shall be adjusted by 30 June of each calendar year to the level resulting from the calculation made pursuant to paragraph 3b or 3k, provided that, for the period from 1 January to 30 June of each calendar year, the data for calculating the required amount of minimum inventories shall be determined on the basis of imports or production during the penultimate calendar year preceding the calendar year in question.

The Group measures inventories at initial recognition at cost.

Inventories at the end of the reporting period are valued as follows:

- operating reserve and compulsory reserve relating to diesel, petrol and natural gas are valued at fair value in accordance with IAS 2 para. 3b,
- the remaining inventories of goods is valued at the lower of cost or net realisable value.

Inventory surpluses or shortages identified as a result of the inventory are recognised in the cost of goods or materials sold.

Disposals of inventory components are valued using the FIFO method.

### 3.9. TRADE AND OTHER RECEIVABLES

Financial receivables are initially recognised at fair value, with the fair value of trade receivables at initial recognition being the nominal value resulting from sales invoices issued. After initial recognition, trade and other financial receivables are valued at amortised cost using the effective interest rate, taking into account impairment losses.

Other receivables that are not financial assets at the end of the reporting period are valued at the amount due.

### 3.10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and short-term bank deposits. Bank overdrafts, which are repayable on demand and form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the purposes of the statements of cash flows.

The valuation and outflow of foreign currency cash is determined using the FIFO method.

### 3.11. IMPAIRMENT OF NON-FINANCIAL ASSETS

The book value of non-financial assets, other than inventories and deferred tax assets, is assessed at each reporting date to determine whether there is any indication of impairment. If such indications exist, the Group estimates the recoverable amount of the individual assets. The recoverable amount of goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use is estimated at each reporting date.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in financial result. Impairment of a cash-generating unit is first recognised as a reduction in the goodwill allocated to that unit (group of units) and then as a reduction in the carrying amount of the other assets of that unit (group of units) on a pro rata basis.

The recoverable amount of cash-generating assets or units is defined as the greater of their fair value less costs to sell and their value in use. In estimating value in use, future cash flows are discounted using a pre-tax interest rate that reflects the current market assessment of the time value of money and risk factors specific to the asset. For assets that do not generate independent cash flows, value in use is estimated for the smallest identifiable cash-generating unit to which the asset belongs.

Impairment losses on goodwill are not reversed. For other assets, an impairment loss is reversed if the estimates used to estimate the recoverable amount have changed. An impairment loss is reversed only to the extent of the asset's book value less depreciation and depreciation that would have been recognised had the impairment loss not been recognised.

### 3.12. EQUITY

#### Share capital

The share capital of the Parent Entity is the share capital of the Group. The share capital is shown at the nominal value of the shares issued in accordance with the Articles of Association and registered with the National Court Register.

#### Other capital

Other capitals comprise the supplementary capital resulting from the transfer of retained earnings and share premium.

#### Dividends

Dividends are recognised as a liability in the period in which they are enacted.

#### Purchase of own shares

In the case of purchases of own shares, the amount of the consideration, together with the direct costs of carrying out the transaction, adjusted for the effect of taxes, is shown as a deduction from equity. Purchased own shares are reported within other capital. At the time of sale or reissue, the amounts received are recognised as an increase in equity and the surplus or deficit from the transaction is presented within equity.

### 3.13. LIABILITIES UNDER BANK LOANS, BORROWINGS AND OTHER DEBT INSTRUMENTS

On initial recognition, bank loans, borrowings and debt securities are recognised at fair value, less the costs associated with obtaining the loan or borrowing. After initial recognition, interest-bearing loans, borrowings and debt securities are subsequently valued at amortised cost using the effective interest rate method. Any difference between the amount received (net of transaction costs) and the redemption value is recognised using the effective interest method in financial result over the life of the contracts.

The fair value, estimated for disclosure purposes, is calculated on the basis of the present value of future cash flows of principal and interest returns, discounted using the market interest rate at the reporting date.

### 3.14. EMPLOYEE BENEFITS

#### Defined benefit plan - retirement benefits

The Group recognises provisions for pensions and other employee benefits on the basis of an actuarial valuation carried out at the reporting date. The valuation is carried out by an independent actuary. The basis for the calculation of provisions for employee benefits is determined by the Group's internal regulations and other applicable legislation.

The value of provisions for employee benefits is determined using actuarial techniques and the requirements set out in EU IFRSs and, in particular, IAS 19 'Employee Benefits'. Provisions are valued at the present value of the Group's future employee benefit liabilities. Provisions are calculated using the projected unit credit method, separately for each employee.

The calculation of the provisions attributable to individual employees is based on the projected value of the benefit that the Group is obliged to pay under the regulations detailed above. The value of the benefit is projected until the employee acquires the benefit. The liability for employee benefits is determined on the basis of the projected increase in the value of the benefit and in proportion to the expected period of service by the employee concerned. The estimated value is then discounted at the reporting date.

#### Short-term employee benefits

Short-term employee benefit liabilities are valued on an undiscounted basis and are incurred when the benefit is provided.

The Group recognises a cost provision in the amount of scheduled payments to employees for short-term cash bonuses if the Group is legally or customarily obliged to make such payments based on past services rendered by employees and the obligation can be reliably estimated.

### 3.15. RESERVES

Provisions are recognised when an entity has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of provisions is reviewed on an ongoing basis during the reporting period in order to adjust them to an estimate in line with the state of knowledge at that date.

### 3.16. TRADE AND OTHER LIABILITIES

Liabilities, including trade liabilities, are valued at fair value at the date they arise and subsequently at amortised cost using the effective interest rate method. The Group uses simplified methods for the valuation of liabilities valued at amortised cost where this does not distort the information in the statements of financial position, in particular where the period until the liability is settled is not long. Short-term liabilities are not discounted.

### 3.17. REVENUES

The Group's revenues include, in particular:

- revenue from the sale of liquid fuels,
- revenues from the sale of gaseous fuels, including the distribution of gaseous fuels,
- revenues from the sale of electricity.

The Group recognises revenues to reflect the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition occurs when the performance obligation is fulfilled (or in the process of being fulfilled) by transferring the promised good or service (i.e. the asset) to the customer. The transfer of the asset occurs when the customer obtains control of the asset.

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Group's business. Revenue is presented net of value added tax, after taking into account refunds, rebates and discounts.

Revenue from the sale of goods and services is recognised when the following conditions are met:

- the parties to the contract have entered into an agreement (whether in writing, orally or in accordance with other customary commercial practices) and are obliged to perform their obligations,
- The Group is able to identify the rights of each party regarding the goods or services to be transferred,
- The Group is able to identify payment terms for the goods or services to be transferred,
- the speech has economic substance (i.e. the risk, time distribution or amount of the Group's future cash flows can be expected to change as a result of the contract) and
- it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services to be provided to the customer. In assessing whether it is probable that the amount of consideration will be received, the Group considers only the ability and intention of the customer to pay the amount of consideration in a timely manner. The amount of remuneration to which the Group will be entitled may be less than the price specified in the contract if the remuneration is variable, as the Group may offer a price concession to the customer.

### Customer contract identification requirements

A contract with a customer meets its definition when all of the following criteria are met: the parties to the contract have entered into an agreement and are obliged to perform their obligations; the Group is able to identify the rights of each party regarding the goods or services to be transferred; the Group is able to identify the terms of payment for the goods or services to be transferred; the contract has economic substance and it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

### Identification of performance obligations

At the time of contract conclusion, the Group assesses the goods or services promised in the contract with the customer and identifies as a performance obligation any promise to transfer to the customer: a good or service (or bundle of goods or services) that can be distinguished or a group of separate goods or services that are substantially the same and for which the transfer to the customer is of the same nature. Under its contracts, the Group undertakes to supply customers mainly with petrochemical goods and gas. Under these contracts, the Group acts as a principal.

### Determining the transaction price

To determine the transaction price, the Group takes into account the terms of the contract and its customary business practices. The transaction price is the amount of consideration that the Group expects to receive in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes). The consideration specified in the contract with the client may include fixed amounts, variable amounts or both. Transaction prices in occurring contracts with customers are not subject to restrictions. The Group's contracts do not provide for obligations to accept returns, remuneration refunds or other similar obligations. The Group does not identify revenue for which receipt of payment is contingent.

### Allocation of transaction price to individual performance obligations

The Group assigns a transaction price to each performance obligation (or to a distinct good or distinct service) in an amount that reflects the amount of consideration that the Group expects to receive in exchange for transferring the promised goods or services to the customer. The warranties provided under the contracts are guarantees that represent the customer's assurance that the goods in question conform to the agreed specifications. They do not consist of the provision of a separate service.

### Revenue recognition when performance obligations are met

The Group recognises revenue when a performance obligation is met (or in the process of being met) by transferring a promised good or service (i.e. an asset) to a customer (the customer obtains control of the asset). Revenue is recognised as amounts equal to the transaction price that has been allocated to the performance obligation.

Revenue from the sale of goods and services is adjusted for profits or losses on financial instruments relating to fuel trading.

### Revenue from the sale of gaseous fuel, distribution of gaseous fuel and sale of electricity - provided on a continuous basis

The Group transfers control of part of the services provided (consisting of the supply of gas fuel and electricity, the provision of distribution services) over time, thereby fulfilling service obligations.

Each time gas fuel/electricity is supplied and consumed, a certain portion of the services is transferred and the performance obligation is fulfilled. The value of the services transferred up to a given point in time, relative to the remaining services promised under the contract, is calculated using the outcome method based on the utilisation of the service in question. The utilisation of the service throughout the accounting period can be taken together, so that the accumulated revenue for the accounting period is recognised on a monthly basis. If the Group is entitled to receive remuneration from the customer in an amount that corresponds directly to the value to the customer of the service provided by the Group to date (e.g. in the case of a gas supply contract where the Group charges the customer a fixed amount for each MWh), the Group recognises revenue at the amount it is entitled to invoice.

The commencement of services is the point at which the Group begins to recognise revenue.

Revenues from the sale of gas fuel/electricity and gas fuel distribution services are based on sales documented by VAT invoices, plus any reassessment of sales of electricity distribution services delivered but not invoiced in the period.

The revaluation of sales is carried out at least at the end of the reporting period.

#### **Sales revenue - delivery of products/services billed at a specific point in time**

Revenue from the supply of products/services such as liquid fuels, connection fees and the sale of property rights is recognised by the Group at a specific point in time. The transfer of control takes place when the contract between the parties remains and the products/goods are made available to the customer or the service in question has been completed.

In order to indicate the precise moment of transfer of control, the Group considers in each case whether:

- The Group has a current right to payment for the asset,
- the client holds legal title to the asset,
- The Group has physically transferred the asset,
- the client bears significant risks and obtains significant benefits from ownership of the asset,
- the client has accepted the asset.

#### **Recognition of sales revenue as net remuneration (Group as agent)**

In the case of comprehensive gas supply contracts, where the Group supplies gas and provides distribution services, it is assessed in each case whether the Group acts as a principal.

Where another party is involved in the provision of goods or services to a customer, the Group determines whether the nature of the Group's promise is a performance obligation to provide specific goods or services (in which case the Group is the principal) or to have another party provide those goods or services (in which case the Group is the intermediary).

Where the commissioning Group fulfils a performance obligation, it recognises revenue at the gross consideration to which it expects to be entitled in return for the goods or services provided.

Where the Group, as an intermediary, fulfils a performance obligation, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for the provision of goods or services by another party. The fee or commission payable to the Group may be the net consideration that the Group retains after paying another party in exchange for the goods or services provided by that party.

The Group acts as a charging intermediary for other gas market participants in distribution service contracts for selected components of the billed service charge

distribution. Consequently, the Group recognises revenue from the sale of distribution services less the cost of distribution services charged by the Distribution Network Operator.

Revenues and costs from trading activities for the purchase and sale of electricity are presented net. For sales transactions of this type, the Group acts as an intermediary and does not sell energy to its ultimate consumers.

#### **Gains or losses on financial instruments relating to fuel trading**

The Group considers profits or losses on fuel trading financial instruments classified as financial assets/liabilities at fair value through financial result and the effect of their fair value valuation as profits or losses on fuel trading financial instruments. Gains or losses on financial instruments relating to fuel trading are recognised within sales revenue

### **3.18. ASSETS UNDER CONTRACTS WITH CUSTOMERS**

The Group recognises in the statements of financial position a contract asset that is the Group's right to consideration in exchange for goods or services that the Group has provided to a customer.

In this item, in the statements of financial position, the following is presented in particular:

- the re-estimation of revenue from the distribution and sale of electricity realised in the period but not yet invoiced;
- assets relating to construction work completed and delivered but not yet invoiced.
- assets relating to completed and delivered works related to the development of the Avia station chain. As part of its franchise agreements with petrol stations for the development of the Avia brand, the Group incurs costs at petrol stations to bring them into line with the Group's requirements.

### **3.19. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS**

The Group recognises in the statements of financial position a liability in respect of contracts with customers that is the Group's obligation to transfer goods or services to the customer in exchange for which the Group has received consideration (or the amount of consideration is due) from the customer.

In this item, in the statements of financial position, the following is presented in particular:

- advance payments for supplies related to current operations

### **3.20. COSTS**

A cost is a probable decrease, during the reporting period, in economic benefits of a reliably determined amount, in the form of a decrease in the value of assets or an increase in the value of liabilities and provisions, which will lead to a decrease in equity or an increase in its deficiency, other than the withdrawal of owners' funds.



Costs are recognised in financial result on the basis of a direct relationship between the costs incurred and the achievement of specific revenues, i.e. applying the matching principle, through an accrued cost account.

**The cost of goods and materials sold includes:**

- cost of goods and materials sold,
- the fair value valuation of inventories,
- settlement effect of financial instruments relating to compulsory reserve,
- valuation of financial instruments relating to compulsory reserve,
- exchange rate differences on loans financing the purchase of diesel,
- valuation of loans financing the purchase of diesel,
- realised exchange rate differences relating to settlements,
- balance sheet valuation of settlements,
- inventory shortfalls and surpluses,
- creation and release of provisions for compulsory reserve.

### **3.21. OTHER PROFITS/LOSSES, NET**

Other net profits/losses are considered to include:

- net profits/losses on disposal of tangible, fixed assets and intangible assets,
- net profits/losses on disposal of net assets of subsidiaries.

### **3.22. CURRENT AND DEFERRED INCOME TAX**

Income tax recognised in financial result comprises a current portion and a deferred portion. Income tax is recognised in financial result, except for amounts related to items recognised in other comprehensive revenue or capital. They are then recognised in other comprehensive revenue or capital as appropriate.

Current tax represents the tax liability on taxable income for the year and adjustments to tax relating to previous years.

Deferred income tax is calculated using the balance sheet liability method, based on temporary differences between the value of assets and liabilities determined for accounting purposes and their estimated value for tax purposes. Deferred tax is not recognised on the following temporary differences: goodwill, initial recognition of assets or liabilities that affect neither accounting nor taxable profit, differences related to investments in subsidiaries to the extent that it is not probable that they will be realised in the foreseeable future. The amount of deferred tax recognised is based on the expectation of how the carrying amount of assets and liabilities will be realised, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow the deferred tax asset to be realised. Deferred tax assets are reduced to the extent that it is not probable that sufficient taxable profit will be available to allow the deferred tax asset to be partly or wholly realised.

## **4. OPERATING SEGMENTS**

Based on an analysis of the Group's organisational structure, its internal reporting system and the management model in place, the Parent Entity's Management Board has identified the following operating segments. The Parent Entity's Management Board considers the business from both an operational and geographical perspective.

The Parent Entity's management distinguishes the following operating segments:

- **Liquid fuel trading** - includes wholesale and retail sales of diesel, petrol, liquefied petroleum gas (LPG LNG) and biofuels carried out by the Companies in the Group.
- **Trading in gaseous fuels** - includes the distribution of gaseous fuels through the network system and wholesale trading in natural gas through the Polish Power Exchange, carried out by the companies in the Group.
- **Electricity trading** - includes the trading and distribution of electricity by the Companies in the Group.
- **Photovoltaics** - the photovoltaic-related activities of the companies in the Group in the area of photovoltaic farms and the sale and installation of photovoltaic systems.
- **Other activities** - the Group's operating segment includes, inter alia, activities related to the operation of AVIA petrol stations, the sale of oils, bitumen, service activities, finance, administration and overheads.

#### Principles for the preparation of the Statements of Total Revenues by operating segment

The Group maintains accounting records that allow for the separate calculation of revenue, costs and the financial result of each operating segment. The Group has directly distinguished sales revenue, operating revenue and costs, cost of goods, materials and services sold, cost of sales and financial revenue and costs. The portion of the Group's overheads that relate to the provision of work to the individual operating segments was allocated proportionally using allocation keys calculated on the basis of estimated labour intensity. Overheads that cannot be allocated to individual operating segments, as they are incurred within the units working for the development of the Group as a whole, have been presented in other activities. Income and costs related to the Group's investment activities, including in particular impairment losses, are also presented in other activities.

#### Principles for the preparation of the Statements of Financial Position by operating segment

The Group has directly distinguished: tangible, fixed assets, inventories, trade receivables and liabilities, other receivables and liabilities, liabilities from loans, borrowings, other debt instruments and derivative financial instruments related to the individual operating segments operated by the Group, which are directly related to the activities within the individual operating segments listed in the Group's consolidated financial statements. Assets and liabilities which, as in the case of the components of the financial result, cannot be directly related to the operating segments are presented in other operations. The following components are presented in other operations: tangible, fixed assets, intangible assets, investments in subsidiaries, other cash assets, receivables, cash, equity except for the results of previous years relating to individual operations, loans and borrowings, tax liabilities, provisions, deferred tax assets.

## 4.1. STATEMENTS OF TOTAL REVENUES BY OPERATING SEGMENT

<i>in PLN thousand</i>						
<b>for the period 01.01.2022-31.12.2022</b>	<b>Liquid fuel trading</b>	<b>Trading in gaseous fuels</b>	<b>Electricity</b>	<b>Photovoltaics</b>	<b>Other activities</b>	<b>Total consolidated</b>
Sales revenue	11 618 087	605 194	457 184	7 769	681 130	<b>13 369 364</b>
Profits/(losses) on financial instruments relating to fuel trading	15 518	-	-	-	-	<b>15 518</b>
<b>Total revenue</b>	<b>11 633 605</b>	<b>605 194</b>	<b>457 184</b>	<b>7 769</b>	<b>681 130</b>	<b>13 384 882</b>
<b>Cost of services, goods and materials sold</b>	<b>(10 811 734)</b>	<b>(572 332)</b>	<b>(414 177)</b>	<b>(7 761)</b>	<b>(624 673)</b>	<b>(12 430 677)</b>
<b>Gross profit on segment sales</b>	<b>821 871</b>	<b>32 862</b>	<b>43 007</b>	<b>8</b>	<b>56 457</b>	<b>954 205</b>
Other operating revenues	1 390	704	417	33	1 858	4 402
Selling, overheads	(316 247)	(12 071)	(18 674)	(5 192)	(112 587)	(464 771)
Other net profits/(losses)	(168)	(553)	(47)	3 184	-	2 416
Other operating costs	(1 717)	(285)	(156)	(14)	(8 706)	(10 878)
<b>Operating result</b>	<b>506 129</b>	<b>20 657</b>	<b>24 547</b>	<b>(1 981)</b>	<b>(62 978)</b>	<b>485 374</b>

<i>in PLN thousand</i>						
<b>for the period 01.01.2021-31.12.2021</b>	<b>Liquid fuel trading</b>	<b>Trading in gaseous fuels</b>	<b>Electricity</b>	<b>Photovoltaics</b>	<b>Other activities</b>	<b>Total consolidated</b>
Sales revenue	7 081 980	552 622	222 971	14 756	320 684	<b>8 193 013</b>
Profits/(losses) on financial instruments relating to fuel trading	14 203	-	-	-	-	<b>14 203</b>
<b>Total revenue</b>	<b>7 096 183</b>	<b>552 622</b>	<b>222 971</b>	<b>14 756</b>	<b>320 684</b>	<b>8 207 216</b>
<b>Cost of services, goods and materials sold</b>	<b>(6 795 412)</b>	<b>(537 903)</b>	<b>(190 514)</b>	<b>(13 345)</b>	<b>(303 803)</b>	<b>(7 840 977)</b>
<b>Gross profit on segment sales</b>	<b>300 771</b>	<b>14 719</b>	<b>32 457</b>	<b>1 411</b>	<b>16 881</b>	<b>366 239</b>
Other operating revenues	695	39	595	3	930	2 262
Selling, overheads	(173 731)	(17 310)	(16 530)	(9 371)	(43 693)	(260 635)
Other net profits/(losses)	(189)	(12)	187	32	-	18
Other operating costs	(2 078)	(134)	(530)	(55)	(677)	(3 474)
<b>Operating result</b>	<b>125 468</b>	<b>(2 698)</b>	<b>16 179</b>	<b>(7 980)</b>	<b>(26 559)</b>	<b>104 410</b>

## 4.2. STATEMENTS OF FINANCIAL POSITION BY OPERATING SEGMENT

<i>in PLN thousand</i>	Electricity	Photovoltaics	Consolidated Total
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31.12.2022	Liquid fuel trading	Trading in gaseous fuels			Other activities	
<b>Segment assets</b>	<b>1 197 642</b>	<b>65 657</b>	<b>112 089</b>	<b>19 692</b>	<b>270 197</b>	<b>1 665 277</b>
<b>Segment liabilities</b>	<b>707 469</b>	<b>17 830</b>	<b>66 407</b>	<b>3 754</b>	<b>166 023</b>	<b>961 483</b>
<b>Main non-cash items</b>						
Depreciation	(2 788)	(1 442)	(514)	(397)	(11 344)	(16 485)
Valuation of inventories at fair value	(88 667)	(3 434)	-	-	-	(92 101)
Balance sheet valuation of derivatives at fair value	48 280	(5 101)	-	-	-	43 179
Balance sheet valuation of loans	7 416	192	-	-	-	7 608
Balance sheet valuation of settlements	(2 783)	-	-	-	-	(2 783)
<b>Total main non-cash items</b>	<b>(38 542)</b>	<b>(9 785)</b>	<b>(514)</b>	<b>(397)</b>	<b>(11 344)</b>	<b>(60 582)</b>

<i>in PLN thousand</i>	Liquid fuel trading	Trading in gaseous fuels	Electricity	Photovoltaics	Other activities	Consolidated Total
<b>31.12.2021</b>						
<b>Segment assets</b>	<b>815 155</b>	<b>120 078</b>	<b>93 053</b>	<b>28 657</b>	<b>174 345</b>	<b>1 231 288</b>
<b>Segment liabilities</b>	<b>647 579</b>	<b>92 603</b>	<b>68 166</b>	<b>2 086</b>	<b>94 979</b>	<b>905 413</b>
<b>Main non-cash items</b>						
Depreciation	(3 469)	(1 745)	(533)	(762)	(6 176)	(12 685)
Valuation of inventories at fair value	81 045	-	-	-	-	81 045
Balance sheet valuation of derivatives at fair value	(31 157)	-	-	-	-	(31 157)
Balance sheet valuation of loans	(5 400)	-	-	-	-	(5 400)
Balance sheet valuation of settlements	932	-	-	-	-	932
<b>Total main non-cash items</b>	<b>41 951</b>	<b>(1 745)</b>	<b>(533)</b>	<b>(762)</b>	<b>(6 176)</b>	<b>32 735</b>

### 4.3. SALES REVENUE - GEOGRAPHICAL BREAKDOWN BY LOCATION OF FINAL CUSTOMERS

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Poland	10 277 291	6 777 746
Czech Republic	222 681	391 116
Switzerland	306 050	25 207
Slovakia	96 154	12 719
Hungary	23 855	83 870
Austria	10 274	35 970
Belgium	324 347	52 262
United Kingdom	99 725	31 928
Georgia	151	122
Germany	54 253	82 872
Netherlands	287 071	636 932
Estonia	107 595	-
Romania	196	-
Cyprus	142 704	12
Ukraine	1 352 005	20 627
Serbia	3 823	-
Taiwan	584	317
China	177	4 108
Bulgaria	73 427	46 665

Kazakhstan	1 351	-
Greece	49	-
Latvia	250	-
Turkey	869	-
Lithuania	-	4 743
<b>Total</b>	<b>13 384 882</b>	<b>8 207 216</b>

#### Main customers

In the period from 1 January to 31 December 2022 and the comparable period, no Group customer exceeded 10% of revenue.

#### Fixed assets - geographical breakdown

The Group's tangible, fixed assets are located in Poland.

## 5. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENTS OF TOTAL REVENUES

### 5.1. SALES REVENUE

<i>in PLN thousand</i>	<b>01.01.2022 31.12.2022</b>	<b>01.01.2021 31.12.2021</b>
<b>Sales revenue</b>		
Revenue from sale of services	18 546	27 331
Revenue from sale of goods and materials	13 350 818	8 165 682
Profits/(losses) on financial instruments relating to fuel trading	15 518	14 203
<b>Total sales revenue</b>	<b>13 384 882</b>	<b>8 207 216</b>

The Group considers profits or losses on fuel trading financial instruments classified as financial assets/liabilities at fair value through financial result and the effect of their valuation at fair value.

### 5.2 COSTS

#### Costs by type

<i>in PLN thousand</i>	<b>01.01.2022 31.12.2022</b>	<b>01.01.2021 31.12.2021</b>
Depreciation of tangible, fixed assets and intangible assets	(5 370)	(4 085)
Amortisation of right-of-use asset	(11 115)	(8 600)
Consumption of materials and energy	(13 479)	(12 542)
Third-party services	(317 052)	(192 412)
Taxes and charges	(8 982)	(4 819)
Salaries	(91 049)	(26 533)
Social security and other benefits	(5 368)	(3 564)
Other costs by type	(22 456)	(18 447)
<b>Total costs by type</b>	<b>(474 871)</b>	<b>(271 002)</b>
Cost of services, goods and materials sold	(12 423 866)	(7 827 662)
Change in inventories and prepaid costs	5 186	1 552
Other	(1 898)	(4 500)

Cost of services, goods and materials sold, selling, overheads	(12 895 449)	(8 101 612)
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### Cost of services, goods and materials sold

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Cost of goods and materials sold	(12 046 346)	(7 766 647)
Valuation of inventories at fair value	(92 101)	81 045
Balance sheet valuation of derivatives	43 179	(57 930)
Effect of hedging instruments on inventories	(180 046)	(61 389)
Realised exchange rate differences on loans	(32 725)	(21 038)
Balance sheet valuation of loans	7 608	(5 400)
Realised exchange differences on settlements	(120 652)	2 765
Balance sheet valuation of settlements	(2 783)	932
<b>Cost of goods and materials sold</b>	<b>(12 423 866)</b>	<b>(7 827 662)</b>
Cost of services sold	(6 811)	(13 315)
<b>Cost of services, goods and materials sold</b>	<b>(12 430 677)</b>	<b>(7 840 977)</b>

### 5.3. OTHER OPERATING REVENUES

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Insurance claims received	384	79
Recoverable legal costs	128	39
Interest revenue, relating to trade receivables	2 673	1 574
Bad debt relief	321	49
Other	896	521
<b>Total other operating revenues</b>	<b>4 402</b>	<b>2 262</b>

### 5.4. OTHER PROFITS/(LOSSES), NET

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Net profit/(loss) on sale of subsidiaries	5 390	-
Net profit/(loss) on sale of tangible, fixed assets	(2 974)	18
<b>Total</b>	<b>2 416</b>	<b>18</b>

The item "Profit/(loss) on sale of subsidiaries" relates to the sale by Unimot Energia i Gaz Sp. z o.o. on 31 May 2022, sale of shares in Naturalna Energia Sp. z o.o, Nasze Czyste Powietrze Sp. z o.o. and PV Energy Poland Sp. z o.o.

In connection with the sale of the companies' net assets, the Group made a profit of PLN 5,390 thousand.

### 5.5. OTHER OPERATING COSTS

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Interest cost on non-financial liabilities	(1 948)	(812)
Impairment losses on investments	-	(1 501)
Compensation	(130)	-
Litigation costs	(162)	(45)
Contractual penalties	(513)	(47)
Donations	(7 402)	(140)
Other	(723)	(929)
<b>Total other operating costs</b>	<b>(10 878)</b>	<b>(3 474)</b>

## 5.6. FINANCIAL REVENUES/(COSTS)

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
<b>Financial revenue</b>		
Interest on financial assets and financial commissions	819	391
Net foreign exchange profit	-	304
<b>Total financial revenue</b>	<b>819</b>	<b>695</b>
<b>Financial costs</b>		
Bank interest and transaction costs on loans and borrowings, leasing interest	(21 969)	(8 752)
<b>Total financial costs</b>	<b>(21 969)</b>	<b>(8 752)</b>
<b>Financial revenue/(costs)</b>	<b>(21 150)</b>	<b>(8 057)</b>

## 5.7. PROFIT/(LOSS) PER SHARE

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Net profit/(loss) attributable to equity holders of the Parent Entity	373 955	76 252
Weighted average number of ordinary shares (units)	8 198	8 198
<b>Basic(a) and diluted(a) net profit/(loss) per share</b>	<b>45,62</b>	<b>9,30</b>

## 5.8. INCOME TAX

Income tax recognised in the Statements of Total Revenues



<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
<b>Current income tax</b>		
Income tax for the current year	(99 539)	(22 232)
<b>Deferred tax</b>		
Origination / reversal of temporary differences	9 212	1 840
<b>Income tax recognised in the statements of total revenues</b>	<b>(90 327)</b>	<b>(20 392)</b>

#### Effective tax rate

A reconciliation of the theoretical tax resulting from profit/(loss) before tax and the statutory tax rate to the income tax cost reported in the statements of total revenues is as follows:

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
<b>Profit/(loss) before tax</b>	<b>464 224</b>	<b>96 353</b>
Tax based on the applicable tax rate	(88 203)	(18 307)
Tax effect of permanently non-deductible costs	(2 036)	(1 381)
Tax effect of permanently non-taxable income	64	485
Unused tax losses included in the calculation of deferred income tax in previous years	-	(86)
Tax losses on which no deferred tax asset has been recognised	(147)	(731)
Utilisation of tax losses on which no deferred tax asset was recognised	8	-
Other	(13)	(372)
<b>Net income tax cost / recognition of profit / (loss)</b>	<b>(90 327)</b>	<b>(20 392)</b>
<b>Effective tax rate</b>	<b>19,5%</b>	<b>21,2%</b>

## 6. EXPLANATORY NOTES ON INDEBTNESS

### 6.1. LIABILITIES FROM LOANS, BORROWINGS, LEASES, OTHER DEBT INSTRUMENTS AND OVERDRAFTS

The note presents data on the Group's liabilities for loans, borrowings, leases and other debt instruments. For information on foreign exchange and interest rate risks to which the Group is exposed, see Note 8.2.

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

<i>in PLN thousand</i>	31.12.2022	31.12.2021

Credits and loans	348	3 617
Lease liabilities	107 284	70 290
Overdraft facilities	206 754	336 563
<b>Total</b>	<b>314 386</b>	<b>410 470</b>

#### Liabilities from loans, borrowings, leases and other debt instruments and overdrafts broken down into long-term and short-term

<i>in PLN thousand</i>	31.12.2022	31.12.2021
<b>Long-term liabilities</b>		
Credits and loans	-	2 177
Lease liabilities	96 332	62 901
<b>Total long-term</b>	<b>96 332</b>	<b>65 078</b>
<b>Short-term liabilities</b>		
Credits and loans	348	1 440
Lease liabilities	10 952	7 389
<b>Total short-term</b>	<b>11 300</b>	<b>8 829</b>
Overdraft facilities - used credit lines	181 126	277 497
Reverse factoring liabilities	25 628	59 066
<b>Overdraft facilities</b>	<b>206 754</b>	<b>336 563</b>
<b>Total Liabilities from loans, borrowings, leases and other debt instruments and overdrafts</b>	<b>314 386</b>	<b>410 470</b>

#### Schedule of repayments of loans, borrowings and other liabilities as of 31.12.2022 (excluding lease liabilities)

<i>in PLN thousand</i>	Total	Less than 1 year	1 to 3 years	From 3 to 5 years	Over 5 years
Credits and loans	348	348	-	-	-
<b>Total</b>	<b>348</b>	<b>348</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Schedule of repayments of loans, borrowings and other liabilities as of 31.12.2021 (excluding lease liabilities):

<i>in PLN thousand</i>	Total	Less than 1 year	1 to 3 years	From 3 to 5 years	Over 5 years
Credits and loans	3 617	1 440	2 177	-	-
<b>Total</b>	<b>3 617</b>	<b>1 440</b>	<b>2 177</b>	<b>-</b>	<b>-</b>

#### Schedule of repayment of lease liabilities:

<i>in PLN thousand</i>	Lease payments	Interest	Capital	Lease payments	Interest	Capital
	31.12.2022			31.12.2021		

By one year	16 515	5 563	10 952	10 575	3 186	7 389
1 to 5 years	50 794	16 255	34 539	30 443	10 190	20 253
over 5 years	78 312	16 519	61 793	55 237	12 589	42 648
<b>Total</b>	<b>145 621</b>	<b>38 337</b>	<b>107 284</b>	<b>96 255</b>	<b>25 965</b>	<b>70 290</b>

Lease agreements do not provide for the payment of contingent fees.

An analysis of the maturity of lease liabilities is presented in Note 8.2.6.

## 6.2. ANALYSIS OF CREDIT AND LOAN AGREEMENTS

Name of financing company	<i>in PLN thousand</i>		Carrying amount at 31.12.2022	Percentage rate	Currency of the loan	Type of commitment	Date of award	Duration of contract
	Longer-term part	Short-term part						
Bank Millenium S.A.	-	-	-	1M WIBOR/ EURIBOR/SOFR + margin	PLN/EUR/USD	umbrella loan/overdraft facility	2019-11-25	2023-02-19
mBank S.A.	-	154 059	154 059	SOFR ON + margin	USD	Revolving credit/overdraft facility	2015-07-07	2024-02-13
mBank S.A.	-	-	-	1M WIBOR + margin	PLN	overdraft facility	2021-12-29	2024-02-13
PKO Factoring S.A.	-	-	-		PLN/EUR	Factoring limit with and without recourse	2020-06-22	for an indefinite period
BOŚ Bank S.A.	-	27 067	27 067	3M WIBOR/EURIBOR/SOFR + margin	PLN	Revolving credit/overdraft facility	2021-06-29	2023-06-28
BOŚ Factoring	-	25 628	25 628	1M WIBOR/ EURIBOR/SOFR + margin	PLN/USD/EUR	Reverse factoring line agreement	2021-11-15	2023-11-13
<b>Total</b>	<b>-</b>	<b>206 754</b>	<b>206 754</b>					

Available unused credit limits at the balance sheet date are shown in note 8.6.

### COLLATERAL FOR LOANS AND ADVANCES LISTED IN THE TABLE ABOVE

#### Umbrella overdraft agreement with Bank Millennium:

- declaration of surrender to enforcement,
- pledge of cash,
- joint mortgage of up to PLN 3.4 million on real estate owned by Unimot Express Sp.z.o.o., together with assignment of rights under an insurance policy,
- joint mortgage of up to PLN 8.5 million on real estate owned by Unimot Express Sp.z.o.o, together with assignment of rights under an insurance policy,
- declaration of Unimot Express Sp.z.o.o. on submission to enforcement against property (real estate) up to PLN 8.5 million and PLN 3.45 million,
- registered and financial pledge on receivables,
- joint and several mortgages up to PLN 16 million on real estate belonging to: Unimot S.A., located in Zawadzkie, Unimot Express Sp. z o.o., located in Częstochowa, 3B Torowa Street,
- mutual guarantees from Unimot S.A., Unimot Paliwa Sp. z o.o.; Tradea Sp. z o.o. and UEIG Sp. z o.o.
- registered and financial pledge on PLN, EUR and USD accounts - Unimot Paliwa,
- Registered pledge on account receivables - Unimot S.A.

#### **Revolving credit/overdraft agreement with mBank:**

- a guarantee from Unimot S.A. for PLN 52.5 million,
- registered pledge on inventory,
- assignment of receivables and claims,
- power of attorney over the account,
- blocking on bank accounts,
- assignment of rights to future indemnities under the Borrower's receivables insurance contract with Atradius, Hermes, KUKA,
- registered and financial pledges on receivables from bank accounts,
- declaration of surrender to enforcement.

#### **Overdraft agreement with mBank:**

- A cash deposit of PLN 1.1 million,
- declaration of surrender to enforcement.
- surety from Unimot S.A.

#### **Revolving credit/overdraft agreement with BOŚ Bank S.A.:**

- power of attorney to dispose of accounts, with the exception of the account opened by the Bank to handle VAT under the split payment mechanism,
- a financial pledge with an offsetting clause on the rights to cash deposited on the BOŚ S.A. client's accounts, with the exception of the account opened by the Bank to handle VAT under the split payment mechanism,
- blank promissory note with declaration,
- PLG FGP BGK guarantee of up to 80% of the loan amount, i.e. PLN 88 million,
- accession to the debt of Unimot S.A. by Unimot Paliwa sp. z o.o.
- declaration of surrender to enforcement.

#### **Factoring limit agreement with recourse and non-recourse concluded with PKO Factoring S.A.:**

- tripartite agreement to the Receivables Insurance Policy concluded by the Customer, the Factor and Compagnie Francaise D'Assurance Pour Le Commerce Exterieur S.A. Branch in Poland.

#### **Reverse factoring line agreement with BOŚ Factoring:**

- promissory note with declaration,
- power of attorney for funds,

- financial pledge of cash,
- accession to the debt of Unimot S.A. by Unimot Paliwa sp. z o.o.,
- LGF FGP BGK guarantee of up to PLN 29.5 million.

The margin on borrowings and other debt instruments depends on the variable interest rate to which it relates. A range analysis of the margin is presented below:

- WIBOR 1M - margin between 1.0% and 1.2%
- WIBOR 3M - margin of 1.4%
- USD LIBOR 1M - margin between 1.35% and 1.8%
- EURIBOR 1M - margin between 1.3% and 1.5%
- SOFR ON - margin of 1.4%

### 6.3. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

<i>in PLN thousand</i>	As of 01.01.2022	Incurring debt	Repayment of the liability	Accrued interest	Interest paid	Realised exchange differences	Unrealised exchange rate differences	As of 31.12.2022
Overdraft facilities	336 563	246 056	(350 748)	17 428	(17 428)	(32 725)	7 608	206 754
Bank loans	3 617	24	(3 641)	186	(186)	-	-	-
Short-term loans from other entities	-	8 164	(8 249)	-	-	85	-	-
Accrued and paid interest on short- term loans from unrelated entities	-	-	-	1 008	(660)	-	-	348
Lease liabilities	70 290	49 573	(12 579)	3 633	(3 633)	-	-	107 284
	<b>410 470</b>	<b>303 817</b>	<b>(375 217)</b>	<b>22 255</b>	<b>(21 907)</b>	<b>(32 640)</b>	<b>(7 608)</b>	<b>314 386</b>

<i>in PLN thousand</i>	As of 01.01.2021	Incurring debt	Repayment of the liability	Accrued interest	Interest paid	Realised exchange differences	Unrealised exchange rate differences	As of 31.12.2021
Overdraft facilities	172 440	368 684	(172 440)	-	(5 683)	(21 038)	(5 400)	336 563
Bank loans	5 221	199	(1 632)	-	(171)	-	-	3 617
Short-term loans from other entities	-	15 811	(15 978)	-	-	167	-	-
Accrued and paid interest on short- term loans from unrelated entities	-	-	-	298	(298)	-	-	-
Lease liabilities	53 176	26 510	(6 584)	-	(2 812)	-	-	70 290
	<b>230 837</b>	<b>411 204</b>	<b>(196 634)</b>	<b>298</b>	<b>(8 964)</b>	<b>(20 871)</b>	<b>(5 400)</b>	<b>410 470</b>

## 7. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

### 7.1. TANGIBLE FIXED ASSET

#### Tangible, fixed assets

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Fixed assets under construction	Total
<b>As of 01.01.2021</b>	1 333	29 365	9 519	2 453	2 241	2 432	47 343
<b>Increases due to:</b>	2 006	4 661	2 875	4 216	1 852	1 939	17 549
- acquisitions	2 006	3 881	2 556	8	1 395	3 495	13 341
- redemption of assets and transfer from rights of use	-	-	-	4 208	-	-	4 208
- transfers from fixed assets under construction	-	780	319	-	457	(1 556)	-
<b>Decrease due to:</b>	-	(260)	(1 157)	(2 254)	(99)	(220)	(3 990)
- liquidations	-	-	-	-	-	(147)	(147)
- sales	-	(260)	(1 157)	(2 254)	(99)	-	(3 770)
- exchange rate differences	-	-	-	-	-	(73)	(73)
<b>As of 31.12.2021</b>	3 339	33 766	11 237	4 415	3 994	4 151	60 902

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Fixed assets under construction	Total
<b>As of 01.01.2022</b>	3 339	33 766	11 237	4 415	3 994	4 151	60 902
<b>Increases due to:</b>	1 011	8 750	8 031	38 895	3 525	3 740	63 952
- acquisitions	-	25	778	37 636	580	23 674	62 693
- redemption of assets and transfer from rights of use	-	-	-	1 259	-	-	1 259
- transfers from fixed assets under construction	1 011	8 725	7 253	-	2 945	(19 934)	-
<b>Decrease due to:</b>	-	(373)	(20)	(654)	(9)	(2 093)	(3 149)
- liquidations	-	-	(15)	-	(1)	(2)	(18)
- sales	-	(373)	(5)	(651)	(1)	(1 146)	(2 176)
- exchange rate differences	-	-	-	(3)	(7)	-	(10)
- transfers to intangible assets	-	-	-	-	-	(945)	(945)
<b>As of 31.12.2022</b>	4 350	42 143	19 248	42 656	7 510	5 798	121 705

#### Depreciation and impairment losses:

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Fixed assets under construction	Total
<b>As of 01.01.2021</b>	-	(4 236)	(4 515)	(2 059)	(699)	-	(11 509)
<b>Depreciation for the period</b>	-	(1 575)	(900)	(291)	(343)	-	(3 109)
<b>Increase due to:</b>	-	-	-	(2 439)	-	-	(2 439)
- redemption of assets and transfer from rights of use	-	-	-	(2 439)	-	-	(2 439)
<b>Decrease due to:</b>	-	137	574	1 304	105	-	2 120
- sales	-	137	574	1 297	94	-	2 102
- exchange rate differences	-	-	-	7	11	-	18
<b>As of 31.12.2021</b>	-	(5 674)	(4 841)	(3 485)	(937)	-	(14 937)

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Fixed assets under construction	Total
<b>As of 01.01.2022</b>	-	(5 674)	(4 841)	(3 485)	(937)	-	(14 937)

<b>Depreciation for the period</b>	-	(1 885)	(1 158)	(1 009)	(576)	-	<b>(4 628)</b>
<b>Increase due to:</b>	-	-	-	(699)	-	-	(699)
- redemption of assets and transfer from rights of use	-	-	-	(699)	-	-	(699)
<b>Decrease due to:</b>	-	<b>118</b>	<b>11</b>	<b>269</b>	<b>(1)</b>	-	<b>397</b>
- liquidations	-	-	11	-	1	-	12
- sales	-	118	-	275	-	-	393
- exchange rate differences	-	-	-	(6)	(2)	-	(8)
<b>As of 31.12.2022</b>	-	<b>(7 441)</b>	<b>(5 988)</b>	<b>(4 924)</b>	<b>(1 514)</b>	-	<b>(19 867)</b>

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible assets	Fixed assets under construction	Total
<b>Net value</b>							
As of 31.12.2021	3 339	28 092	6 396	930	3 057	4 151	45 965
<b>Net value</b>							
As of 31.12.2022	4 350	34 702	13 260	37 732	5 996	5 798	101 838

### Depreciation of tangible, fixed assets

The items in which depreciation of tangible, fixed assets is recognised are set out below.

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
Selling costs	(4 281)	(2 901)
Overheads	(347)	(208)
<b>Total</b>	<b>(4 628)</b>	<b>(3 109)</b>

### Tangible, fixed assets:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Land	4 350	3 339
Buildings and structures	34 702	28 092
Machinery and equipment	13 260	6 396
Means of transport	37 732	930
Other fixed assets	5 996	3 057
Fixed assets under construction	5 798	4 151
<b>Total</b>	<b>101 838</b>	<b>45 965</b>

### Other information on tangible, fixed assets

As of 31 December 2022, tangible, fixed assets with a carrying amount of PLN 4,733 thousand (31 December 2021: PLN 25,370 thousand) were pledged as security for bank loans and overdrafts.

There were no capitalised borrowing costs for tangible, fixed assets in the Group in 2022 or 2021.

## 7.2. RIGHT TO USE ASSETS

The Group analysed all contracts that could have the nature of a lease. As a result of the analysis, agreements containing lease were distinguished. These include agreements for the lease of office space, the lease of petrol stations and the lease of means of transport.

As a result of its analysis, the Group recognised the following rights to use assets by underlying asset:



<i>in PLN thousand</i>	Buildings and structures	Means of transport	Technical equipment	Total
<b>As of 01.01.2021</b>	<b>52 376</b>	<b>11 166</b>	-	<b>63 542</b>
<b>Increases due to:</b>	<b>19 132</b>	<b>7 378</b>	-	<b>26 510</b>
- new lease contracts, increase in lease fees	19 132	7 378	-	26 510
<b>Decrease due to:</b>	<b>(5 914)</b>	<b>(5 211)</b>	-	<b>(11 125)</b>
- redemption of assets and transfer from rights of use	-	(4 208)	-	(4 208)
- sales	-	(554)	-	(554)
- liquidations	(5 914)	(449)	-	(6 363)
<b>As of 31.12.2021</b>	<b>65 594</b>	<b>13 333</b>	-	<b>78 927</b>

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Technical equipment	Total
<b>As of 01.01.2022</b>	<b>65 594</b>	<b>13 333</b>	-	<b>78 927</b>
<b>Increases due to:</b>	<b>37 461</b>	<b>11 679</b>	<b>433</b>	<b>49 573</b>
- new lease contracts, increase in lease fees	37 461	11 679	433	49 573
<b>Decrease due to:</b>	<b>(765)</b>	<b>(4 505)</b>	-	<b>(5 270)</b>
- redemption of assets and transfer from rights of use	-	(1 259)	-	(1 259)
- sales	-	(1 520)	-	(1 520)
- transfer	-	(1 726)	-	(1 726)
- liquidations	(765)	-	-	(765)
<b>As of 31.12.2022</b>	<b>102 290</b>	<b>20 507</b>	<b>433</b>	<b>123 230</b>

#### Depreciation and impairment losses:

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Technical equipment	Total
<b>As of 01.01.2021</b>	<b>(5 722)</b>	<b>(3 452)</b>	-	<b>(9 174)</b>
<b>Depreciation</b>	<b>(6 359)</b>	<b>(2 241)</b>	-	<b>(8 600)</b>
<b>Decrease due to:</b>	<b>5 914</b>	<b>2 789</b>	-	<b>8 703</b>
- redemption of assets and transfer from rights of use	-	2 439	-	2 439
- sales	-	197	-	197
- liquidations	5 914	153	-	6 067
<b>As of 31.12.2021</b>	<b>(6 167)</b>	<b>(2 904)</b>	-	<b>(9 071)</b>

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Technical equipment	Total
<b>As of 01.01.2022</b>	<b>(6 167)</b>	<b>(2 904)</b>	-	<b>(9 071)</b>
<b>Depreciation for the period</b>	<b>(8 262)</b>	<b>(2 846)</b>	<b>(7)</b>	<b>(11 115)</b>
<b>Decrease due to:</b>	<b>212</b>	<b>1 974</b>	-	<b>2 186</b>
- redemption of assets and transfer from rights of use	-	699	-	699
- sales	-	627	-	627
- transfer	-	648	-	648
- liquidations	212	-	-	212
<b>As of 31.12.2022</b>	<b>(14 217)</b>	<b>(3 776)</b>	<b>(7)</b>	<b>(18 000)</b>

#### Net value

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Technical equipment	Total
<b>Net value</b>				
As of 01.01.2021	46 654	7 714	-	54 368
As of 31.12.2021	59 427	10 429	-	69 856
<b>Net value</b>				
As of 01.01.2022	59 427	10 429	-	69 856
As of 31.12.2022	88 073	16 731	426	105 230

The total expenditure on leases presented in financing activities in the statements of cash flows in 2022 amounted to PLN 16,409 thousand (2021: PLN 9,396 thousand).

### Lease costs

Lease costs recognised in the statements of total revenues:

<i>in PLN thousand</i>	01.01.2022	31.12.2022
Amortisation of right-of-use assets, recognised as:		(11 115)
- <i>selling costs</i>		(9 286)
- <i>overheads</i>		(1 829)
Interest cost (included in financial costs)		(3 633)
Lease costs for low-value short-term contracts (included in cost of sales)		(196)
<b>Lease costs</b>		<b>(14 944)</b>

### Other information on the right to use assets

As of 31 December 2022, and 31 December 2021, there were no rights to use the asset as security for the repayment of liabilities.

The Group had no capitalised borrowing costs for the right to use the asset in 2022 or 2021.

## 7.3. INTANGIBLE ASSETS

Gross value:

<i>in PLN thousand</i>	Goodwill	Other intangible assets	Acquired rights	Software and others	Total
<b>As of 01.01.2021</b>	17 882	3 186	310	1 290	22 668
<b>Increases due to:</b>	22	136	97	240	495
- <i>acquisitions</i>	22	136	97	240	495
<b>Decrease due to</b>	-	-	-	-	-
<b>As of 31.12.2021</b>	17 904	3 322	407	1 530	23 163

<i>in PLN thousand</i>	Goodwill	Other intangible assets	Acquired rights	Software and others	Total
<b>As of 01.01.2022</b>	17 904	3 322	407	1 530	23 163
<b>Increases due to:</b>	-	-	32	1 091	1 123
- <i>acquisitions</i>	-	-	32	1 091	1 123
<b>Decrease</b>	-	(3 186)	-	-	(3 186)

<b>As of 31.12.2022</b>	<b>17 904</b>	<b>136</b>	<b>439</b>	<b>2 621</b>	<b>21 100</b>
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#### Depreciation and impairment losses:

<i>in PLN thousand</i>	Goodwill	Other intangible assets	Acquired rights	Software and others	Total
<b>As of 01.01.2021</b>	-	-	(138)	(816)	(954)
<b>Depreciation for the year</b>	-	(660)	(76)	(240)	(976)
<b>Decrease</b>	-	-	-	-	-
<b>As of 31.12.2021</b>	-	(660)	(214)	(1 056)	(1 930)

<i>in PLN thousand</i>	Goodwill	Other intangible assets	Acquired rights	Software and others	Total
<b>As of 01.01.2022</b>	-	(660)	(214)	(1 056)	(1 930)
<b>Depreciation for the year</b>	-	(293)	(81)	(368)	(742)
<b>Decrease</b>	-	903	-	-	903
<b>As of 31.12.2022</b>	-	(50)	(295)	(1 424)	(1 769)

<i>in PLN thousand</i>	Goodwill	Other intangible assets	Acquired rights	Software and others	Total
<b>Net value</b>					
As of 01.01.2021	17 882	3 186	172	474	21 714
As of 31.12.2021	17 904	2 662	193	474	21 233
<b>Net value</b>					
As of 01.01.2022	17 904	2 662	193	474	21 233
As of 31.12.2022	17 904	86	144	1 197	19 331

#### Amortisation of intangible assets and impairment losses

Amortisation and impairment losses on intangible assets were recognised in financial result under the following headings:

<i>in PLN thousand</i>	01.01.2022	31.12.2022
Overheads		(660)
Selling costs		(82)
<b>Total</b>		<b>(742)</b>

#### Other information on intangible assets

As of 31 December 2022, and 31 December 2021, there were no intangible assets pledged as security for liabilities.

There were no capitalised borrowing costs for intangible assets in the Group in 2022 or 2021

## 7.4. IMPAIRMENT OF NON-FINANCIAL ASSETS

#### Impairment tests of cash generating units to which goodwill has been allocated

Under the assumptions of IAS 36, the Group is required to test assets classified as goodwill for impairment on an annual basis (or more frequently if there are indications of possible impairment). Where the book value of a non-financial non-current asset exceeds its estimated recoverable amount, its book value is subject to an impairment charge up to its recoverable amount. The recoverable amount is the higher of the assets' fair value less costs to sell or value in use.

For the purpose of impairment testing, goodwill acquired in a business merger at the time of acquisition is allocated to individual cash-generating units or groups of cash-generating units.

The goodwill recognised in the consolidated financial statements is the result of:

- 1) transfer of an organised part of the enterprise of Unimot Express Sp. z o.o. in 2011, comprising the LPG bottling plant in Zawadzkie together with the wholesale LPG trading business - hereinafter referred to as "LPG trading business",
- 2) the transfer of the organised part of Unimot Express Sp. z o.o.'s business in 2014 covering the wholesale of liquid fuels - hereafter referred to as the "fuel trading business",
- 3) acquisition of 100% of the shares in Unimot Energia i Gaz Sp. z o.o. (former name Energogas Sp. z o.o.) on 30 December 2015. The company is engaged in the sale of electricity and natural gas via third-party infrastructure to end customers - included hereafter as 'natural gas trading activities',
- 4) acquisition on 7 July 2014 of 58.74% of the shares in Blue LNG Sp. z o.o., which sells natural gas to end customers using its own infrastructure - its own LNG regasification stations with backhaul networks. As of 31 December 2022, Unimot S.A. holds 100 % of the shares in Blue LNG Sp. z o.o. - included hereafter as 'natural gas trading activities'.
- 5) acquisition on 20 January 2014 of a 58.74% stake in Unimot System Sp. z o.o., which sells natural gas to end customers using its own infrastructure. As of 31 December 2022, Unimot S.A. holds 100% of the shares in Unimot System Sp. z o.o. - included hereafter as 'natural gas trading activities'.
- 6) acquisition on 20 May 2016 of 100% of Tradea Sp. z o.o., which carries out wholesale electricity sales via exchange and brokerage platforms and provides additional services to the energy market. Hereinafter included as 'electricity-related activities'.
- 7) acquisition of 100% of shares in Unimot Paliwa Sp. z o.o. on 16 November 2015.

**The following units have goodwill allocated to them:**

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
LPG trading activities	2 830	2 830
Fuel trading activities	10 869	10 869
Natural gas trading activities	879	879
Electricity-related activities	3 304	3 304
Petroleum products trading and fuel storage service activities	22	22
<b>Activities related to the marketing of petroleum products and fuel storage services</b>	<b>17 904</b>	<b>17 904</b>

**The fuel trading business, the LPG business, the natural gas companies' business and the electricity companies' business** - fair values, less costs of sale of the cash-generating unit, are estimated based on the discounted cash flow method. The calculations of values according to the discounted cash flow method are based on the results achieved in 2021 and 2022 and on estimates of results for 2023 - 2028 prepared by the Parent Entity's Management Board.

The goodwill of the **LPG business** and the **fuel trading business** arose from the difference between the values of the in-kind contribution of the organised part of the enterprise and the fair value of the net assets acquired.

The goodwill of the **natural gas trading business** and the **electricity trading business** arose from the difference between the purchase price of the relevant entity and the fair value of the net assets acquired.

The goodwill of the **planned petroleum products trading and storage service business** arose from the difference between the purchase price of the units concerned and the fair value of the net assets acquired.

### Fuel trading activities

The method of estimating fair value less costs to sell the CGU was used to assess whether goodwill was impaired for this cash-generating unit (CGU). The value is estimated based on the **discounted cash flow method**. The calculation of the value according to the discounted cash flow method is based on the results achieved for the years 2020 - 2022 and on the estimated results for the years 2023 - 2028 prepared by the Management Board, as the assumed economic useful life of the respective unit extends beyond 2028, the residual value of the respective CGU is also included in the calculation. The adoption of a five-year detailed projection period is justified, as there is no sufficiently reliable data for subsequent reporting periods to reasonably determine various factors such as prices, inflation rates, exchange rates, interest rates.

The key assumptions of the cash flow generating unit test are set out below:

- The weighted average cost of capital after tax ("WACC") over the projection period ranged from 14.5% in 2023 to 14.0% in 2028 - this is related to the assumption of greater use of external capital in CGU's operations compared to the base year. In calculating the WACC, the Company assumed a risk premium of 6% per annum.
- Average annual volumes and costs were assumed on the basis of current financial results, no significant changes in the scope of operations were assumed for the following years.
- It has been assumed that there will be no change in diesel prices over the forecast period, due to the difficulty in determining the long-term path of fuel price changes; additionally, in the case of a trading business such as the company's, a change in diesel prices over the long term does not result in significant changes to working capital and the ability to generate flows.
- A prudent approach to EBITDA y/y forecasting has been assumed.
- The growth rate after the forecast period is 0%.
- The calculation estimates zero costs for the sale of the CGU, due to the small material assets assigned to this centre and the lack of reclamation required.
- Working capital was assumed at 2021 due to the reasons described above.

In the opinion of the Parent Entity's Management Board, changes in key assumptions that could cause the carrying amount of the tested facility to exceed its recoverable amount are unlikely. A 30% decrease in EBITDA compared to the base scenario adopted for the test, together with a 3pp increase in the discount rate, would still not result in the need for write-downs.

### LPG trading activities

The method of estimating fair value less costs to sell the CGU was used to assess whether goodwill was impaired for this cash-generating unit (CGU). The value is estimated based on the **discounted cash flow method**. The calculation of the value according to the discounted cash flow method is based on the results achieved for the years 2020 - 2022 and on the estimated results for the years 2023 - 2028 prepared by the Company's Management Board, as the assumed economic useful life of the respective unit extends beyond 2028, the residual value of the respective CGU is also included in the calculation. The adoption of a five-year detailed forecast period is justified, as there is no sufficiently reliable data for subsequent reporting periods to reasonably determine various factors such as prices, inflation rates, exchange rates, interest rates.

The key assumptions of the cash flow generating unit test are set out below:

- The weighted average cost of capital after tax ("WACC") over the projection period ranged from 13.6% in 2023 to 13.7% in 2028 - this is related to the assumption of less use of external capital in CGU's operations. In calculating the WACC, the Company assumed a risk premium of 6% per annum.
- Average annual volumes and costs were assumed on the basis of current financial results, no significant changes in the scope of operations were assumed for the following years.
- No change in LPG prices over the forecast period has been assumed due to the difficulty in determining the long-term path of fuel price changes, additionally, for a trading business such as the company's, a change in LPG prices over the long term does not result in significant changes to working capital and the ability to generate flows.
- EBITDA levels for subsequent years in line with Group forecasts.

- The growth rate after the forecast period is 0%.
- The calculation estimates zero costs for the sale of CGU, due to the lack of need for land reclamation and the possibility of continuing to use the tanks located at the bottling plant in Zawadzkie.

In the opinion of the Parent Entity's Management Board, changes in key assumptions that could cause the carrying amount of the tested facility to exceed its recoverable amount are unlikely.

A 30% decrease in EBITDA from the base case scenario adopted for the test, together with a 3pp increase in the discount rate, would still not result in the need for write-downs.

### Electricity-related activities

The method of estimating fair value less costs to sell the CGU was used to assess whether goodwill was impaired for this cash-generating unit (CGU). The value is estimated based on the **discounted cash flow method**. The calculation of the value according to the discounted cash flow method is based on the results achieved for the years 2020 - 2022 and on the estimated results for the years 2023 - 2028 prepared by the Company's Management Board, as the assumed economic useful life of the respective unit extends beyond 2028, the residual value of the respective CGU is also included in the calculation. The adoption of a five-year detailed forecast period is justified, as there is no sufficiently reliable data for subsequent reporting periods to reasonably determine various factors such as prices, inflation rates, exchange rates, interest rates

The key assumptions of the cash flow generating unit test are set out below:

- The weighted average cost of capital after tax ("WACC") over the projection period was from 16.1% in 2023 - the same was assumed for subsequent years. In calculating the WACC, the Group assumed a risk premium of 6% per annum.
  - Average annual volumes and costs were assumed on the basis of current financial results, no significant changes in the scope of operations were assumed for the following years.
  - The method of calculating the cost of equity and borrowed capital for Tradea Sp. z o.o. was aligned to the method adopted in the valuation of OPE wholesale fuel and OPE gas bottling plant in Zawadzkie.
  - A prudent approach to EBITDA y/y forecasting has been assumed.
  - The growth rate after the forecast period is 0%.
- 
- The calculation estimates zero costs for the sale of the CGU, due to the small material assets assigned to this centre and the lack of reclamation required.
  - The level of working capital in the following years remains at a sustainable level, mainly due to the fact that an important source of turnover in the business is trading activities, which are generally unplanned.

In the opinion of the Parent Entity's Management Board, changes in key assumptions that could cause the carrying amount of the tested facility to exceed its recoverable amount are unlikely.

A 30% decrease in EBITDA from the base case scenario adopted for the test, together with a 3pp increase in the discount rate, would still not result in the need for write-downs.

For the natural gas trading business, goodwill impairment tests were carried out based on the model described above for the electricity business.

**As of 31 December 2022, and 31 December 2021, no impairment of goodwill was identified in relation to the fuel, LPG, natural gas and electricity trading activities.**

## 7.5. OTHER FINANCIAL ASSETS

<i>in PLN thousand</i>	01.01.2022	01.01.2021
	31.12.2022	31.12.2021
<b>Long-term investments</b>		
Interests in non-consolidated related entities	260	260

<b>Total long-term investments</b>	<b>260</b>	<b>260</b>
<b>Short-term investments</b>		
Loans granted	204	5 147
Restricted cash to secure natural gas trading transactions	41 102	-
Restricted cash to hedge future hedging transactions	31 009	30 981
<b>Total short-term investments</b>	<b>72 315</b>	<b>36 128</b>

As of 31 December 2022, the item Loans granted includes:

- the balance of the loan granted to the Company U.C. Energy Ltd. (personally related to Unimot S.A.) - an amount of PLN 185 thousand (accrued interest remaining to be paid at the balance sheet date);
- the balance of educational loans for people in higher education as part of cooperation with the IVY Poland Foundation - an amount of PLN 19 thousand.

As of 31 December 2021, the item Loans granted includes:

- the balance of the loan granted to the Company U.C. Energy Ltd. (personally related to Unimot S.A.) - amount of PLN 5,082 thousand;
- the balance of educational loans for people in higher education as part of cooperation with the IVY Poland Foundation - an amount of PLN 65 thousand.

Restricted cash to hedge transactions is the required Margin for hedging transactions opened by the Group through Marex Financial.

Restricted cash to secure natural gas trading transactions is the required Margin for the Group's execution of transactions through Dom Maklerski BOŚ S.A. on markets operated by the Polish Power Exchange (Towarowa Giełda Energii S.A.).

#### Change in loans receivable in other entities arising from investing activities

<i>in PLN thousand</i>	<b>01.01.2022 31.12.2022</b>	<b>01.01.2021 31.12.2021</b>
<b>Opening balance sheet as of 1 January</b>	<b>5 147</b>	<b>194</b>
Grant	-	49 671
Repayment	(5 309)	(43 283)
Interest received	(392)	(75)
Accrued interest	204	372
Write-down	-	(1 501)
Realised exchange differences	(99)	422
Unrealised exchange differences	653	(653)
<b>Closing balance sheet as of 31 December</b>	<b>204</b>	<b>5 147</b>

As of 31 December 2022, and 31 December 2021, Unimot S.A. held investments in Green Electricity Sp. z o.o. (25% equity interest) in the gross amount of PLN 2,525 thousand, which as of 31 December 2022 and 31 December 2021 were covered by a 100% write-down. As of 31 December 2022, and 31 December 2021, there was a balance of loans granted to Green Electricity in the amount of PLN 5,501 thousand and accrued interest in the amount of PLN 724 thousand, which as of 31 December 2022 and 31 December 2021 were covered by a 100% write-down.

## 7.6. DEFERRED TAX ASSETS AND LIABILITIES



Deferred tax assets and liabilities have been recognised in respect of the following items:

<i>in PLN thousand</i>	Assets		Reserves		Net value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Tangible fixed assets	701	357	(1 826)	(1 592)	(1 125)	(1 235)
Intangible assets	-	-	(34)	(56)	(34)	(56)
Write-downs for other investments	1 525	1 700	-	-	1 525	1 700
Valuation of compulsory reserves and derivatives	2 712	5 538	(1 587)	(5 394)	1 125	144
Write-downs for trade and other receivables	1 569	1 505	(1 578)	(795)	(9)	710
Loans, borrowings and other debt instruments liabilities	-	273	-	(5)	-	268
Remuneration liabilities	87	60	-	(214)	87	(154)
Employee benefit liabilities	299	185	-	-	299	185
Trade and other liabilities	14 883	5 474	-	-	14 883	5 474
Other	227	8	(151)	-	76	8
Accrued interest	1 701	-	(307)	-	1 394	-
Exchange rate differences	225	-	(1 068)	-	(843)	-
Deductible tax losses recognised as available for use in future periods	1 941	3 063	-	-	1 941	3 063
<b>Deferred tax assets / liabilities</b>	<b>25 870</b>	<b>18 163</b>	<b>(6 551)</b>	<b>(8 056)</b>	<b>19 319</b>	<b>10 107</b>
to be used after 12 months	3 934	4 794	(1 996)	(1 600)		
to be used within 12 months	21 936	13 369	(4 555)	(6 456)		
Compensation	(6 551)	(6 000)	6 551	6 000		
<b>Deferred tax assets / liabilities as reported in the statements of financial position</b>	<b>19 319</b>	<b>12 163</b>	<b>-</b>	<b>(2 056)</b>		

The change in deferred income tax is as follows:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
<b>Surplus of deferred tax assets over deferred tax liabilities opening balance</b>	<b>10 107</b>	<b>8 267</b>
Recognition/charge of net profit/(loss)	9 212	1 840
<b>Surplus of deferred tax assets over deferred tax liabilities - closing balance</b>	<b>19 319</b>	<b>10 107</b>
<b>Deferred tax assets</b>	<b>25 870</b>	<b>18 163</b>
<b>Deferred tax liabilities</b>	<b>(6 551)</b>	<b>(8 056)</b>

Change in temporary differences during the period:

<i>in PLN thousand</i>	01.01.2022	Change recognised in financial result	Change recognised in equity	31.12.2022
Tangible, fixed assets	(1 235)	110	-	(1 125)
Intangible assets	(56)	22	-	(34)
Write-downs for other investments	1 700	(175)	-	1 525
Valuation of compulsory reserves and derivatives	144	981	-	1 125
Write-downs for trade and other receivables	710	(719)	-	(9)
Loans, borrowings and other debt instruments liabilities	268	(268)	-	-
Remuneration liabilities	(154)	241	-	87
Employee benefit liabilities	185	114	-	299
Trade and other liabilities	5 474	9 409	-	14 883
Other	8	68	-	76

Accrued interest	-	1 394	-	1 394
Exchange rate differences	-	(843)	-	(843)
Deductible tax losses recognised as available for use in future periods	3 063	(1 122)	-	1 941
<b>Total</b>	<b>10 107</b>	<b>9 212</b>	<b>-</b>	<b>19 319</b>

<i>in PLN thousand</i>	<b>01.01.2021</b>	<b>Change recognised in financial result</b>	<b>Change recognised in equity</b>	<b>31.12.2021</b>
Tangible, fixed assets	(1 201)	(34)	-	(1 235)
Intangible assets	(48)	(8)	-	(56)
Write-downs for other investments	1 314	386	-	1 700
Valuation of compulsory reserves and derivatives	120	24	-	144
Write-downs for trade and other receivables	853	(143)	-	710
Loans, borrowings and other debt instruments liabilities	182	86	-	268
Remuneration liabilities	21	(175)	-	(154)
Employee benefit liabilities	151	34	-	185
Trade and other liabilities	5 235	239	-	5 474
Other	453	(445)	-	8
Deductible tax losses recognised as available for use in future periods	1 187	1 876	-	3 063
<b>Total</b>	<b>8 267</b>	<b>1 840</b>	<b>-</b>	<b>10 107</b>

## 7.7 INVENTORIES

### Inventories

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Materials	5 249	3 695
Intermediates	1 804	570
Goods – compulsory reserve	5 262	241 460
Goods - operating reserve	244 860	79 490
<b>Total</b>	<b>257 175</b>	<b>325 215</b>

### Valuation of inventories at fair value - level 1:

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Cost of inventories valued at cost	110 040	71 075
Acquisition cost of inventories valued at fair value	148 308	163 212
Valuation of inventories at fair value	(1 173)	90 928
<b>Total</b>	<b>257 175</b>	<b>325 215</b>

No inventory write-downs were made in 2022 and 2021.

Inventories did not serve as collateral for borrowings during the year ended 31 December 2022 or the year ended 31 December 2021.

## 7.8. LONG-TERM RECEIVABLES

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Excise duty security receivable	6	4 979
Receivables from performance bonds and trade limits	449	25 012
Receivables from concessions	5 500	-
Receivables from other deposits	720	509
<b>Total other long-term receivables</b>	<b>6 675</b>	<b>30 500</b>

## 7.9. TRADE AND OTHER RECEIVABLES

### Trade and other receivables

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Gross trade receivables	482 216	443 100
Write-down	(8 411)	(7 412)
<b>Net trade receivables</b>	<b>473 805</b>	<b>435 688</b>
Receivables from taxes, subsidies, duties, insurance, except income tax receivables	42 588	13 308
Advances for supplies and services	61 299	23 793
Excise duty security receivable	5 518	900
Treasury security receivables	4 899	-
Performance bond receivable	14 147	16 625
Receivables from concessions	-	22 500
Receivables from other deposits	1 219	-
Receivables from collateral for trade limit	123 650	-
Other receivables	1 632	489
<b>Total</b>	<b>728 757</b>	<b>513 303</b>

The fair value of net trade and other receivables is not materially different from their book value.

The Group is exposed to credit risk arising from trade receivables. The management of credit risk (including concentration of credit risk) is presented in Note 8.2.5.

As of 31 December 2022, receivables with a carrying amount of PLN 357 397 thousand were pledged as collateral for an overdraft facility and a factoring agreement (as of 31 December 2021, receivables with a carrying amount of PLN 286 191 thousand were pledged as collateral for bank loans and a factoring agreement).

### Age structure of trade receivables

#### Gross value:

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Non-overdue</b>	<b>428 118</b>	<b>388 215</b>
<b>Overdue</b>	<b>54 098</b>	<b>54 885</b>
1-30 days	40 807	46 377
31-60 days	1 599	723
60-180 days	1 909	1 025
181-365 days	3 227	717

Over 365 days	6 556	6 043
<b>Total</b>	<b>482 216</b>	<b>443 100</b>

#### Impairment:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
<b>Non-overdue</b>	<b>(700)</b>	<b>(747)</b>
<b>Overdue</b>	<b>(7 711)</b>	<b>(6 665)</b>
1-30 days	(147)	(72)
31-60 days	(66)	(85)
60-180 days	(143)	(628)
181-365 days	(1 420)	(335)
Over 365 days	(5 935)	(5 545)
<b>Total</b>	<b>(8 411)</b>	<b>(7 412)</b>

#### Net value:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
<b>Non-overdue</b>	<b>427 418</b>	<b>387 468</b>
<b>Overdue</b>	<b>46 387</b>	<b>48 220</b>
1-30 days	40 660	46 305
31-60 days	1 533	638
60-180 days	1 766	397
181-365 days	1 807	382
Over 365 days	621	498
<b>Total</b>	<b>473 805</b>	<b>435 688</b>

#### Increases and decreases in write-downs for trade receivables:

<i>in PLN thousand</i>	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
<b>Opening balance sheet as of 1 January</b>	<b>(7 412)</b>	<b>(7 695)</b>
Creation of a write-down arising from the recognition of new receivables	(4 323)	(3 040)
Use of write-down for bad debts	17	151
Release of write-down resulting from discontinued recognition (settlement, repayment of receivables)	3 307	3 172
<b>Closing balance sheet as of 31 December</b>	<b>(8 411)</b>	<b>(7 412)</b>

The Group expects that the realisation of outstanding trade receivables by counterparties will take place no later than 12 months after the end of the reporting period.

The Group considers the failure of a counterparty to meet an obligation after 180 days from the due date of the receivable to be an event of default. Recognised impaired receivables also include receivables issued for late payment by counterparties (so-called financial sanctions).

Receivables recognised as impaired are subject to a full write-down. However, for receivables without insurance, 100% of the value of the receivables is the basis for calculating the write-down, while for receivables covered by insurance or another form of security, the basis for calculating the write-downs is the deductible of their unpaid balance (the amount of the insurance/security deductible).

For other receivables, i.e. receivables without recognised impairment, the Group calculates loss ratios based on the weighted average percentage of receivables outstanding in 12 months by group of receivables and delinquencies, taking into account a three-year period for analysis.

In line with the conversion experience analysed for the first IFRS 9 period, impairment ratios were calculated for insured, uninsured and related receivables in the delay bands together:

- Non-overdue,
- Overdue 1 - 14
- Overdue 15 - 30
- Overdue 31 - 60
- Overdue 61 - 180
- Overdue more than 180 days

As in previous years, based on the actual portfolio balance as of the balance sheet date, receivables were classified in basket 3 as impaired receivables and in basket 2 as non-impaired receivables.

The Group assesses that the risk of non-payment of receivables by the counterparty in respect of not overdue receivables and overdue receivables not covered by a write-down is constantly monitored and the effectiveness of the trade credit and collection management processes is maintained at a high level. Among other things, the Group sets limits for individual counterparties and establishes collateral and has the ability to set off mutual receivables.

#### Receivables by basket:

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Gross receivables in basket 2	474 567	437 104
Write-down for receivables in basket 2	(762)	(1 416)
<b>Net receivables in basket 2</b>	<b>473 805</b>	<b>435 688</b>
Gross receivables in basket 3	7 649	5 996
Write-down for receivables in basket 3	(7 649)	(5 996)
<b>Net receivables in basket 3</b>	<b>-</b>	<b>-</b>

The breakdown of trade receivables and impairment losses by group established on the basis of similarities in credit risk characteristics is shown in the table below:

<i>in PLN thousand</i>	<b>31.12.2022</b>		<b>31.12.2021</b>	
	<b>Gross trade receivables</b>	<b>Write-down</b>	<b>Gross trade receivables</b>	<b>Write-down</b>
<b>Trade receivables not recognised as impaired:</b>	<b>474 567</b>	<b>(762)</b>	<b>437 104</b>	<b>(1 416)</b>
- insured/secured trade receivables	372 147	(275)	255 182	(216)
- trade receivables not covered	102 420	(487)	181 922	(1 200)
<b>Trade receivables recognised as impaired:</b>	<b>7 649</b>	<b>(7 649)</b>	<b>5 996</b>	<b>(5 996)</b>
-gross receivables in basket 3	7 649	(7 649)	5 996	(5 996)
<b>Total as of 31 December</b>	<b>482 216</b>	<b>(8 411)</b>	<b>443 100</b>	<b>(7 412)</b>

## 7.10. ASSETS FROM CONTRACTS WITH CUSTOMERS

Long-term customer contract assets:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Assets from contracts with customers	8 586	7 739
<b>Total</b>	<b>8 586</b>	<b>7 739</b>

#### Short-term customer contract assets:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Assets from contracts with customers	3 094	2 128
<b>Total</b>	<b>3 094</b>	<b>2 128</b>

Assets from contracts with customers relate to costs incurred in connection with the adaptation of petrol stations covered by franchise agreements in accordance with AVIA brand standards and recognised in accordance with IFRS 15 as costs to bring about the conclusion of a contract.

## 7.11. OTHER CURRENT ASSETS

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Accruals active	8 628	16 668
<b>Total</b>	<b>8 628</b>	<b>16 668</b>

As of 31 December 2022, Accruals active include, inter alia, the costs of insurance, time-settled subscriptions and time-settled licence costs.

As of 31 December 2021, Accruals active included, among others, the costs of insurance, time-sensitive subscriptions and costs incurred for the implementation of the NIT (National Indicative Target - obligation to market transport fuels from renewable sources) not related to the sale of goods in the reporting period.

## 7.12. CASH AND CASH EQUIVALENTS

#### Cash and cash equivalents

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Cash in bank accounts	206 529	77 743
Restricted cash in bank accounts	7 140	22
Cash on hand	2 349	665
Overnight deposits	95 000	-
Cash on the move	1 445	662
<b>Cash and cash equivalents, value reported in the statements of financial position</b>	<b>312 463</b>	<b>79 092</b>
Overdraft facilities	(206 754)	(336 563)
<b>Cash and cash equivalents, value reported in the statements of cash flows</b>	<b>105 709</b>	<b>(257 471)</b>

For the purposes of the cash flow statements, overdrafts that are repayable on demand, have a short repayment period and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Cash and cash equivalents have been classified at 31 December 2022 and 31 December 2021 as Grade 1 for impairment, due to the high credit quality rating, the potential write-down is immaterial, hence no movements

on this write-down are presented in 2022 and 2021. Disclosures on the credit quality rating according to external ratings and information on the concentration of credit risk are presented in Note 8.2.5.

## 7.13. EQUITY

### Share capital:

As of 31 December 2022, and 31 December 2021, the Parent Entity's share capital amounted to PLN 8,197,818 and consisted of 7,847,818 ordinary shares and 350,000 preference shares with a nominal value of PLN 1 each.

All shares were paid up, issued and registered as of the end of the reporting period.

The share capital of the Parent Entity as of 31 December 2022 and 31 December 2021 consisted of the following series of shares:

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Series A ordinary shares	100 000	100 000
Series B ordinary shares	250 000	250 000
Series C ordinary shares	2 400 000	2 400 000
Series D ordinary shares	103 797	103 797
Series E ordinary shares	400 000	400 000
Series F ordinary shares	400 000	400 000
Series G ordinary shares	400 000	400 000
Ordinary H shares	400 000	400 000
Series I ordinary shares	1 028 000	1 028 000
J series ordinary shares	2 200 000	2 200 000
Series K ordinary shares	166 021	166 021
Series B preference shares	350 000	350 000
<b>Total number of shares registered</b>	<b>8 197 818</b>	<b>8 197 818</b>
<b>Nominal value of 1 share</b>	<b>1 PLN</b>	<b>1 PLN</b>

The ownership structure as of 31.12.2022 is shown in the table below:

Shareholder	Number of shares	Share in capital %	Number of votes	Share of votes at the General Meeting
<b>Unimot Express Sp. z o.o.</b>	3 593 625	43,84%	3 593 625	42,04%
<b>Zemadon Limited</b>	1 616 661	19,72%	1 966 661	23,01%
<b>Nationale-Nederlanden Powszechno Towarzystwo Emerytalne S.A (portfolio) (2)</b>	542 400	6,62%	542 400	6,35%
<i>of which: Nationale-Nederlanden Otwarty Fundusz Emerytalny</i>	428 719	5,23%	428 719	5,02%
<b>Others</b>	2 445 132	29,82%	2 445 132	28,60%
<b>Total</b>	<b>8 197 818</b>	<b>100%</b>	<b>8 547 818</b>	<b>100%</b>

1 Mr Adam Antoni Sikorski and his family are indirectly controlling the Issuer and Unimot Express sp. z o.o. and Zemadon Ltd. through the "Family First Foundation" and in connection with the agreement concluded on 5 December 2016 between spouses Adam Antoni Sikorski and Magdalena Sikorska as to the conduct of joint policy towards Unimot Express sp. z o.o. and Unimot S.A..

2 Nationale-Nederlanden Powszechno Towarzystwo Emerytalne S.A. through the Nationale-Nederlanden Otwarty Fundusz Emerytalny indicated above and: Nationale-Nederlanden Dobrowolny Fundusz Emerytalny, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2025, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2030, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2035, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2040, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2045, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2050, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2055, Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2060 and Nationale-Nederlanden Voluntary Pension Fund Our Tomorrow 2065.



Unimot does not have a detailed breakdown of its shareholding structure as of 31 December 2022 or as of the date of approval of these consolidated financial statements in terms of other shareholders.

Since the publication of the previous annual report, there has been a change in the structure of ownership of significant blocks of UNIMOT shares, consisting in Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. and Nationale-Nederlanden Otwarty Fundusz Emerytalny exceeding the threshold of 5% of votes at the UNIMOT General Meeting.

The Issuer reported on the exceeding of 5% of votes at the General Meeting in current reports 37/2022 and 38/2022.

The only Unimot shareholders holding, both as of 31 December 2022 and as of the date of approval and publication of this report, a number of shares representing at least 5% of the share capital were Unimot Express Sp. z o.o., Zemadon Limited and Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.

### Other capital

The remaining capital as of 31.12.2022 and 31.12.2021 was supplementary capital.

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Retained earnings transfer reserve	179 766	107 720
Share premium after coverage of share issue costs (agio)	127 226	127 226
<b>Other capitals</b>	<b>306 992</b>	<b>234 946</b>

In accordance with the requirements of the Code of Commercial Partnerships and Companies, joint-stock companies are required to create a supplementary capital to cover losses. At least 8% of the profit for a given financial year as shown in the parent company's standalone financial statements is transferred to this category of capital until this capital reaches at least one-third of the entity's share capital. The General Meeting decides on the use of the supplementary capital; however, a part of the supplementary capital amounting to one-third of the share capital may be used only to cover the loss shown in the standalone financial statements and is not subject to distribution for other purposes.

On 29 June 2022, the Annual General Meeting of Unimot S.A. adopted a resolution on the allocation of profit for 2021, deciding to allocate Unimot S.A.'s separate net profit of PLN 72 046 thousand in full to the Company's supplementary capital.

### Non-controlling interests

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Non-controlling interests</b>	<b>(280)</b>	<b>(274)</b>

### Proposal for allocation of the Parent Entity's profit for 2022

The Management Board of Unimot S.A. will recommend that the Parent Entity's standalone net profit for 2022 be used for:

- dividend payment: PLN 112 228 thousand (PLN 13.69 per share),
- supplementary capital: PLN 5,060 thousand.

The recommendation of the Management Board will be presented to the Ordinary General Meeting of Unimot S.A., which will take a final decision on this issue.

## 7.14. EMPLOYEE BENEFIT LIABILITIES

## Employee benefit liabilities

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Retirement severance payments	113	100
Pension severance payments	17	9
Death allowances	87	9
Provision for allowances for the Social Benefits Fund (ZFŚS)	73	103
Holiday reserve	1 282	751
<b>Total</b>	<b>1 572</b>	<b>972</b>

The age structure of employee benefit liabilities is shown in the table below:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Long-term employee benefit liabilities	282	219
Short-term employee benefit liabilities	1 290	753
<b>Total</b>	<b>1 572</b>	<b>972</b>

### Employee benefits:

Liabilities for retirement, disability and death allowance, as well as provisions for write-downs for the Social Fund, were calculated by an independent actuary based on the following assumptions:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
Discount rate	6,8%	2,0%
Future nominal wage growth adjusted for inflation	5,0%	5,0%
Rotation rate	10,0%	9,0%

### Changes in defined benefit liabilities during the year:

<i>in PLN thousand</i>	Retirement severance payments	Pension severance payments	Compensation for unused holiday entitlement, allowance for the Social Insurance Fund (ZFŚS), death allowance	Total
<b>As of 01.01.2021</b>	<b>103</b>	<b>8</b>	<b>684</b>	<b>795</b>
Current employment costs	17	2	230	249
Interest costs	1	-	2	3
Actuarial profits/(losses) from changes in assumptions	(21)	(1)	(53)	(75)
<b>As of 31.12.2021</b>	<b>100</b>	<b>9</b>	<b>863</b>	<b>972</b>

<i>in PLN thousand</i>	Retirement severance payments	Pension severance payments	Compensation for unused holiday entitlement, allowance for the Social Insurance Fund (ZFŚS), death allowance	Total
<b>As of 01.01.2022</b>	<b>100</b>	<b>9</b>	<b>863</b>	<b>972</b>
Current employment costs	75	14	671	760
Interest costs	3	-	4	7

Actuarial profits/(losses) from changes in assumptions	(55)	(6)	(96)	(157)
Benefits paid	(10)	-	-	(10)
<b>As of 31.12.2022</b>	<b>113</b>	<b>17</b>	<b>1 442</b>	<b>1 572</b>

#### Sensitivity of employee benefit liabilities to changes in underlying assumptions:

	Discount rate		Rate of salary increase in the Group		Rotation rate	
	(0,5%)	0,5%	(0,5%)	0,5%	(0,5%)	0,5%
<i>as of 31.12.2022</i>						
impact on the value of the provision	19	(17)	(17)	19	10	(9)
	Discount rate		Rate of salary increase in the Group		Rotation rate	
	(0,5%)	0,5%	(0,5%)	0,5%	(0,5%)	0,5%
<i>as of 31.12.2021</i>						
impact on the value of the provision	18	(16)	(16)	18	9	(4)

Employee benefit costs were included in pre-tax results as Overheads.

## 7.15. LIABILITIES UNDER CONTRACTS WITH CUSTOMERS

#### Short-term liabilities from contracts with customers:

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Liabilities from contracts with customers	73 429	9 492
<b>Total</b>	<b>73 429</b>	<b>9 492</b>

The Group recognises in the statements of financial position a liability under contracts with customers, being the Group's obligation to provide goods or services to the customer in return for which the Group has received consideration (or the amount of consideration is due) from the customer. In particular, advance payments for deliveries related to current operations are presented under this heading in the statements of financial position.

In the year ended 31 December 2022, the Group recognised revenue of PLN 9,492 thousand, which was included in the balance of contract liabilities at the beginning of the period (2021: PLN 4,130 thousand).

## 7.16. TRADE AND OTHER LIABILITIES

#### Trade and other short-term liabilities

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Trade liabilities	244 439	220 924
Excise duties liabilities	114 529	80 938
Liabilities due to the fuel surcharge	6 999	3 550
Emission fee liabilities	9 328	6 652

Fuel duty liabilities	38 121	26 760
Vat liabilities	8 797	10 199
NIT and NRT fuel surcharge liabilities	7 768	7 284
Energy efficiency liabilities	719	3 185
Obligations under the concession fee for trading in fuels	4 172	2 408
Social security liabilities	2 376	1 078
Personal tax liabilities	1 059	379
Other fees and taxes liabilities	1 139	4 179
Remuneration liabilities	2 053	981
Accruals and prepayments	88 372	28 060
Other liabilities	2 725	2 217
<b>Total</b>	<b>532 596</b>	<b>398 794</b>

## 7.17. DERIVATIVE FINANCIAL INSTRUMENTS

### Derivative financial instruments - financial assets:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
<b>Non-current financial assets</b>		
<i>Futures and FX forward contracts</i>	7 835	-
<b>Total</b>	<b>7 835</b>	<b>-</b>
<b>Short-term financial assets</b>		
<i>Futures, swaps and FX forwards</i>	7 820	59 465
<b>Total</b>	<b>7 820</b>	<b>59 465</b>

### Derivative financial instruments - financial liabilities:

<i>in PLN thousand</i>	31.12.2022	31.12.2021
<b>Long-term financial liabilities</b>		
<i>Futures and FX forward contracts</i>	-	24 944
<b>Total</b>	<b>-</b>	<b>24 944</b>
<b>Short-term financial liabilities</b>		
<i>Futures, swaps and FX forwards</i>	16 356	58 685
<b>Total</b>	<b>16 356</b>	<b>58 685</b>

### Maturity schedule/settlement period for derivative financial instruments - financial liabilities as of 31 December 2022:

<i>in PLN thousand</i>	Total	Less than 1 year	From 1-3 years	Between 3-5 years	Over 5 years
<i>Futures and FX forward contracts</i>	16 356	16 356	-	-	-
<b>Total</b>	<b>16 356</b>	<b>16 356</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Maturity schedule/settlement period for derivative financial instruments - financial liabilities as of 31.12.2021:

<i>in PLN thousand</i>	Total	Less than 1 year	From 1-3 years	Between 3-5 years	Over 5 years
<i>Futures, swaps and FX forwards</i>	83 629	58 685	24 944	-	-
<b>Total</b>	<b>83 629</b>	<b>58 685</b>	<b>24 944</b>	<b>-</b>	<b>-</b>

*Futures contracts - buying and selling ICE Gas Oil contracts.*

*Futures contracts - buying and selling Gas Base contracts*

*Swap contracts - simultaneous sale and purchase of ICE Gas Oil contracts.*

*FX forward contracts - buying and selling FX forward contracts.*

### Nominal value of concluded futures contracts in thousand PLN:

#### Futures contracts hedging price risk as of 31.12.2022:

Contract	value of transactions (at opening prices)	transaction value (at valuation prices)	valuation

<i>Gas Base Futures (buy)</i>	15 943	7 709	(8 234)
<i>Futures Gas Base (sales)</i>	(23 225)	(20 092)	3 133
<i>Forward EE (purchase)</i>	856 302	681 198	(175 104)
<i>Forward EE (sales)</i>	(878 622)	(697 426)	181 196
<i>ICE Gas Oil futures (buy)</i>	43 727	44 189	462
<i>ICE Gas Oil Buying Futures (sale)</i>	(54 275)	(56 757)	(2 482)
<b>Total</b>	<b>(40 150)</b>	<b>(41 179)</b>	<b>(1 029)</b>

#### Foreign exchange risk hedging contracts as of 31.12.2022

Contract	value of transactions (at opening prices)	transaction value (at valuation prices)	valuation
<b>Foreign exchange forward - buying</b>			
FX Forward USD/PLN	42 177	42 167	(10)
FX Forward EUR/USD	4 010	4 006	(4)
FX Forward EUR/PLN	9 921	9 939	18
<b>Foreign exchange forward - sale</b>			
Fx Forward USD/PLN	(6 630)	(6 604)	26
FX Forward EUR/USD	(139 148)	(139 342)	(195)
FX Forward EUR/PLN	(114 135)	(113 642)	493
<b>Total</b>	<b>(203 804)</b>	<b>(203 476)</b>	<b>328</b>

## 8. EXPLANATORY NOTES ON FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

### 8.1 FINANCIAL INSTRUMENTS

#### 8.1.1. CLASSIFICATION OF FINANCIAL INSTRUMENTS

<i>in PLN thousand</i>	Financial assets valued at amortised cost	Financial assets at fair value through financial result	Total
<b>Assets according to the statements of financial position at 31.12.2022</b>			
<b>a) Tangible assets</b>	<b>6 675</b>	<b>7 835</b>	<b>14 510</b>
Derivative financial instruments	-	7 835	7 835
Other long-term receivables	6 675	-	6 675
<b>b) Current assets</b>	<b>1 009 648</b>	<b>7 820</b>	<b>1 017 468</b>
Receivables (excluding advance payments and tax receivables)	624 870	-	624 870
Derivative financial instruments	-	7 820	7 820
Other financial assets	72 315	-	72 315
Cash and cash equivalents	312 463	-	312 463
<b>Total</b>	<b>1 016 323</b>	<b>15 655</b>	<b>1 031 978</b>

<i>in PLN thousand</i>	Financial assets valued at amortised cost	Financial assets at fair value through financial result	Total
<b>Assets according to the statements of financial position 31.12.2021</b>			
<b>a) Tangible assets</b>	<b>30 500</b>	-	<b>30 500</b>
Other long-term receivables	30 500	-	30 500
<b>b) Current assets</b>	<b>591 422</b>	<b>59 465</b>	<b>650 887</b>
Receivables (excluding advance payments and tax receivables)	476 202	-	476 202
Derivative financial instruments	-	59 465	59 465
Other financial assets	36 128	-	36 128
Cash and cash equivalents	79 092	-	79 092
<b>Total</b>	<b>621 922</b>	<b>59 465</b>	<b>681 387</b>

<i>in PLN thousand</i>	Financial liabilities valued at amortised cost	Financial liabilities at fair value through financial result	Total
<b>Liabilities according to the statements of financial position at 31.12.2022</b>			
<b>a) Long-term liabilities</b>			
Loans, borrowings and other debt instruments (excluding lease liabilities)	-	-	-
Derivative financial instruments	-	-	-
<b>b) Short-term liabilities</b>			
Loans, borrowings and other debt instruments (excluding lease liabilities)	348	-	348
Overdraft facilities	206 754	-	206 754
Derivative financial instruments	-	16 356	16 356
Trade and other liabilities (excluding public law liabilities and wages and salaries)	335 536	-	335 536
<b>Total</b>	<b>542 638</b>	<b>16 356</b>	<b>558 994</b>

<i>in PLN thousand</i>	Financial liabilities valued at amortised cost	Financial liabilities at fair value through financial result	Total
<b>Liabilities according to the statements of financial position at 31.12.2021</b>			
<b>a) Long-term liabilities</b>			
Loans, borrowings and other debt instruments (excluding lease liabilities)	2 177	-	2 177
Derivative financial instruments	-	24 944	24 944
<b>b) Short-term liabilities</b>			
Loans, borrowings and other debt instruments (excluding lease liabilities)	1 440	-	1 440
Overdraft facilities	336 563	-	336 563
Derivative financial instruments	-	58 685	58 685
Trade and other liabilities (excluding public law liabilities and wages and salaries)	251 201	-	251 201
<b>Total</b>	<b>591 381</b>	<b>83 629</b>	<b>675 010</b>

### 8.1.2. FAIR VALUE OF FINANCIAL INSTRUMENTS

#### Fair value of financial instruments valued at amortised cost

Details of the fair values of financial instruments that are valued at amortised cost, for which it is possible to estimate their fair value, are set out below:

- Cash and cash equivalents, short-term bank deposits, short-term bank loans and overdrafts: the book value of the above instruments approximates their fair value due to the rapid maturity of these instruments.
- Trade and other receivables, trade and other liabilities: the book value of the above instruments approximates their fair value due to their short-term nature.
- Long-term loans, borrowings and debt instruments, except fixed-rate instruments: the book value of the above instruments approximates their fair value due to the variable nature of their interest rates.
- Liabilities to related entities for fixed-rate instruments: the book value of the above instruments approximates their fair value due to the fact that the interest rate approximates market rates for instruments with similar risks.

#### Fair value hierarchy

Financial instruments valued at fair value in the consolidated statements of financial position are analysed in terms of valuation procedures. A hierarchy of valuation procedures has been established as follows:

- **Level 1:** Quoted prices (unadjusted) from active markets for identical assets or liabilities.

- **Level 2:** Inputs other than quoted prices included in the above level that are observable or determinable for the asset or liability, either directly (i.e. in the form of prices) or indirectly (i.e. through price-based calculations).
- **Level 3:** Inputs for the valuation of an asset or liability that are not based on observable market data (i.e. unobservable data).

As of 31 December 2022, and 31 December 2021, the Group held financial assets and liabilities that are valued at fair value. These items include derivative financial instruments in the form of FX forwards and commodities futures).

As of 31 December 2022, and 31 December 2021, the derivatives used by the Group are valued at **Level 1** fair value, i.e. based on data from an active market. The fair value is based on the market price resulting from exchange quotations, if available. If a quoted market price is not available for an instrument, the fair value is determined by discounting the difference between the contractual price of the instrument and the current price of the instrument taking into account the maturity of the contract.

### 8.1.3. ITEMS OF REVENUES, COSTS, PROFITS AND LOSSES RECOGNISED IN THE STATEMENTS OF TOTAL REVENUES BY CATEGORY OF FINANCIAL INSTRUMENT

#### For the year ended 31 December 2022

<i>in PLN thousand</i>	Assets/liabilities valued at amortised cost	Assets/liabilities at fair value through financial result	Outside the scope of IFRS 9 (leases)	Total
<b>Interest revenue/(cost) recognised in:</b>	<b>(18 042)</b>	-	<b>(3 633)</b>	<b>(21 675)</b>
financial revenue	819	-	-	819
financial costs	(19 586)	-	(3 633)	(23 219)
other operating revenues	2 673	-	-	2 673
other operating costs	(1 948)	-	-	(1 948)
<b>Foreign exchange profits/(losses) recognised in:</b>	<b>(148 552)</b>	-	-	<b>(148 552)</b>
cost of services, goods and materials sold	(148 552)	-	-	(148 552)
<b>Income/(cost) from the valuation and realisation of derivatives recognised in:</b>	-	<b>(121 349)</b>	-	<b>(121 349)</b>
sales revenue	-	15 518	-	15 518
cost of services, goods and materials sold	-	(136 867)	-	(136 867)
<b>Reversal/(creation) of write-downs for trade receivables recognised in:</b>	<b>(1 016)</b>	-	-	<b>(1 016)</b>
selling costs	(1 016)	-	-	(1 016)
<b>Total</b>	<b>(167 610)</b>	<b>(121 349)</b>	<b>(3 633)</b>	<b>(292 592)</b>

## 8.2. FINANCIAL RISK MANAGEMENT

### 8.2.1. FINANCIAL RISK FACTORS

The main financial risks to which the UNIMOT Group is exposed in the course of its business are:

- **market risks**, including:
  - exchange rate risk,
  - interest rate risk,



the risk of price changes,

- **credit risk** and
- **liquidity risk.**

By understanding and identifying the risks that originate from the Group's exposure to risks, an appropriate organisational structure and procedures, the Group is able to effectively perform the tasks associated with the risk management process. As part of its risk management practices, the Group identifies and measures financial risks on an ongoing basis and takes measures to minimise their impact on its financial position.

There was no change in the nature of the exposures to which the Group is exposed during the current reporting period. There have also been no changes in risk management methods or techniques for measuring risk exposures.

Market risk, to which the Group is exposed, is understood to mean the possibility that the Group's results may be adversely affected by changes in exchange rates, commodity market prices and interest rates.

The Group actively manages the market risks to which it is exposed. The main objectives of the market risk management process are to reduce the volatility of the financial result, increase the probability of meeting budget targets, and reduce the probability of losing liquidity.

All market risk management objectives must be considered together and their achievement depends primarily on the Group's internal situation and market conditions.

The main technique for managing market risk is hedging strategies using commodity derivatives (forwards, futures). The Group also uses natural hedging. The Group uses an integrated approach to manage the market risks to which it is exposed. An example is hedging transactions in the commodity and currency markets, which are closely linked to the contracts concluded in the market and are executed by the Group's existing hedging department. The Group has not applied hedge accounting since 2017, the derivative transactions entered into by Group companies are therefore not formally designated as hedging instruments.

### 8.2.2. EXCHANGE RATE RISK

**The following types of exposure are identified in relation to exchange rate risk:**

- transaction exposure relating to the volatility of the value of cash flows in the functional currency. Sources of transactional exposure to currency risk are contracts that result in cash flows whose value in the functional currency is dependent on future levels of foreign currency exchange rates against the functional currency. The key source of transactional exposure to currency risk is receipts from the sale of goods.
- balance sheet exposure relating to the volatility of the value of selected items of the statements of financial position in the functional currency. The sources of balance sheet exposure to foreign currency risk are items in the statements of financial position in foreign currencies which, under the applicable accounting policies, are subject to conversion on the basis of the current exchange rate of the foreign currency against the functional currency in connection with settlement or periodic valuation. The balance sheet exposure relates in particular to: receivables and liabilities denominated in foreign currencies, financial liabilities for debt in foreign currencies, cash in foreign currencies.

The Group has an exchange rate hedging procedure for calculated prices and margins of goods purchased and sold in different currencies. The Group uses forward and swap contracts for all asset and liability positions in the full amount subject to exchange rate risk. The Company's derivative transactions minimise the risk of exchange rate fluctuations from the point of purchase of goods to the point of sale for transactions denominated in foreign currencies.

#### **The Group's exposure to currency risk**

**Data on foreign currency balances as of 31.12.2022**

<i>in PLN thousand</i>	in EUR	in USD	Other currencies	Total
Trade and other receivables	125 197	13 500	23	138 720
Cash	13 035	96 055	92	109 182
Loans, borrowings and other debt instruments liabilities	(176 870)	-	-	(176 870)
Derivative financial instruments	(8)	(256)	100	(164)
Trade and other liabilities	(71 303)	(8 412)	(294)	(80 008)
<b>Exposure to exchange rate risk on foreign currency balances</b>	<b>(109 949)</b>	<b>100 887</b>	<b>(79)</b>	<b>(9 141)</b>

#### Data on foreign currency balances at 31.12.2021

<i>in PLN thousand</i>	in EUR	in USD	Other currencies	Total
Trade and other receivables	32 352	11 531	4 274	48 157
Cash	2 277	12 561	4 551	19 389
Loans, borrowings and other debt instruments liabilities	(4 893)	(182 199)	-	(187 092)
Derivative financial instruments	-	(24 164)	-	(24 164)
Trade and other liabilities	-	(29 635)	-	(29 635)
<b>Exposure to exchange rate risk on foreign currency balances</b>	<b>29 736</b>	<b>(211 906)</b>	<b>8 825</b>	<b>(173 345)</b>

Exposure to currency risk at 31 December 2022 remained at a comparable level to that as of 31 December 2021. The increased exposure of trade liabilities in currency is offset by a reduced exposure of derivative financial instruments and borrowings and other debt instruments.

#### Sensitivity analysis of financial instruments denominated in foreign currencies to changes in exchange rates.

The impact on profit of a 10% change in foreign exchange rates at 31 December 2022 is shown below. The analysis has been carried out on the assumption that all other variables, in particular interest rates, remain unchanged. The analysis for 2021 was carried out in the same way.

#### Effect of exchange rate differences on the Group's financial result due to changes in foreign currency exchange rates:

<i>in PLN thousand</i>	Change in the EUR/PLN exchange rate - impact on profit for the year - gross		Change in the USD/PLN exchange rate - impact on the financial result for the year - gross	
	10 % rate increase	Rate drop of 10%	Rate increase of 10%	Rate drop of 10%
31.12.2022	(10 995)	10 995	10 089	(10 089)
31.12.2021	2 974	(2 974)	(21 191)	21 191

The currency exposure indicated above is neutralised and to a significant extent offset by the fuel inventories held, the Group's use of: short-term or long-term currency orders for both purchases and sales - FX Forward contracts and natural hedging - foreign currency borrowing transactions.

### 8.2.3. PRICE RISK

The Group is exposed to the risk of changes in the prices of fuel, natural gas, electricity and currency exchange rates, which may consequently affect its results.

Changes in the prices of oil products, gas and electricity on global markets caused by movements in the prices of oil, gas, coal and CO2 emission allowances have a direct impact on the Polish market, so the sale of the above-mentioned goods may generate a loss or excess profit.

A - Risk of changes in commodity prices of petroleum products.

The group secures through:

- hedging transactions such as forward, swap and futures contracts
- natural hedging by, among other things, using the same price formulas for purchase and sale transactions, i.e. netting opposite correlated transactions.

The Group's fuel price hedging procedure involves entering into transactions with a denomination corresponding to the quantity of the commodity susceptible to the risk of price changes. The strategies for entering into hedging transactions correspond to the price formulas set out in the purchase and sales contracts. If hedging transactions expire before the commodity is sold, a rollover is applied.

B - Risk of changes in electricity prices.

The Group's policy of mitigating the risk of price volatility applies to the entire open position of the electricity segment, i.e. trading plus origination.

The origination division deals with the acquisition of: generators producing electricity from renewable energy sources and customers interested in Power Purchase Agreements (PPAs). The origination portfolio mainly includes purchase transactions from generators under various pricing formulas:

- fixed price,
- based on the Day Ahead-Market index, which is published by TGE S.A.,
- at the clearing prices of the Balancing Market.

The greatest price risk is in fixed-price origination transactions for non-standard products. Non-standard products generate the majority of electricity from RES sources. Fixed-price origination transactions are hedged on the electricity market based on available forward products in such a way that the margin assumed at the time of signing the contract is ultimately achieved.

The Group's procedure for hedging the price of electricity supplied to the end customer involves entering into transactions with a denomination corresponding to at least 80% of the quantity of electricity estimated to be consumed by customers susceptible to the risk of price changes. The strategies for entering into hedging transactions correspond to the price formulas used in energy sales contracts. The Trading Company takes measures to mitigate the risk of exchange product mismatches by responsibly building a sales portfolio that corresponds to the products offered on the market. However, it is not always possible to fully hedge these due to differences between the consumption profiles of customers and the products offered on the Polish Power Exchange at the time of signing contracts.

Electricity trading is carried out on the basis of the Risk Policy in force in the UNIMOT Group.

C - Risk of changes in natural gas prices.

The Group hedges its gas trading positions through, among other things, rented storage facilities as well as by entering into corresponding contracts on the Polish Power Exchange.

The Group takes measures to mitigate the risk of a mismatch between exchange products and the hedged position. However, it is not always possible to fully hedge them due to differences between the profiles of the hedged position and the products offered on the Polish Power Exchange at any given time.

D - Commodity price risk - related to the risk of changes in exchange rates.

Due to the fact that the Group executes purchase and sales contracts for products in various currencies and, at the same time, the prices of the vast majority of the goods offered are quoted in foreign currencies (and particularly in USD) on world markets, the risk of exchange rate fluctuations cannot be disregarded as an element linked to price risk.

In order to mitigate the risks associated with exchange rate volatility, the Group primarily applies:

- short-term or long-term FX forwards and FX swap contracts;
- natural hedging.

**Group exposure to price risk**

**Inventory data (in PLN thousand):**

<i>As of 31.12.2022</i>	Value of inventories at cost	Value of inventories at fair value	Valuation of inventories at fair value
<b>Non-financial assets</b>			
Operating inventory valued at acquisition cost	110 040	110 040	-
Compulsory reserve and operating inventory valued at fair value	148 308	147 135	(1 173)
<b>Total</b>	<b>258 348</b>	<b>257 175</b>	<b>(1 173)</b>

**Futures contracts hedging price risk (in PLN thousand):**

<i>As of 31.12.2022</i>	transaction value (at opening prices)	transaction value (at valuation prices)	valuation
<b>Financial liabilities</b>			
Gas Base Futures (buy)	15 943	7 709	(8 234)
Futures Gas Base (sales)	(23 225)	(20 092)	3 133
Ice Gas Oil Futures (buy)	43 727	44 189	462
Ice Gas Oil Futures (sales)	(54 275)	(56 757)	(2 482)
Forward EE (purchase)	856 302	681 198	(175 104)
Forward EE (sales)	(878 622)	(697 426)	181 196
<b>Total</b>	<b>(40 150)</b>	<b>(41 179)</b>	<b>(1 029)</b>

### Inventory data for the comparable period (in PLN thousand):

<i>As of 31.12.2021</i>	Value of inventories at cost	value of inventories at fair value	Valuation of inventories at fair value
<b>Non-financial assets</b>			
Compulsory reserve and operating inventories valued at acquisition cost	71 075	71 075	-
Compulsory reserve and operating inventory valued at fair value	163 212	254 140	90 928
<b>Total</b>	<b>234 287</b>	<b>325 215</b>	<b>90 928</b>

### Futures contracts hedging price risk (in PLN thousand):

<i>As of 31.12.2021</i>	transaction value (at opening prices)	transaction value (at valuation prices)	Valuation
<b>Financial liabilities</b>			
Ice Gas Oil Futures (buy)	187 253	212 344	25 091
Ice Gas Oil Futures (sales)	(155 409)	(206 276)	(50 867)
Ice Gas Oil commodity swap (sale and purchase)	(212 658)	(232 783)	(20 125)
<b>Total</b>	<b>(180 814)</b>	<b>(226 715)</b>	<b>(45 901)</b>

### Sensitivity analysis of derivatives to changes in commodity prices

The analysis takes into account commodity positions and existing hedges with futures contracts. A weakening/strengthening of the quotation of the underlying product (affecting the increase/decrease in the fair value of inventories and the increase/decrease in the fair value of derivatives) by 10% at 31 December 2022 would result in a (decrease)/increase in the financial result by the values presented below. The analysis was carried out under the assumption that all other variables remain unchanged.

### Impact of price differences on the Group's financial result:

#### Price increase of 10%

<i>As of 31.12.2022</i>	item value (at opening prices)	value of items (at valuation prices)	new valuation
<b>futures plus inventories</b>			
<i>in PLN thousand</i>	218 198	237 596	19 398
A 10% increase in prices results in an increase in the valuation of hedging transactions and inventory valuation by			21 600

#### Price drop of 10%

<i>As of 31.12.2022</i>	item value (at opening prices)	value of items (at valuation prices)	new valuation
<b>futures plus inventories</b>			
<i>in PLN thousand</i>	218 198	194 396	23 802
A 10% decrease in prices results in a decrease in the valuation of hedging transactions and the valuation of inventory by			(21 600)

The lack of a full match between the value of the contracts and the value of inventories recognised in the balance sheet is due to, among other things:

- the need to adjust the hedging period as required by commercial contracts
- not being able to fully choose the optimal hedging instruments
- applications of natural hedging.

#### 8.2.4. INTEREST RATE RISK

Interest rate risk is the potential for performance to be adversely affected by changes in interest rates. In 2022, the Group was exposed to this type of risk mainly due to the use of external financing with variable interest rates. Working with a number of financial institutions, the Group monitors the level of interest rates on an ongoing basis, each time negotiating the level of the bank's or other financial institution's margin for transactions subject to interest. The Group proceeds in an analogous manner with the interest rates on loans granted by Group companies.

##### Group's exposure to interest rate risk

<i>in PLN thousand</i>	31.12.2022	31.12.2021
<b>Fixed interest rate instruments</b>		
Financial assets - other concession receivables	5 500	22 500
Financial assets - other receivables from performance bonds	13 096	39 328
<b>Total</b>	<b>18 596</b>	<b>61 828</b>
<b>Floating rate instruments</b>		
Financial assets - loans granted	204	5 147
Financial assets - other receivables from performance bonds	1 500	1 500
Financial liabilities due to loans and leases	(314 386)	(410 470)
<b>Total</b>	<b>(312 682)</b>	<b>(403 823)</b>

##### Interest rate risk on fair values and cash flows

The Group has no significant interest-bearing financial assets, so the Group's revenue and cash flows are largely independent of changes in market interest rates. The Group is more exposed to interest rate risk on the liabilities side, i.e. loans and borrowings received. Loans granted at variable interest rates expose the Group to interest rate risk on the cash flow side.

##### Sensitivity analysis of floating rate financial instruments to changes in market interest rates

A (decrease)/increase in the interest rate of 150 bp at the reporting date would increase/(decrease) the financial result by the value presented in the table below. The analysis has been carried out on the assumption that all other variables, in particular exchange rates, remain constant. The analysis for 2021 was carried out in a similar manner.

##### The impact of changes in interest rates on the Group's financial result:

<i>in PLN thousand</i>	Gross profit/(loss)	
	An increase of 1.5pc.	Decrease of 1.5pc.
31.12.2022	(4 690)	4 690
31.12.2021	(6 057)	6 057

##### Group's exposure to interest rate risk associated with IBOR

In response to the expected reform of reference rates (IBOR reform), the Group analysed instruments, based on market reference rates (WIBOR and EURIBOR), to see whether and to what extent it bears the risk of a transition to the new interest rates. In connection with the planned reform of reference rates, amendments to IFRS standards came into force (e.g. IFRS 9, IFRS 7, IFRS 16). The amendments introduced a number of guidelines and exemptions, in particular a practical simplification for contract modifications required by the reform, which are

recognised by updating the effective interest rate, an exemption from the obligation to terminate hedge accounting, temporary exemptions from the need to identify the risk component, and the obligation to include additional disclosures. In the Group's opinion, the reference rate reform leading to the abolition of IBOR rates and their replacement by alternative reference rates will not have a material impact on the Group's economic position. As of the balance sheet date, the borrowing and lending agreements to which the Group is party were not subject to change due to the IBOR reform. The Group believes that the planned IBOR reform will not have a material impact on the Group's risk management strategy.

#### Exposure of the Group's borrowing liabilities to individual interest rates as of 31.12.2022:

Name of financing company	amount of liability in PLN thousand	currency of the commitment	reference rate
mBank S.A.	154 059	USD	ON SOFR + margin
BOŚ Bank S.A.	27 067	PLN	3M WIBOR + margin
BOŚ Factoring	20 378	EUR	1M EURIBOR + margin
BOŚ Factoring	5 250	PLN	1M WIBOR + margin
<b>Total</b>	<b>206 754</b>		

At the date of these financial statements, the Group assesses that this standard has no impact on the financial position or performance of the Group.

#### 8.2.5. CREDIT RISK

Credit risk is the possibility of the Group incurring a financial loss as a result of the default of the Group's debtors. Credit risk is mainly related to the following areas:

- with the creditworthiness of customers with whom physical sales of goods are transacted,
- with the creditworthiness of the financial institutions (banks/brokers) with which hedging transactions are entered into or intermediated, as well as those in which free cash is invested,
- with the financial health of the borrowers.

Credit risk relates in particular to the following balance sheet items:

- trade receivables,
- derivatives,
- cash and bank deposits and their equivalents
- loans granted,
- guarantees and sureties granted.

#### Maximum exposure to credit risk

<i>in PLN thousand</i>	<i>Note</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
Loans granted	7.5	204	5 147
Restricted cash to hedge future hedging transactions	7.5	31 009	30 981
Restricted cash to hedge current natural gas trading hedging transactions	7.5	41 102	-
Financial assets at fair value through financial result	7.17	15 655	59 465
Trade receivables	7.9	473 805	435 688
Long-term receivables (deposits, provisions)	7.8	6 675	30 500
Short-term receivables securing guarantees and sureties granted, other receivables from deposits	7.9	149 433	40 514
Other receivables	7.9	1 632	489
Cash and cash equivalents (excluding cash on hand)	7.12	310 114	78 427



The book value of each financial asset represents the maximum exposure to credit risk. The noticeable increase in the items short-term receivables securing guarantees and sureties granted, trade receivables and cash and cash equivalents (excluding cash on hand) and restricted cash is related to the Group's growth in turnover and the increase in the scale of operations year-on-year.

#### Loans granted - estimation of asset impairment

The Group did not grant any loans to companies outside the Group in 2022.

The amount of the loan granted at 31 December 2022 includes:

- interest remaining to be paid on the loan repaid by U.C. Energy Limited (related to the Parent Entity due to a personal relationship), in the amount of PLN 185 thousand. In terms of impairment risk, the transaction was included in basket 1.
- the balance of educational loans for people in higher education as part of cooperation with the IVY Poland Foundation - an amount of PLN 19 thousand.

The amount of the estimated impairment on these loans is considered by the Group to be immaterial to its performance at 31 December 2022.

#### Trade receivables - estimation of asset impairment

The UNIMOT Capital Group is Poland's largest independent fuel and energy group. It is characterised by a high diversification of business lines operating, inter alia, in trading and distribution of liquid fuels and other petroleum products, gaseous fuels in the network system, electricity or photovoltaics. The Group's parent company is the largest independent importer of fuels in Poland, has a stable majority shareholder and an experienced management team. For years, the Group has successfully pursued a trend-driven strategy of entering new markets and has demonstrated an efficient response to market changes.

For many years, the Group has been working with a large number of customers from different economic sectors, which influences the geographical and product diversification of trade receivables. The customer portfolio is subject to changes resulting from the high activity of the Group's Commercial Services in the market. Thanks to its constant presence at all levels of a given market sector and the strong commitment of its employees, the Group has up-to-date information on current needs and can respond to them quickly by flexibly adapting its offer. The wide range of offerings, taking into account the various Group entities, is not insignificant.

The Group controls credit risk arising from trade transactions in accordance with uniform credit risk management policies applied across all significant Group entities. Exposure to credit risk arising from trade receivables is mitigated by assessing and monitoring the financial condition of counterparties and applying a system of granting trade limits in accordance with the Group's procedure. The procedure involves verifying the creditworthiness of counterparties prior to the commencement of commercial cooperation. Customers without a granted merchant's limit benefit from the sales offer on prepayment terms. Credit exposure in relation to granted limits is subject to constant monitoring. The Group's receivables are continuously monitored by a dedicated department operating within the Group's structures.

The close cooperation and ongoing exchange of information between the Group's various units results in a high ability to react quickly to market volatility, seize market opportunities or adapt dynamically to new conditions. The Group has a high degree of agility in modifying and adapting its sales patterns and obtaining payment in relation to current market conditions. As a result, periods affected by price turbulence or restrictions in the availability of goods do not have a negative impact on trade receivables.

The level of security of the Group's trade receivables is significantly increased by: cooperation with insurance companies, the use of various types of collateral, the use of business intelligence services and law firms. Collateral includes, inter alia: blank promissory notes with a promissory note declaration, notarised deeds of submission to

enforcement under Article 777 of the Code of Civil Procedure, registered pledges (in the case of movable assets), mortgages (in the case of real estate), blocking of funds in bank accounts, bank guarantees. A long history of cooperation with leading Insurance Companies, high standards of claims handling and support from the leader of the brokerage market constitute the strength and negotiating position of the Group and allow for the development of non-standard solutions and, consequently, the acquisition of insurance products maximally tailored to the Group's needs.

The portfolio of Insurance Companies supporting the Group's operations includes: Atradius Crédito y Caución S.A de Seguros y Reaseguros Spółka Akcyjna Oddział w Polsce, Towarzystwo Ubezpieczeń Euler Hermes S.A. branded as Allianz Trade and Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna. The above-mentioned Societies show significant financial potential and benefit from safeguards in reinsurance treaties, for which there is no information on changes. The attitude of the Insurers in 2022, despite the difficult conditions caused by the political and economic situation, was stable and balanced, there were no significant fluctuations in limit coverage and the insurance negotiation processes carried out were not subject to disruption. The main insurer, Atradius Crédito y Caución S.A de Seguros y Reaseguros Spółka Akcyjna Oddział w Polsce, has not increased its exposure to the petrochemical industry for several years, maintaining only long-term contracts.

As of 31 December 2022, 79% of the Group's receivables were covered by insurance (or other collateral). The Group pursues a balanced policy of managing receivables insurance by excluding receivables from reputable entities, such as corporations, from protection, thus optimising risks and costs. The specific nature of trade receivables insurance excludes the possibility of covering receivables from specific groups of customers, such as public administration units, individuals or entities related to the policyholder.

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>31.12.2021</b>
from unrelated entities	372 147	242 526

#### **Credit risk management practices related to the estimation of the write-down for expected credit losses**

The Group considers the failure of a counterparty to meet an obligation after 180 days from the due date of the receivable to be an event of default. Impairment receivables also include receivables issued for late payment by counterparties (so-called financial sanctions).

For the calculation of impairment losses valued on a group (portfolio) basis, receivables are grouped on the basis of common risk characteristics:

- overdue period,
- type of collateral for receivables often dependent on the raiding counterparty,
- the value of additional collateral,
- the geographical location of the counterparty,

The Group monitors the adequacy of the credit risk characteristics adopted for the grouping of receivables on an ongoing basis to ensure that receivables are appropriately re-segmented when credit risk characteristics change. This may result in the creation of new portfolios or the transfer of assets to an existing portfolio that better reflects the common credit risk characteristics for a given group of receivables.

A financial asset is impaired for credit risk if an event, one or more, has occurred that has a negative effect on the estimated future cash flows of the financial asset. Evidence of impairment of a financial asset due to credit risk includes observable data on the following events:

- a) significant financial difficulties of the counterparty or borrower;
- b) breach of contract, such as an event of default or failure to make a payment within the required period;
- c) granting repayment facilities to the borrower or counterparty for economic or contractual reasons arising from the borrower's/counterparty's financial difficulties
- d) it becomes likely that bankruptcy or other financial reorganisation of the borrower/contractor will occur;

- e) the disappearance of an active market for a financial asset due to financial difficulties;
- f) purchase or origination of a financial asset at a steep discount to reflect the credit losses incurred.

It may not be possible to identify a single clear-cut event, while the combined effect of several events may result in impairment of financial assets due to credit risk. The Group assesses at each reporting date whether debt instruments that are financial assets valued at amortised cost are impaired.

Loans and receivables are written down when the Company has no reasonable expectation of recovering the financial asset (in whole or in part). This occurs when the Group determines that the borrower or counterparty does not have assets or a source of revenue that could generate sufficient cash flows to repay the amounts to be written down. Writing off a loan or receivable is equivalent to ceasing to recognise the asset in the statements of financial position. When receivables are written down, the Group may continue to apply enforcement actions against counterparties. Amounts recovered from the Group's enforcement actions are recognised in the same reporting line in the statements of total revenues as the net profit/loss on expected credit loss.

The Group estimates the write-down for expected credit losses for receivables based on the provision matrix method - details of the methodology adopted by the Group are described in note 7.9.

#### Cash - estimating the impairment of assets

The Group invests free cash and cash equivalents exclusively in entities operating in the financial sector. An analysis of the exposure to this type of risk, carried out as of 31 December 2022 for an amount of PLN 310,114 thousand, representing 99% of the Group's total cash of PLN 312,463 thousand, showed that these are predominantly banks or brokers with ratings at the highest, medium-high and medium levels, as well as high equity and a leading and stable market position in Poland. Credit risk on this account is monitored on an ongoing basis by analysing credit ratings and limiting the level of concentration of funds in individual financial institutions.

<i>in PLN thousand</i>	<b>31.12.2022</b>	<b>Moody's rating</b>	<b>Rating Fitch</b>	<b>Rating S&amp;P</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Bank1	178 606	A2	BBB	BBB-	57,2%	25,3%
Bank2	46 627	A3	BB	-	14,9%	20,9%
Bank3	23 121	AA3	AA-	-	7,4%	-
Broker1	20 621	-	BB-	-	6,6%	5,9%
Bank4	21 111	A1	A+	-	6,8%	4,1%
Broker2	9 195	-	BBB-	-	2,9%	12,5%
Bank5	2 100	-	BB-	-	0,7%	22,4%
Bank6	1 408	A3	-	-	0,5%	4,0%
Bank7	836	A2	-	-	0,3%	2,1%
Other	6 490	--	-	-	2,7%	3,7%
<b>Total</b>	<b>310 114</b>				<b>100%</b>	<b>100%</b>

Given the short-term nature of the cash and deposits presented and due to the cooperation with reputable financial institutions only, as well as the ongoing monitoring of their financial performance, the credit risk arising from depositing funds with these institutions is low.

The amount of the estimated cash impairment is immaterial to the Group's performance at 31 December 2022.

#### Other receivables - asset impairment assessment

To secure current commercial contracts, concession liabilities, excise liabilities, trade limits and bank credit, the Group mainly uses bank guarantees, insurance and additional collateral in the form of bank deposits and security deposits. The analysis of the exposure of other receivables (Notes 7.8 and 7.9) to this type of risk, was carried out as of 31 December 2022 for an amount of PLN 132,379 thousand, representing 85% of the amount of other receivables (PLN 156,108 thousand).

Concession, excise and treasury securities are items with a marginal level of risk. Receivables from taxes, subsidies, customs, insurance and current advances for supplies and services were excluded from the analysis.

Similarly, small and at the same time numerous deposits and security deposits for the ongoing operation of leased space or terminals have been omitted due to the marginal level of risk or the marginal amount not relevant to the Group's operations.

The deposits and security deposits included in the analysis have been established as collateral for the proper performance of contracts and are cash deposited for the most part with banks with ratings at the highest, medium-high and medium levels and with high equity and a leading and stable market position in Poland. Credit risk on this account is monitored on an ongoing basis by analysing credit ratings and limiting the level of concentration of funds at individual financial institutions.

#### Concentration level of Other receivables taking into account the credit rating of financial institutions:

<i>in PLN thousand</i>	31.12.2022	Moody's rating	Fitch rating	S&P rating	up to one year	over one year
Bank1	122 779	A3	BB	-	122 779	-
Bank2	1 100	A2	BBB-	BBB	1 100	-
TU	8 500	-	-	-	3 000	5 500
<b>Total</b>	<b>132 379</b>				<b>126 879</b>	<b>5 500</b>

The amount of the estimated impairment of other receivables is immaterial to the Group's performance at 31 December 2022.

#### Derivative transactions - estimation of asset impairment

The Group enters into derivative transactions with entities operating in the financial sector.

An analysis of the exposure to this type of risk carried out as of the balance sheet date confirmed the predominance on the derivative liabilities side. The Group works predominantly with banks with top, medium-high and medium ratings and with a broker with high equity and a leading and stable market position in Poland. Credit risk on this account is monitored on an ongoing basis by analysing credit ratings and limiting the level of concentration of transactions at individual financial institutions.

In order to reduce cash flows and at the same time mitigate credit risk, the Group settles net up to the positive valuation balance of the derivative transactions entered into with the entity.

#### Level of concentration of fair value of derivative transactions taking into account the credit rating of financial institutions:

	31.12.2022	Moody's rating	Fitch rating	S&P rating	31.12.2022
Broker1	7 903	-	BB-	-	50%
Broker2	6 094	-	BB-	-	39%
Broker3	718	-	BBB-	-	5%
Bank1	940	A2	BBB-	BBB	6%
<b>Total</b>	<b>15 655</b>				<b>100%</b>

<i>in PLN thousand</i>	31.12.2022	Moody's rating	Fitch rating	S&P rating	31.12.2022
Broker1	(13 003)	-	BB-	-	80%
Bank1	(2 482)	A2	BBB-	BBB	15%
Bank2	(615)	A2	BBB-	BBB	4%
Broker3	(256)	-	BBB-	-	1%
<b>Total</b>	<b>(16 356)</b>				<b>100%</b>

By diversifying the credit risk associated with the valuation of derivative transactions, working with reputable brokers, with banks with high capital and high and medium rating positions, the credit risk arising from the valuation of derivative transactions is minimised.

#### Concentration level of the fair value of restricted cash hedging and natural gas trading transactions:

<i>in PLN thousand</i>	31.12.2022	Moody's rating	Fitch rating	S&P rating	31.12.2022	31.12.2021
Broker1	31 009	-	BBB-	-	43%	30 981

Broker2	41 102	-	BB-	-	57%	-
<b>Total</b>	<b>72 111</b>				<b>100%</b>	<b>30 981</b>

Working with reputable brokers minimises the risk of restricted cash hedging transactions.

## 8.2.6. LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to repay its financial liabilities as they fall due. The Group takes measures to ensure stable and efficient financing of its operations.

The Group is guided in its liquidity management by the following principles:

- ensuring stable and diversified funding from external institutions,
- ongoing monitoring of debt ratios and bank covenants
- allocating financial surpluses to the repayment of interest-bearing debt or effectively investing them in safe instruments,
- credit limits for business partners,
- the collection of receivables in accordance with their due dates, possibly issuing interest notes in the event of overdue payments,
- effective management of other elements of working capital.

### Analysis of the maturity of financial liabilities including interest payments as of 31.12.2022:

<i>in PLN thousand</i>	Carrying amount	Order-treated value of flows	up to 1 month	from 1 month to 3 months	from 3 months to 1 year	1 to 5 years	over 5 years
<b>Financial liabilities</b>							
Lease liabilities	107 284	145 621	1 409	2 805	12 301	50 794	78 312
Overdraft facility	206 754	206 754	206 754	-	-	-	-
Other interest-bearing liabilities	348	348	348	-	-	-	-
Derivative financial instruments	16 356	16 356	619	-	15 737	-	-
Trade and other liabilities (excluding public law liabilities and wages and salaries)	335 536	335 536	335 536	-	-	-	-
<b>Total</b>	<b>666 278</b>	<b>704 615</b>	<b>544 666</b>	<b>2 805</b>	<b>28 038</b>	<b>50 794</b>	<b>78 312</b>

### Analysis of the maturity of financial liabilities including interest payments as of 31.12.2021:

<i>in PLN thousand</i>	Carrying amount	Order-treated value of flows	up to 1 month	from 1 month to 3 months	from 3 months to 1 year	1 to 5 years	over 5 years
<b>Financial liabilities</b>							
Lease liabilities	70 290	96 255	886	1 798	7 891	30 443	55 237
Overdraft facilities	336 563	336 563	336 563	-	-	-	-
Other interest-bearing liabilities	3 617	3 989	25	416	1 162	2 386	-
Derivative financial instruments	83 629	83 629	8 178	21 712	28 795	24 944	-
Trade and other liabilities (excluding public law liabilities and wages and salaries)	254 687	254 687	254 687	-	-	-	-
<b>Total</b>	<b>748 786</b>	<b>775 123</b>	<b>600 339</b>	<b>23 926</b>	<b>37 848</b>	<b>57 773</b>	<b>55 237</b>

### Analysis of the maturity of contingent liabilities issued by the Parent Entity:

#### for liabilities of related entities as of 31.12.2022

<i>in PLN/EUR/USD thousand</i>	up to 1 year		
	PLN	EUR	USD
insurance guarantees provided as security for excise duty	27 100	-	-
guarantees given as concession security	27	-	-
performance bonds and trade limits	18 943	14 000	-
performance bonds and trade limits	6 083	11 000	3 600
<b>Total</b>	<b>79 137</b>	<b>25 000</b>	<b>3 600</b>

#### for own liabilities as of 31.12.2022

<i>in PLN/EUR thousand</i>	up to 1 year	
	PLN	EUR
performance bonds and trade limits	356	3 500
<b>Total</b>	<b>356</b>	<b>3 500</b>

#### for liabilities of related entities as of 31.12.2021

<i>in PLN/EUR thousand</i>	up to 1 year	
	PLN	EUR
guarantees given as concession security	17 000	-
performance bonds and trade limits	2 744	2 500
performance bonds and trade credits	7 485	
<b>Total</b>	<b>27 229</b>	<b>2 500</b>

#### For own liabilities as of 31.12.2021

<i>in PLN/EUR thousand</i>	up to 1 year	
	PLN	EUR
insurance guarantees provided as security for excise duty	17 350	
performance bonds and trade credits	19 909	9 200
<b>Total</b>	<b>37 259</b>	<b>9 200</b>

### Overview of available credit limits and loan limits

<i>in PLN thousand</i>	Unused credit limit as of 31.12.2022	Unused credit limit as of 31.12.2021
<b>Bank Millenium S.A.</b>	35 603	3 456
<b>mBank S.A.</b>	-	47 512
<b>mBank S.A.</b>	5 500	5 500
<b>ING Bank Śląski S.A.</b>	-	21 795
<b>BOŚ Bank S.A.</b>	82 934	21 655
<b>BOŚ Factoring</b>	33 180	90
<b>PKO Factoring</b>	17 579	14 128
<b>U.C. Energy Ltd</b>	35 214	32 480
<b>Total</b>	<b>210 010</b>	<b>146 616</b>

## 8.7. CAPITAL MANAGEMENT

In order to maintain its ability to continue as a going concern, taking into account the implementation of planned investments, the Group manages capital in such a way as to ensure future growth while maximising the return on capital for shareholders.

The Group monitors the level of return on capital using the ROE (net profit/equity) ratio.

- The level of this ratio at 31 December 2022 was 53.1% (correspondingly at 31 December 2021: 23.3%).

In addition, the Group also pays attention to ratios in its liquidity and capital management process:

- asset coverage ratio (equity/total assets), the level of this ratio as of 31 December 2022 is 42.3% (31 December 2021: 26.5% respectively).
- the current ratio (current assets/current liabilities), the level of this ratio as of 31 December 2022 is 1.6 (31 December 2021: 1.3, respectively).

In order to optimally manage capital, maintain liquidity and have the creditworthiness to obtain and maintain external financing, the Group's long-term objective is to maintain an asset coverage ratio of no less than 20% and a current ratio of no less than 1.1.

## 9. OTHER EXPLANATORY NOTES

### 9.1. EXPLANATORY NOTE TO THE STATEMENTS OF CASH FLOWS

The reasons for the differences between the balance sheet movements of certain items and the movements shown in the statements of cash flows are shown in the table below:

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
<b>Change in receivables and other current assets arising from the statements of financial position</b>	<b>(183 589)</b>	<b>(223 597)</b>
Change in receivables from right-of-use assets	-	(90)
Change in receivables from acquisitions/disposals of shares in subsidiaries	(13 716)	44
Change in investment receivables	14 768	1 177
<b>Change in receivables and other current assets in the statements of cash flows</b>	<b>(182 537)</b>	<b>(222 466)</b>

<i>in PLN thousand</i>	01.01.2022 31.12.2022	01.01.2021 31.12.2021
<b>Change in short-term trade and other liabilities arising from the statements of financial position</b>	<b>133 802</b>	<b>131 240</b>
Change in liabilities due to purchase of shares of subsidiaries	19 536	(109)
Change in interest-bearing liabilities	291	247



Change in short-term trade and other liabilities in the statements of cash flows

153 629

131 378

## 9.2. CONTINGENT LIABILITIES

in PLN/EUR/USD thousand	As of 31.12.2022			As of 31.12.2021	
	PLN	EUR	USD	PLN	EUR
<b>Parent Entity's own contingent liabilities</b>	<b>356</b>	<b>3 500</b>	-	<b>37 259</b>	<b>9 200</b>
insurance guarantees provided as security for excise duty	-	-	-	17 350	-
performance bonds and trade limits	356	3 500	-	19 909	9 200
<b>Contingent liabilities relating to Group entities</b>	<b>79 127</b>	<b>25 000</b>	<b>3 600</b>	<b>27 229</b>	<b>2 500</b>
insurance guarantees lodged as excise duty security	27 100	-	-	-	-
sureties issued for insurance guarantees given as security for concessions	27 000	-	-	17 000	-
performance bonds and trade limits	18 943	14 000	-	2 744	2 500
performance bonds and trade limits	6 083	11 000	3 600	7 485	-
<b>Summary</b>	<b>79 483</b>	<b>28 500</b>	<b>3 600</b>	<b>64 488</b>	<b>11 700</b>

The guarantors receive remuneration for their guarantees. The payment risk associated with these liabilities has been recognised in the price. As of the balance sheet date of 31 December 2022, the Group has not identified any increase in credit risk associated with the guarantees and sureties provided and the potential provision for expected credit loss is immaterial.

Contingent liabilities incurred by the Group mainly relate to: civil-law guarantees related to securing the proper performance of contracts and public-law guarantees arising from generally applicable legislation securing the proper conduct of the liquid fuels concession business and the resulting tax, customs, etc. duties.

## 9.3 TRANSACTIONS WITH RELATED ENTITIES

In 2022 and 2021, the UNIMOT Group carried out transactions with related entities:

- **UNIMOT EXPRESS Sp. z o.o.** (parent company)
- **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.).
- **PZL Sędziszów Sp. z o.o.** (related entity of Unimot Express Sp. z o.o.).
- **GO & BIOGAS Sp. z o.o.** (personally related entity of Unimot S.A.).
- **U.C. Energy Ltd.** (personally related entity of Unimot S.A.).

in PLN thousand	31.12.2022	31.12.2021
Short-term receivables:	2 238	817

Short-term liabilities	1 376	721
Loans granted	185	5 082
Loans received	348	-
<b>in PLN thousand</b>		
	<b>01.01.2022</b>	<b>01.01.2021</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
Revenue from sale of services	9 965	903
Revenue from sale of goods, services and fixed assets	5 320	6 055
Financial revenue	205	1
Financial costs	717	620
Other operating revenues	17	2
Other operating costs	349	27

In the current reporting period, no individual transactions between the Group and related entities were identified that were significant due to their unusual scope and value.

In 2022 and 2021, all of the Group's transactions with related entities were at arm's length and were of a typical nature and concluded in the normal course of business.

## 9.4. INFORMATION ON TRANSACTIONS WITH MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

The Management Board of Unimot S.A. is the key management personnel of the Group.

### Remuneration of the Parent Entity's Management Board Members

<i>in PLN thousand</i>	<b>01.01.2022</b>	<b>01.01.2021</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
Salaries, management services	1 015	444
Reserve for Management Board bonuses	17 245	7 486
<b>Total</b>	<b>18 260</b>	<b>7 930</b>

### Remuneration of Members of the Supervisory Board of the Parent Entity

<i>in PLN thousand</i>	<b>01.01.2022</b>	<b>01.01.2021</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
Short-term employee benefits	413	361
<b>Total</b>	<b>413</b>	<b>361</b>

Additional information on the remuneration of the members of the Management Board and the Supervisory Board can be found in the Management Board's Report on the operations of Unimot S.A. and the Unimot S.A. Group for the financial year ended 31 December 2022.

No loans were granted to members of the Management Board or Supervisory Board of Unimot S.A. during the year ended 31 December 2022 and the year ended 31 December 2021.

During the year ended 31 December 2022 and the year ended 31 December 2021, there were no material transactions with:

- members of the Company's Management Board and Supervisory Board and with persons close to them,
- other key management personnel of the Company and those close to them.

### Remuneration of Members of the Management Board of Subsidiaries

<i>in PLN thousand</i>	<b>01.01.2022 31.12.2022</b>	<b>01.01.2021 31.12.2021</b>
Salaries, management services	4 809	2 381
Reserve for Management Board bonuses	37 447	4 015
<b>Total</b>	<b>42 256</b>	<b>6 396</b>

## 9.5. AUDITOR'S REMUNERATION

The entity authorised to audit the consolidated financial statements of the Unimot S.A. Group for the financial year ended 31 December 2022 is PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp. k. ("PWC"). The audit firm was selected by the Supervisory Board of Unimot S.A. on 13 November 2019.

The agreement between Unimot S.A. and PWC was concluded on 5 June 2020 and concerns the audit of Unimot S.A.'s financial statements for 2020-2022, the Group's consolidated financial statements for 2020-2022, the performance of a review of Unimot S.A.'s interim financial statements for H1 2020 - 2022 and the Group's interim consolidated financial statements for H1 2020 - 2022.

The audits of the subsidiaries' financial statements for the financial year ended 31 December 2022 were carried out by the Group's auditor/other auditors.

PWC's remuneration for services provided to the UNIMOT Group is shown in the table below:

<i>in PLN thousand</i>	<b>01.01.2022 31.12.2022</b>	<b>01.01.2021 31.12.2021</b>
Due to audit contracts for the Parent Entity and Group financial statements	155	155
Due to contracts for the review of the financial statements of the Parent Entity and the Group	35	35
On account of verification of the report on remuneration of the Management Board and Supervisory Board of the Parent Entity	22	22
For verification of the financial statements in ESEF format	30	30
Due to audit contracts for the financial statements of subsidiaries carried out by the Group's auditor	132	0
<b>Total</b>	<b>432</b>	<b>306</b>

## 9.6. DESCRIPTION OF THE GROUP'S ACTIVITIES IN 2022 AND AFTER THE BALANCE SHEET DATE IN CONNECTION WITH THE ACQUISITION OF LOTOS TERMINALE S.A.

On 12 January 2022, a 100% subsidiary of Unimot S.A., i.e. Unimot Investments Sp. z o.o., based in Warsaw ("Unimot Investments"), signed a preliminary agreement with Grupa LOTOS Spółka Akcyjna, based in Gdańsk ("GK Lotos"), for the purchase of 100% of shares entitling to exercise 100% of votes at the general meeting of LOTOS Terminale Spółka Akcyjna, based in Czechowice-Dziedzice ("Lotos Terminale"). The transaction takes place as part of the implementation by Polski Koncern Naftowy Orlen S.A. ("PKN Orlen") a number of divestments provided for in the remedies set out in the European Commission's conditional decision of 14 July 2020 for the concentration involving PKN Orlen's acquisition of control over Lotos CG.

On 20 June 2022, the UNIMOT Group was informed that the European Commission had given its approval for the concentration involving the acquisition of control over Lotos CG by PKN Orlen. The EC's decision includes approval to implement remedies under which Unimot Investments could acquire 100% of the shares in Lotos Terminale.

Another important event was the receipt by the UNIMOT Group on 7 July 2022 of approval from the President of the Office of Competition and Consumer Protection for the acquisition by Unimot Investments of 100% of the shares in Lotos Terminale.

In 2022, intensive work was carried out on the reorganisation of the UNIMOT CG, aimed at preparing the Group's structure for the acquisition of the assets of Lotos Terminals. As part of these activities, on 1 August 2022, the organised part of the enterprise related to the fuel trading segment was transferred from Unimot S.A. to its subsidiary, Unimot Paliwa. The organised part of the enterprise is an organisationally, financially and functionally separated part of UNIMOT S.A., the subject of whose activity is fuel trading, excluding the activity related to fuel trading within the developed AVIA petrol station chain and the segment related to natural gas trading. Following the contribution of the organised part of the enterprise to Unimot Paliwa, Unimot S.A. focuses its activities mainly on management functions for all Group companies.

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 and Unimot Investments as guarantors. Under the agreement, Lotos Terminale will provide access to the real estate forming part of the fuel terminal in Szczecin, and PKN Orlen will ensure the construction for Lotos Terminale of the terminal's infrastructure for the storage and offshore transshipment of diesel and jet fuel and for increasing the storage capacity of the fuel terminal in Szczecin. As part of the agreement, Unimot and Unimot Investments provided a joint and several surety for Lotos Terminale's payment to PKN Orlen of the amount agreed in the agreement for the settlement of expenditures and incidental receivables up to a maximum of PLN 78 million. The surety came into effect on the date of completion of the transaction for the acquisition by the UNIMOT Group of 100% of the shares in Lotos Terminale and will remain in force until 31 December 2032.

On 31 January 2023, Unimot S.A. and its subsidiary, UNIMOT Investments sp. z o.o. - signed an excise security agreement with PKN Orlen and Lotos Terminale. The Agreement sets out a detailed procedure and timetable for the replacement of the existing excise security referred to in the Excise Tax Act of 6 December 2008 (i.e. Journal of Laws of 2022, item 143, as amended), submitted to the Head of the Second Tax Office in Bielsko-Biała in order to cover excise tax liabilities and fuel charges of Lotos Terminale with a new excise security, effective upon the acquisition of Lotos Terminale shares by Unimot Investments. Under the Memorandum of Understanding, Unimot S.A. and UNIMOT Investments undertook to cover any potential damage to PKN ORLEN related to the realisation of the existing collateral and resulting from circumstances after the acquisition of Lotos Terminale shares by the UNIMOT Group. The performance of the above-mentioned obligation is secured by a blank promissory note issued by UNIMOT in favour of PKN ORLEN together with a promissory note declaration, which, in the event of the occurrence of the above-mentioned damage, may be filled up to the amount constituting its equivalent, but not more than PLN 136.8 million.

In addition, Unimot SA signed a guarantee in the amount of PLN 6 million for the future liabilities of its subsidiary Unimot Investments Sp. zo.o., which may arise from the concluded agreement on the purchase of a part of the assets from PKN Orlen SA.

On 3 February 2023, Unimot Investments entered into a conditional promised agreement with PKN Orlen for the acquisition of 100% of the shares in Lotos Terminale S.A.. The conclusion of the Promised Agreement took place due to the fulfilment of all agreed conditions of the preliminary agreement concluded on 12 January 2022, which enabled the conclusion of the Promised Agreement. Under the Promised Agreement, the parties undertook to conclude a final agreement for the sale of 100% of the shares in Lotos Terminale under the conditions set out in the Promised Agreement, i.e. related to the non-exercise of the pre-emptive right by the authorised authorities.

On 14 March 2023, Unimot entered into an insurance guarantee agreement with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. ("Guarantor") to secure the payment of excise duty and fuel surcharges by Lotos Terminale effective after 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 the guarantee period is a maximum of 12 months. The beneficiary of the guarantee is the Head of the 2nd Tax Office in Bielsko-Biała. Along with the aforementioned agreement, Unimot issued a blank promissory note with a promissory note declaration in favour of the Guarantor in order to secure recourse claims under the guarantee.

On 7 April 2023, a subsidiary of Unimot S.A., viz: UNIMOT Investments sp. z o.o. concluded a final agreement for the acquisition of 100% of the shares in Lotos Terminale S.A., which holds directly or indirectly 100% of the shares or interests 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.

## 9.7. ACQUISITIONS OF ENTITIES

### 9.7.1. ACQUISITIONS DURING THE FINANCIAL YEAR

There were no acquisitions of entities during the year ended 31 December 2022.

### 9.7.2. ACQUISITIONS AFTER THE BALANCE SHEET DATE

#### Acquisition of Lotos Terminale S.A.

On 7 April 2023, i.e. after the balance sheet date and before the approval of these consolidated financial statements, 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., from Polski Koncern Naftowy ORLEN S.A. (the 'Seller') 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., based in Gdańsk, and Lotos Infrastruktura S.A., based in Jasło, together with its subsidiary RCEkonegia Sp. z o.o., based in Czechowice-Dziedzice.

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

The UNIMOT Group has joined the ongoing PKN ORLEN S.A. Remedies related to the concentration between PKN ORLEN S.A. and LOTOS Group resulting from the positive conditional decision of the European Commission of 14 July 2020. The remedies 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 UNIMOT Group's activities to include the functions of an independent logistic operator of fuels based on its own infrastructure (the 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 "ILO" business includes 9 fuel terminals with a total current capacity of 360,000 m<sup>3</sup> in: Czechowice-Dziedzice, Jasło, Piotrków Trybunalski, Poznań, Rypin, Bolesławiec, Szczecin, Gutkowo and Gdańsk. Following the completion of the development work carried out by PKN ORLEN on the modernisation and expansion of the marine terminal in Szczecin, storage capacity will increase to 410,000 m<sup>3</sup>. (of which the UNIMOT Group will have approximately 50,000 m<sup>3</sup> of capacity for storing diesel fuel and 10,000 m<sup>3</sup> of capacity for storing aviation fuel).

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

An element of the transaction is multi-year contracts to provide fuel handling and storage services for approximately 70% of the capacity of the acquired terminals.

The acquired assets of RCEkoenergia include a combined heat and power plant with 2 coal-fired boilers 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 Jasto and Czechowice-Dziedzice, as well as a ten-year contract 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 (the price formula was defined in the contract and does not deviate from market custom), making the UNIMOT Group the second player on the asphalt sales market in terms of volume.

At the date of acquisition, the fair value of the consideration transferred was PLN 266,585.35 thousand (the 'preliminary 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 settlement of the value of the net debt and working capital of the acquired entity between the reference values as of 31 January 2023, on the basis of which the initial base price was determined, and the actual values as of 31 March 2023. Taking into account the contractual provisions regarding the preparation of the price adjustment calculation by the buyer and acceptance by the seller, it is not possible to determine the precise timing of the payment of the price adjustment, but according to the Group's estimate, this will take place no earlier than 120 days from the date of acquisition.

The transaction provides for earn-out price adjustments and reimbursement of the Seller's capital expenditure.

Earn-out on the bitumen business depends on Uni-Bitumen Sp. z o.o meeting the following two conditions simultaneously between 2023 and 2032: 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 upon repayment of the loans financing the acquisition, this will be no later than 2029.

During the term of the Loan Agreement, 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 earn-outs due for earlier periods.

As part of the concluded transaction, the Group will reimburse outlays to be incurred by PKN 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 the Group up to the agreed amount of the outlays settlement: PLN 39,720 thousand. Reimbursement of outlays will be made in tranches according to the progress of the works, with payment of the last tranche to be made no later than 30 April 2029.

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

The Group expects to recognise additional liabilities due to contingent consideration obligations.

In addition, as part of the concluded transaction, within 10 days of its signing, Unimot Investments refinanced Lotos Terminale S.A.'s loan obligations to the amount of PLN 99,771.41 thousand.

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

Costs related to the acquisition of control of Lotos Terminale S.A. amounted to PLN 8,445 thousand and were recognised as Overheads in the period in which the services were provided, including in the result for 2021: PLN 3,126 thousand, in the result of 2022: PLN 5,049 thousand and in the result of 2023 (to 03-2023): PLN 270



thousand. These costs related to due diligence, legal services, advisory services (transactional, tax, environmental, technical, financial, anti-trust advisory) and internal staff costs.

At the date of approval of these consolidated financial statements, the process of valuing the assets acquired and liabilities assumed at fair value, valuing the liabilities for price adjustment mechanisms and allocating the purchase price is at a very early stage.

At the date of approval of these consolidated financial statements, the provisional accounting settlement of the acquisition is also not complete.

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

In accordance with IFRS 3, changes in the fair value of estimated items and contingent consideration that will result from additional information obtained by the Group after the acquisition date on facts and circumstances that existed at the acquisition date will adjust the fair values of the assets acquired and liabilities assumed and the value of the consideration paid to the Vendor, and therefore will not affect financial result during the valuation period, i.e. until the date of completion of settlement. The changes will be recognised retrospectively and will affect the recognised goodwill/profit on bargain acquisition, i.e. the settlement of the acquisition.

In contrast, changes resulting from 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, will be recognised in financial result for the period.

#### **Acquisition of Olavion Sp. z o.o.**

On 7 March 2023, i.e. after the balance sheet date and before the approval of these consolidated financial statements, 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.

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

As part of its operations, Olavion provides rail transport services in Poland under its licence, as well as forwarding services at home and abroad. Olavion has 16 locomotives and employs 79 staff, 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 the shares in Olavion will allow the UNIMOT Group to secure its own transport and logistics needs.

At the acquisition date, the fair value of the consideration transferred (the 'initial base price') amounted to PLN 24,201 thousand and represented cash paid.

The base price is made up of a predetermined component in the contract and 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 quoted 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 date of acquisition based on estimated data.

The total consideration transferred 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.

The Group expects to recognise additional liabilities due to contingent consideration obligations.



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 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.

At the date of approval of these consolidated financial statements, the provisional accounting settlement of the acquisition is not complete.

The UNIMOT Group plans to make a final settlement of the acquisition, including a valuation of the assets and liabilities acquired at fair value (together with an estimate of the contingent consideration liability amounts, if any) within 12 months of the acquisition date.

## 9.8 EVENTS AFTER THE BALANCE SHEET DATE

- 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 the shares in Olavion.

The first agreement has already been concluded with the Sellers on 7 March 2023 and related to 90% of Olavion's shares (see Note 9.7.2 for details).

The remaining agreements will be concluded with Management and will concern 10% of Olavion's shares. The conclusion of the Promised Agreements is subject to the fulfilment of conditions, including the non-occurrence of adverse events related to the encumbrance of the shares, as well as adverse actions resulting in changes in the economic and financial situation of Olavion, during the period until the date of conclusion of the Promised Agreements. Additional conditions for the conclusion of the Promised Agreements with the Management Team include the maintenance of the current composition of Olavion's board of directors and key management personnel and the preparation of Olavion's financial statements for the years 2023 and 2024. Accordingly, it was agreed that the deadline for the acquisition of 10% of the shares from the Management Team would be no later than 7 July 2025.

- On 14 February 2023, a new company, i.e. Żywiec OZE-1 sp. z o.o. with its registered office in Żywiec, in which Unimot Energia i Gaz sp. z o.o. holds 95% of shares, became part of the UNIMOT Group. As of 15 February 2023, Unimot Energia i Gaz sp. z o.o. holds 100% of shares in Żywiec OZE-1 sp. z o.o..

- On 21 February 2023, the UNIMOT Group concluded a contract for the purchase of new rail tank cars for the transport of petrol or diesel fuel. The total value of the Agreements concluded on this subject with the same contractor, following the publication of current report No. 44/2022 of 30 September 2022, amounts to a total of EUR 19,425,000, i.e. PLN 92,208,532.50 converted according to the average exchange rate of the National Bank of Poland applicable on the date of conclusion of the Agreement (the "Agreements"). As a result of the conclusion of the Agreements, Wagons with a capacity of approximately 10,000 cubic metres have been acquired and will be delivered gradually until 15 July 2023. To date, tank cars (including the Wagons referred to above) with a total capacity of over 18,000 cubic metres have been purchased. The wagons purchased are a significant addition to the Issuer Group's logistics base and will be primarily used by the Issuer Group and, where possible, will be made available to external entities. The development of own rail resources will allow the Issuer Group to make its operations more flexible and increase the efficiency of liquid fuel trading.

- On 7 April 2023, a subsidiary of Unimot S.A., i.e.: UNIMOT Investments sp. z o.o. entered into a final agreement to acquire 100% of the shares in Lotos Terminale S.A., which holds directly or indirectly 100% of the shares or interests 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. For a description of events related to the acquisition of control over Lotos Terminale S.A., including after the balance sheet date, see Note 9.6.

- On 5 April 2023, the UNIMOT Group concluded a preliminary conditional sale agreement, under which it undertook to acquire 80% of shares in a company intended for logistics and trading activities in the energy raw materials industry from two natural persons. The subject of the transaction will be the acquisition of shares in P2T sp. z o.o., to which a separate part of P2 Trading sp. z o.o.'s business will be contributed, and its activities

will include trading in energy raw materials, including biomass and coal, purchase of sea and land freight, as well as supervision of deliveries at sea and land border crossings. The conclusion of the final agreement is subject to the fulfilment of conditions precedent, including in particular: obtaining the consent of the President of the Office of Competition and Consumer Protection, fulfilment of a number of conditions related to the preparation of the company to carry out established operations, registration of agreed amendments to the company's memorandum of association in the National Court Register, as well as the non-occurrence, in the period until the date of conclusion of the final agreement, of negative events related to the encumbrance of shares, as well as taking unfavourable actions resulting in changes in the economic and financial situation of the company. A deadline was set for the fulfilment of the above conditions precedent by 30 September 2023 at the latest. Pursuant to the preliminary agreement, for the acquisition of 80% of the shares UNIMOT will be obliged to pay the basic price and an additional price determined under the earn-out mechanism through the payment of a share of the profit generated in 2023-2024.

## 10. STATEMENT OF THE MANAGEMENT BOARD OF UNIMOT S.A.

The Management Board of Unimot S.A. declares that, to the best of its knowledge, these annual consolidated financial statements and the comparative data have been prepared in accordance with the applicable accounting principles and that they give a true, fair and clear view of the Unimot S.A. Group's assets, financial position and financial result.

The consolidated financial statements of the Unimot S.A. Group for the financial year ended 31 December 2022 have been prepared and made public in accordance with Commission Delegated Regulation 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards for specifications for a uniform electronic reporting format.

## 11. APPROVAL OF THE UNIMOT GROUP CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements for the financial year ended 31 December 2022 were approved for publication and signed by the Board of Directors of Unimot S.A. on 20 April 2023.

Zawadzkie, 20 April 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.

.....  
**Małgorzata Walnik**  
Person drawing up the report