



Management Board's Report on the operations of the UNIMOT Capital Group.

For Q3 2022



16 November 2022

The UNIMOT GROUP

Q 3 2022

Total Revenues

PLN 3 814 M

EBITDA

PLN 59.8 M

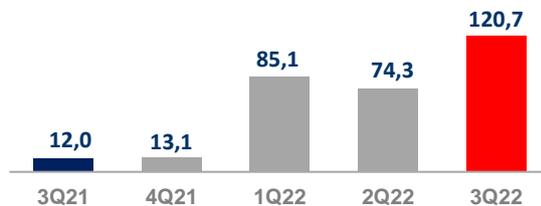
Adjusted EBITDA

PLN 120.7 M

Total revenues [PLN million]



Adjusted EBITDA [PLN million]



SELECTED DATA AND FINANCIAL INDICES^{1 2 3}

| in PLN thousand | 01.01.2022 30.09.2022 | 01.07.2022 30.09.2022 | 01.01.2021 30.09.2021 | 01.07.2021 30.09.2021 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Total revenues | 9 703 412 | 3 814 446 | 5 384 741 | 2 081 234 |
| Gross profit on sales¹ | 569 280 | 178 167 | 242 637 | 68 914 |
| Gross margin on sales | 5,9% | 4,7% | 4,5% | 3,3% |
| Operating profit | 267 075 | 58 353 | 71 334 | 8 314 |
| Operating profit margin | 2,8% | 1,5% | 1,3% | 0,4% |
| EBITDA² | 274 309 | 59 814 | 80 715 | 11 121 |
| EBITDA margin | 2,8% | 1,6% | 1,5% | 0,5% |
| EBITDA adjusted³ | 280 168 | 120 715 | 57 456 | 12 004 |
| EBITDA margin adjusted | 2,9% | 3,2% | 1,1% | 0,6% |
| Net profit | 200 806 | 41 066 | 50 813 | 4 014 |
| Net margin | 2,1% | 1,1% | 0,9% | 0,2% |
| Net profit adjusted | 206 665 | 101 967 | 27 554 | 4 897 |
| Net margin adjusted | 2,1% | 2,7% | 0,5% | 0,2% |

1. Realised and unrealised exchange rate differences as well as assets and liabilities evaluation, including inventories, are recognised in the item.

2. Earnings Before Interest, Taxes, Depreciation and Amortization.

3. Adjusted for the impact of diesel compulsory reserve valuation (driven by a significant change of the spread between diesel spot and forwards quotations), time shifts of costs related to NIT fulfilment and maintaining compulsory reserves of fuels as well other one-time events.

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Letter of the President of the Management Board



1. LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD

Dear Sirs, Dear Shareholders,

On behalf of the UNIMOT Group, I am pleased to provide you with the consolidated financial statements for Q3 2022, in which we present the financial and operational results achieved, as well as the key events of the period.

Since 24 February 2022, the war triggered by Russia's attack on independent Ukraine has been underway. The ongoing conflict intensifies the uncertainty in terms of global economic development, and the direct effects of the war on the Polish economy include higher inflation, energy costs, interest rates, as well as a projected economic slowdown. The situation in Ukraine is not without an impact on the activities of the UNIMOT Group, which is adapting its business strategy to market challenges, while fully respecting the sanctions imposed at national and international level.

Our financial results achieved in Q3 2022 proved that the business and organisational solutions implemented after the outbreak of the war, as well as the new business contacts established, have successfully kept the Group on a growth path and ensured achievement of record financial results. The Group operated flexibly in an environment of unprecedented fluctuations in fuel prices, increased demand, growing logistical challenges and sanctions imposed on Russia and Belarus.

One of the actions being a response to the logistical challenges that emerged after the outbreak of war in Ukraine was the acquisition of rail tankers with a total capacity of more than 8 000 m³ for the transportation of diesel and petrol. These will account for around 35 per cent of the wagon fleet designed to transport these products for 2023. The tankers will be delivered successively until the end of March 2023, and the investment will amount to EUR 15.5 million (i.e. approximately PLN 75.7 million).

Another important step taken by the Group to improve its operational efficiency was establishing the material terms of the future transaction for the acquisition of 100 per cent of the shares in Olavion sp. z o.o., a rail transport company. As part of its operations, Olavion provides rail transport services in Poland under the licence held, as well as freight forwarding services at home and abroad. It has a qualified staff of drivers and dispatchers, as well as long-standing relationships and contracts that allow it to provide transport and forwarding services to its principals. Olavion owns 15 locomotives and employs 64 staff, including 40 drivers. For the nine months of 2022, Olavion transported goods with a total weight of 750,000 tonnes, and its annual freight potential is estimated at around 1.5 million tonnes. The intention is that the conditional preliminary agreement to acquire Olavion's shares will be concluded by 9 December 2022.

The purchase of rail tankers, together with the planned acquisition of Olavion, will allow the Group to have a full logistics chain related to rail freight.

In Q3 2022, we continued our efforts to prepare the UNIMOT Group to act as an independent logistics operator. The Group will achieve the aforementioned goal once the acquisition of Lotos Terminals is finalised. As part of this project, on 1 August 2022, the organised part of UNIMOT's enterprise covering fuel trading, excluding fuel trading within the AVIA fuel station chain and natural gas, was transferred to UNIMOT Paliwa. The value of the assets contributed amounted to PLN 325.9 million. Following this operation, UNIMOT S.A. concentrates its activities mainly on management functions for all the Group's companies. The effect of this organisational change is also a reduction in the Group's obligation to maintain compulsory reserve of liquid fuels in the period from 1 July 2022 to 30 June 2024. The sale of the majority of the compulsory reserve contributed to the achievement of additional adjusted EBITDA of PLN 23 million in Q3 2022 and resulted in the release of financial resources of approximately PLN 180 million, thereby improving the Group's liquidity.

Having acquired the Lotos Terminale assets mentioned earlier, the UNIMOT Group will operate nine fuel terminals with a total capacity of 350,000 m³. In addition, the bitumen plants in Jasło and Czechowice-Dziedzice will be incorporated into our assets. Following the completion of the transaction, the scale of our operations will increase significantly. The UNIMOT Group will be in third place on the fuel storage market and in second place on the bitumen sales market. The acquisition of assets will bring us closer to the realisation of one of the strategic objectives to be achieved by 2023, which is diversifying revenue sources.

We are consistently pursuing our strategic objectives and successively developing the UNIMOT Group. As part of this, we have expanded the reach and availability of the AVIA station chain. In the first nine months of 2022, we connected 20 stations to the chain, which presently includes 105 facilities, with SPAR Express shops already operating in 25 of them. Confirmation of the



strengthening of the Avia station chain in Poland was the 4th place in the petrol station category in the Top Brand 2022 survey conducted by Press magazine and PSMM Monitoring & More. The survey was aimed at identifying the strongest brands in the media.

We are taking actions to ensure that our AVIA stations are not only customer friendly, but also environmentally friendly. It is very important to us to have as little impact on the environment as possible, as well as to increase the cost efficiency of our facilities. Therefore, five AVIA petrol stations managed by the UNIMOT Group have been equipped with photovoltaic installations. In total, the power of the new installations at AVIA stations, the assembly of which is the responsibility of the Avia Solar brand which belongs to the UNIMOT Group, exceeds 100 kWp. All installations have been located on the roofs of the facilities, and the amount of energy they produce will allow savings of up to 50 per cent per year. We are in the process of analysing the technical feasibility of fitting installations at further petrol stations, as we want as many stations as possible to be equipped with their own source of green energy.

We have also established cooperation with the American company First Solar, thanks to which we are able to supply the Polish market with the best quality photovoltaic panels originating 100 per cent from the United States, which ensures stability in the supply chain. The first shipment of US First Solar photovoltaic panels has arrived in Poland and the modules are now available in the UNIMOT Group's offer.

The aforementioned activities contributed to the achievement of record financial results in Q3 2022. Consolidated total revenues reached the level of PLN 3.8 billion, i.e. up by 83 per cent against the past year. The adjusted EBITDA result amounted to PLN 120.7 million compared to PLN 12 million achieved in the same period of 2021. The significant improvement in financial performance was a result of the good sales results achieved. Diesel and bio-fuel sales volumes increased by 20.8 per cent year-on-year to 492,000 m³ and LPG by 29.6 per cent to 68.2 thousand tonnes.

It is worth noting that the UNIMOT Group recorded a significant improvement in its liquidity position in Q3 2022. This was primarily a consequence of the aforementioned release of the compulsory reserve of liquid fuels and record incomes from current operations. The current liquidity ratio reached the level of 1.4 against 1.28 at the end of 2021. In contrast, the quick liquidity ratio (adjusted for inventories) far exceeded 1.0. At the end of September 2022, it rose to 1.23, which means it was by 0.35 higher than at the end of 2021, when it was 0.88.

In spite of very high and significantly higher fuel product prices than last year, having a strong impact on the increase in the debt ratio, the UNIMOT Group recorded a significant improvement in its financing structure. The share of equity in assets amounted to 31.3 per cent at the end of September 2022, which is an increase by 4.8 percentage points compared to the end of 2021, while the share of net debt in assets fell from 67.1 per cent to 55.6 per cent.

Thanks to the record financial performance, the efficiency ratio of capital employed ROCE reached an impressive level of 58 per cent, almost doubling the previous record of 2020 (31.9 per cent).

I am aware that we face numerous challenges, but also opportunities for growth and opportunities to build the value of the UNIMOT Group. We will consistently achieve the strategic goals set and strengthen our market position. I would like to thank everyone who contributes to the development of the UNIMOT Group, including in particular employees, members of the Supervisory Board for their great commitment and full professionalism, and shareholders, business partners and customers for the trust they have placed in us.

Yours faithfully

Adam Sikorski

President of the Management Board of UNIMOT S.A.

2. SELECTED FINANCIAL DATA

2.1. UNIMOT CAPITAL GROUP

| | In PLN thousand | | In EUR thousand | |
|--|-----------------|-------------------|-----------------|-------------------|
| | 30.09.2022 | Comparative data* | 30.09.2022 | Comparative data* |
| I. Revenues on sales | 9 703 412 | 5 384 741 | 2 069 840 | 1 181 252 |
| II. Profit/loss on operating activity | 267 075 | 71 334 | 56 970 | 15 649 |
| III. Gross profit/(loss) | 250 928 | 66 213 | 53 525 | 14 525 |
| IV. Net profit/(loss) attributable to the shareholders of Parent Entity | 200 830 | 50 971 | 42 839 | 11 182 |
| V. Net profit/(loss) | 200 806 | 50 813 | 42 834 | 11 147 |
| VI. Net operating cash flows | 181 525 | (146 197) | 38 721 | (32 071) |
| VII. Net investment activity cash flows | (22 311) | (22 514) | (4 759) | (4 939) |
| VIII. Net financial activity cash flows | (25 341) | (30 212) | (5 405) | (6 628) |
| IX. Total net financial flows | 133 397 | (211 361) | 28 455 | (46 366) |
| X. Total assets | 1 683 548 | 1 231 288 | 345 712 | 267 706 |
| XI. Liabilities and provisions for liabilities | 1 156 742 | 905 413 | 237 534 | 196 855 |
| XII. Long-term liabilities | 107 160 | 92 297 | 22 005 | 20 067 |
| XIII. Short-term liabilities | 1 049 582 | 813 116 | 215 529 | 176 787 |
| XIV. Equity | 526 806 | 325 875 | 108 178 | 70 852 |
| XV. Share capital | 8 198 | 8 198 | 1 683 | 1 782 |
| XVI. Number of shares (in thousands of shares) | 8 198 | 8 198 | - | - |
| XVII. Profit/loss per one common share attributable to the shareholders of Parent Entity (in PLN/EUR)** | 24,50 | 6,22 | 5,23 | 1,36 |
| XVIII. Diluted profit/loss per one common share attributable to the shareholders of Parent Entity (in PLN/EUR)** | 24,50 | 6,22 | 5,23 | 1,36 |
| XIX. Book value per one share (in PLN/EUR)*** | 64,26 | 39,75 | 13,20 | 8,64 |
| XX. Diluted book value per one share (in PLN/EUR)*** | 64,26 | 39,75 | 13,20 | 8,64 |

Data for items concerning the statements of financial condition is presented as of 31 December 2021 and for the items concerning the statements of total revenues and the statements of cash flows for the period from 1 January 2021 to 30 September 2021

** as of 30.09.2022 the number of shares used to calculate the profit per one ordinary share and the diluted profit per one ordinary share was 8 198 thousand of shares

** as of 30.09.2021 the number of shares used to calculate the profit per one ordinary share and the diluted profit per one ordinary share was 8 198 thousand of shares

*** as of 30.09.2022 the number of shares used to calculate the book value and diluted book value per share was 8 198 thousand of shares

*** as of 31.12.2021 the number of shares used to calculate the book value and diluted book value per share was 8 198 thousand of shares

The selected financial data was converted into EUR as follows:

The items of assets and liabilities of the statements of financial standing were converted into EUR according to the average exchange rate announced by the National Bank of Poland valid as of 30.09.2022 PLN/EUR 4.8698 and for the comparative data as of 31.12.2021 PLN/EUR 4.5994

Particular items concerning the profit and loss balance and other total revenues and cash flows have been calculated according to the exchange rate being an arithmetical average of average NBP exchange rates valid at the last calendar day of particular months, which amounted respectively PLN/EUR 4.6880 (9 months of 2022), PLN/EUR 4.5585 (9 months of 2021).

2.2. UNIMOT S.A.

| | In PLN thousand | | In EUR thousand | |
|--|-----------------|-------------------|-----------------|-------------------|
| | 30.09.2022 | Comparative data* | 30.09.2022 | Comparative data* |
| I. Revenues on sales | 7 289 739 | 5 220 980 | 1 554 978 | 1 145 324 |
| II. Profit/loss on operating activity | 101 422 | 78 613 | 21 634 | 17 245 |
| III. Gross profit/loss | 89 689 | 77 020 | 19 132 | 16 896 |
| IV. Net profit/(loss) | 70 077 | 62 574 | 14 948 | 13 727 |
| V. Net operating cash flows | 226 650 | (121 278) | 48 347 | (26 605) |
| VI. Net investment activity cash flows | (154 080) | (21 537) | (32 867) | (4 725) |
| VII. Net financial activity cash flows | (13 605) | (43 130) | (2 902) | (9 461) |
| VIII. Total net financial flows | 64 157 | (198 383) | 13 685 | (43 519) |
| IX. Total assets | 893 820 | 1 144 738 | 183 543 | 248 889 |
| X. Liabilities and provisions for liabilities | 508 109 | 829 104 | 104 339 | 180 264 |
| XI. Long-term liabilities | 83 580 | 81 303 | 17 163 | 17 677 |
| XII. Short-term liabilities | 424 529 | 747 801 | 87 176 | 162 587 |
| XIII. Equity | 385 711 | 315 634 | 79 205 | 68 625 |
| XIV. Share capital | 8 198 | 8 198 | 1 683 | 1 782 |
| XV. Number of shares (in thousands of shares). | 8 198 | 8 198 | - | - |
| XVI. Profit per one ordinary share (in PLN/EUR)** | 8,55 | 7,63 | 1,82 | 1,67 |
| XVII. Diluted profit per one ordinary share (in PLN/EUR)** | 8,55 | 7,63 | 1,82 | 1,67 |
| XVIII. Book value per one share (in PLN/EUR)*** | 47,05 | 38,50 | 9,66 | 8,37 |
| XIX. Diluted book value per one share (in PLN/EUR)*** | 47,05 | 38,50 | 9,66 | 8,37 |

Data for items concerning the statements of financial condition is presented as of 31 December 2021 and for the items concerning the statements of total revenues and the statements of cash flows for the period from 1 January 2021 to 30 September 2021

** as of 30.09.2022 the number of shares used to calculate the profit per one ordinary share and the diluted profit per one ordinary share was 8 198 thousand of shares

** as of 30.09.2021 the number of shares used to calculate the profit per one ordinary share and the diluted profit per one ordinary share was 8 198 thousand of shares

*** as of 30.09.2022 the number of shares used to calculate the book value and diluted book value per share was 8 198 thousand of shares

*** as of 31.12.2021 the number of shares used to calculate the book value and diluted book value per share was 8 198 thousand of shares

The selected financial data was converted into EUR as follows:

The items of assets and liabilities of the statements of financial standing were converted into EUR according to the average exchange rate announced by the National Bank of Poland valid as of 30.09.2022 PLN/EUR 4.8698 and for the comparative data as of 31.12.2021 PLN/EUR 4.5994

Particular items concerning the profit and loss balance and other total revenues and cash flows have been calculated according to the exchange rate being an arithmetical average of average NBP exchange rates valid at the last calendar day of particular months, which amounted respectively PLN/EUR 4.6880 (9 months of 2022), PLN/EUR 4.5585 (9 months of 2021).

 **Commentary**
on financial results
of the UNIMOT Group



3. COMMENTARY ON THE FINANCIAL RESULTS OF THE UNIMOT GROUP

3.1. PRINCIPAL EVENTS IN THE 1ST HALF OF 2022 WITH A DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE CAPITAL GROUP



3.1.1. SITUATION IN THE EAST - IMPACT ON THE UNIMOT CG

On 24 February 2022, the armed aggression of the Russian Federation against independent Ukraine began, which has a strong impact on the global economic and social situation. In Unimot Group's view, the conflict will remain one of the key factors shaping macroeconomic conditions in Poland and globally. Consequently, it will affect the rate of economic growth, the level of fuel consumption, interest rates, currency quotations and the intensity of changes in the prices of products and raw materials.

The war in Ukraine has an impact on Unimot Group's operations through, among other things, changes in supply conditions, prices and availability of raw materials. The intensity of the impact on the Group's operations and financial performance, to a significant extent, will depend on the further course of the war and the imposition of further sanctions on Russia and Belarus. The Unimot Group continuously monitors the political and economic steps taken by government administrations, as well as the international community, and analyses their impact on its business. The Unimot Group is prepared for various scenarios in the fuel market and adapts to all national and international sanctions.

In terms of diesel, the Unimot Group has taken decisive steps to become completely independent from the eastern direction by quickly launching a new supply channel using the terminal located in the Danish Straits¹. Thanks to a leased terminal for diesel, the Unimot Group is fully prepared for the introduction of sanctions on this product. The Gulfhavn deep-water fuel terminal makes it possible to offload diesel from the largest tankers arriving in Europe from directions other than Russia and to continue transporting the fuel to Poland and, if necessary, to all other ports in the Baltic Sea. The three tanks with a total capacity of 127,000 m³ that the Unimot Group has leased are at the Group's disposal from 15 April 2022. The contract for the use of the tanks at the Gulfhavn terminal in Denmark has been concluded for the period of one year, with the possibility of extension. The UNIMOT Group has already made three diesel deliveries using the Danish terminal to date - two from Saudi Arabia and one from India.

The terminal's transshipment capacity allows it to fully meet the import needs of diesel to Poland (not only the volumes currently realised by Unimot) and creates additional trading opportunities. The Unimot Group is looking for further alternative sources of raw material supply in order to become independent of raw material imports from Russia as soon as possible.

In the area of the sources of supply of LPG, the UNIMOT Group is undertaking intensive logistical activities aimed at acquisition of this product from western directions. However, the gradual change in the purchase stream is associated with the need for additional transport to carry gas coming from these directions. Given the infrastructural and logistical constraints, the UNIMOT

¹ <https://www.unimot.pl/aktualnosci/> - Publication of 05.04.2022.

Group identifies major challenges related to the storage of gas from directions other than the East and the transport of this fuel to stations. The above factors may affect the price for the end customer.

The UNIMOT CG trades, sells and distributes natural gas using in-house infrastructure (gas network, LNG regasification stations), external infrastructure, on the Polish Power Exchange and with foreign suppliers. The terms of supply, due to the high diversification of sources in the Unimot Group, did not change and were still based on concluded long-term contracts and market offers. The uncertainty of supplies realised from the East entailed significant price increases on the Western European market and, consequently, also on the Polish market. The long-term contracts have allowed the Unimot CG's exposure to be managed effectively, offsetting the effects of volatility and extreme fuel prices on the markets we have seen over the course of this year.

3.1.2. PREPARING THE UNIMOT GROUP TO TAKE OVER LOTOS TERMINALS ASSETS

In Q3 2022, intensive work on the reorganisation of the Unimot CG were continued, aimed at preparing the Group's structure for the acquisition of the Lotos Terminals assets. 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 a subsidiary - Unimot Paliwa². The organised part of the enterprise constitutes 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 chain of AVIA fuel stations and the segment related to natural gas trading.

UNIMOT S.A. received 3,258,500 newly-established shares in Unimot Paliwa in exchange for a contribution in kind (in-kind contribution) in the form of an organised part of the enterprise. As at the date of signing the agreement, the value of the transferred part of the enterprise was PLN 325,850,000. Following the contribution of the organised part of the enterprise to Unimot Paliwa, Unimot will focus its activities mainly on management functions for all Group companies.

Carrying out the reorganisation described above was an important step in preparing the Group's structure for the pending acquisition of the assets of Lotos Terminale. Within the confines of the transaction the Unimot Group will purchase the business of Independent Logistics Operator (so called "ILO business"), which includes 9 fuel terminals with a total capacity of 350,000 m³, including 5 terminals currently owned by Lotos Terminale: in Czechowice-Dziedzice, Jasło, Piotrków Trybunalski, Poznań and Rypin, as well as four terminals currently owned by PKN Orlen: in Bolesławiec, Szczecin, Gutkowo and Gdańsk. Upon completion of the development works, the storage capacity will increase to 410,000 m³. As a result of the transaction, the Unimot Group will become the third player on the fuel storage market (after PERN and PKN Orlen) in terms of volume. In addition, within the confines of the transaction the Unimot Group will take over the "bitumen" business. This comprises southern bitumen production facilities in Jasło and Czechowice-Dziedzice, together with the sales department, as well as a 10-year contract with the Gdańsk Refinery for supplies of raw material for their production in quantities of up to 500,000 tonnes per year, making the Unimot Group the second player on the bitumen sales market in terms of volume. The acquired businesses may generate additional EBITDA of approximately PLN 70 - 100 million in the future.

UNIMOT estimates that its involvement in the transaction in the near term could amount to at least PLN 450 million. The transaction will be mostly financed by bank loans. A loan agreement totalling PLN 360 million with a consortium of three banks was concluded on 12 January 2022.

The transaction referred to above is a consequence of the implementation of the remedies imposed by the European Commission in connection with the acquisition of Grupa Lotos SA by PKN Orlen SA. As part of this process, on 20 June 2022, the European Commission approved a concentration involving PKN Orlen taking control of Lotos Group. The merger of the two entities took place on 1 August 2022.

At the same time, the European Commission's approval of the merger between PKN Orlen and Grupa Lotos meant that one of the important conditions for the acquisition of 100 per cent of Lotos Terminale shares by Unimot Investments was fulfilled.³ Another important event was receiving on 7 July 2022 by the Unimot Group approval from the President of the Office of

² <https://www.unimot.pl/relacje-inwestorskie/raporty/biezace/> Current report No. 39/2022 of 01.08.2022

³ <https://www.unimot.pl/relacje-inwestorskie/raporty/biezace/> Current report No. 31/2022 of 20.06.2022

Competition and Consumer Protection for the acquisition by Unimot Investments of 100 per cent of the shares in Lotos Terminale.⁴

Completion of the transaction for the acquisition of the Lotos Terminals assets by the UNIMOT Group is planned for the end of the fourth quarter of this year, but it should be noted that this date does not depend solely on the actions taken by the Group and is subject to change.

3.1.3. DEVELOPMENT OF AVIA STATIONS CHAIN

The UNIMOT CG has been consistently implementing its business strategy of expanding the AVIA fuel station chain, which increased by 20 facilities in nine months of 2022. At the end of September 2022, the AVIA chain in Poland comprised 105 fuel stations, including 33 operated by UNIMOT in the CODO model (directly by the company) and 72 in the DOFO model (franchised).

UNIMOT systematically searches for market opportunities and carries out activities aimed at stable development of the AVIA station chain in Poland and undertakes actions to improve the efficiency of their operation. The most important events in Q3 2022 concerning AVIA stations were as follows:

- Launch of a further 16 SPAR Express stores at AVIA stations. At the end of September 2022, 25 of these were in operation;
- Launch of a further 3 AVIA stations in: Małkinia, Kobyłka and Antonowo;
- Exceeding the sales volume of 60 million litres of fuel at AVIA stations in Q3 2022 and ambitions to maintain dynamic sales volume growth as the chain grows;
- Increased sales effectiveness at previously launched own stations through skilful and successive implementation of marketing strategies.

Taking into account the current market situation, in particular the war in Ukraine and its economic consequences, the ongoing COVID -19 pandemic, as well as the anticipated development of the fuel segment in Poland, it is realistic to assume that by the end of 2023, the AVIA chain will include 150 stations.

3.1.4. DEVELOPMENT OF AVIA SOLAR BRAND

In Q3 2022, AVIA Solar started to implement a long-term plan for the supply and installation of photovoltaic installations for all own stations in the AVIA chain. At the same time, the search for new customers was intensified, resulting in a 100% increase in the portfolio of projects above 50 kWp compared to the previous quarter. The Group's goal is to reach break-even in this segment from Q1 2023.

As at 30 June 2022, the Company's portfolio included contracts for large-scale projects (over 50 kWp) at a level of 1.5 MWp, including the implementation of a 690 kWp installation for Dino S.A. at that company's warehouse located in Krotoszyn. In October 2022, the Company signed a cooperation agreement for the provision of design services for the installation of photovoltaic systems with Tauron Sprzedaż sp. z o.o. In line with the strategy adopted, the team operating in the PV segment within Unimot Energia i Gaz, deals with the implementation of projects with a capacity of more than 50 kWp, the development of own projects and activities aimed at building long-term value for the Unimot Group, including the construction of micro-installations at AVIA's own stations. In the first quarter of 2023, the Unimot CG will introduce photovoltaic panels manufactured in cooperation with PZL Sędziszów under the AVIA Solar brand to its sales offer.

3.1.5. DEVELOPMENT PLANS

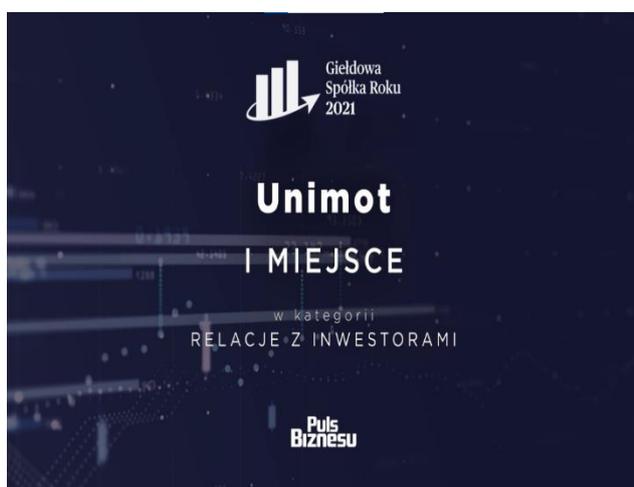
As part of increasing the flexibility of its operations and responding to the logistical challenges that emerged after the outbreak of war in Ukraine, the UNIMOT Group will purchase new rail tankers with a total capacity of more than 8,000 cubic metres for the transport of diesel and petrol. The purchased tankers will constitute a significant addition to the UNIMOT Group's logistics base and will be primarily used by the Group and, as far as possible, will be made available to external entities. The development

⁴ <https://www.unimot.pl/relacje-inwestorskie/raporty/biezace/> Current report No. 35/2022 of 08.07.2022

of the Group's own rail resources will allow it to increase the efficiency of liquid fuel trading. The purchased rolling stock will represent approximately 35% of the wagon fleet for 2023. The tankers will be delivered successively until the end of March 2023. The value of the investment amounts to €15.5 million (i.e. approximately PLN 75.7 million)⁵.

In addition, the UNIMOT Group has identified business opportunities, the effects of which may influence the improvement of Poland's energy security. Preliminary analyses carried out in the Unimot Group in the field of hard coal trading have shown the possibility for the Group to acquire this raw material, as well as to locate it at home and abroad. In addition, in the event of further development of this area of activity, revenue synergies resulting from the use of the potential of the UNIMOT Group's existing customers may emerge. In the opinion of the Management Board, the first contracts in this area may be concluded in the fourth quarter of 2022, but given the margins of this product, they will not significantly affect UNIMOT's financial results. The UNIMOT Group has started cooperation with the US company First Solar, through which originating 100 per cent from the United States photovoltaic panels will be supplied to the Polish market. The first shipment of First Solar's American photovoltaic panels has arrived in Poland and the modules are already available in UNIMOT Group's offer.

3.1.6. AWARDS AND DISTINCTIONS IN 2022



UNIMOT S.A., took the **first place** for another year in a row in the prestigious ranking of the Stock Exchange Company of the Year 2021 in the category "Investor Relations".⁶

Stock Exchange Company of the Year is a ranking of best companies listed on the Warsaw Stock Exchange. The "Investor Relations" category evaluates the quality of information and communication with the market, including the dialogue conducted with institutional and individual investors. The company also won first place in this category in last year's edition of the ranking. The Stock Exchange Company of the Year is the oldest ranking in the capital market. The companies are selected by 100 stock market analysts, investment advisers and managers representing brokerage houses and offices, pension funds and

investment funds. The experts evaluate the company in each of the five categories on a 7-point scale. The final score is the average of the obtained evaluations. The organiser of the Stock Exchange Company of the Year ranking is Bonnier Business Polska Sp. z o.o., the publisher of the Puls Biznesu newspaper.

⁵ <https://www.unimot.pl/relacje-inwestorskie/raporty/biezace/> Current report No.31/2022 of 20.06.2022

⁶ <https://www.unimot.pl/aktualnosci/unimot-po-raz-kolejny-nagrodzony-za-najlepsze-relacje-inwestorskie/>



Unimot was awarded the title Hero of the Capital Market 2022 for the best investor relations among companies listed on sWIG80. The Heroes of the Capital Market 2022 title was competed for by companies, institutions and individuals who, during the past year, have contributed most strongly to the development of the Polish capital market and the raising of its standards. The awards were granted during the WallStreet 26 conference organised by the Association of Individual Investors. In 2022, the title of Capital Market Hero was awarded in 17 categories. Voting by investors on individual candidates lasted a month and ended on 18 May, with more than 100,000 votes cast in the plebiscite.



On 28 July 2022, Forbes magazine published a list of the 100 largest family businesses in Poland. Unimot was ranked ninth, up one place from last year's ranking.⁷



During a special session of the City Council held in July, the Mayor of Zawadzkie Municipality presented awards to Adam Sikorski, President of the Management Board of Unimot, in the category "Social activity, concern for people and safety" and an award to Unimot in the category "Economy and entrepreneurship".

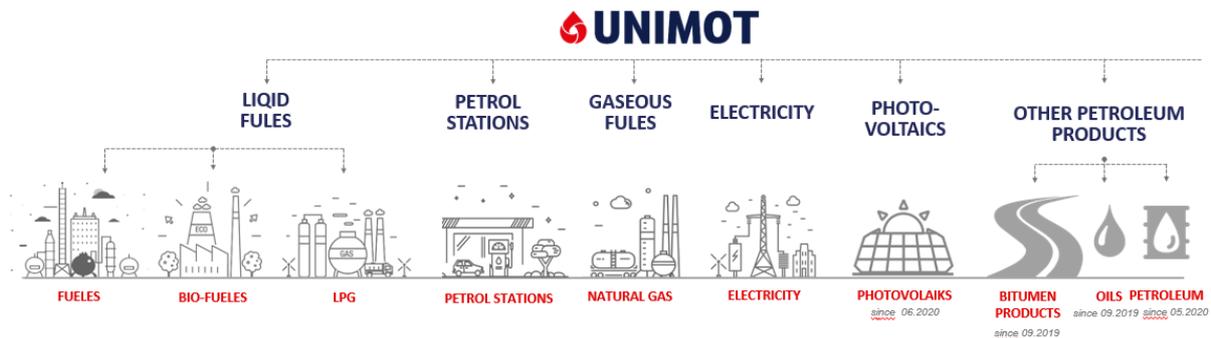
Unimot is registered in the town of Zawadzkie and is a significant tax payer there. In addition, it supports the local community by donating funds to the municipality each year, which are used, among other things, to build a playground for children and young people and to support local youth sports clubs.

⁷ <https://www.forbes.pl/rankingi/rodziny-biznes-rosnie-w-sile-ranking-100-najwiekszych-polskich-firm-rodzinych/t2mz1n0>



After the reporting day, on 3 November 2022, Press magazine and PSMM Monitoring & More published the Top Brand report for the 15th time, in which the AVIA station chain in Poland was ranked 4th in the fuel station category. The goal of the study was to identify the strongest brands in the media.

4. BASIC INFORMATION ON THE UNIMOT CAPITAL GROUP



The Unimot Capital Group is the independent largest importer of liquid and gaseous fuels, with the following products on offer: diesel (ON), liquefied petroleum gas (LPG), natural gas (LNG, CNG), bio-fuels (Bio), electricity, motor oils and asphalts.

A few years ago, it expanded its activities to include renewable energy sources in the area of photovoltaics, operating under the brand name of AVIA Solar. It is a member of the international association Avia International and has been developing a chain of petrol stations under the Avia brand since 2016.

The company stands out for its dynamic development, constantly expanding its offerings, taking advantage of new opportunities on the market.

It adheres to the principles of business honesty and transparency towards its stakeholders, supports the local community by engaging in sports initiatives, adheres to the principles of professionalism while taking care of the quality and safety of the products it trades in.

4.1. PARENT ENTITY'S DATA

Unimot Spółka Akcyjna ("Unimot", "Company", "Parent Entity") with the registered office in Zawadzkie, 2A Świerkłańska is a Parent Entity in the UNIMOT Capital Group ("Capital Group", "Group").

The company was entered on 29th March 2011 into the Register of Entrepreneurs of the District Court for Opole in Poland, VIII Commercial Division of the National Court Register under KRS number: 0000382244 and NIP: 7561967341

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

The Parent Entity's core business is the control and management of other companies or businesses in the fuel and energy and related industries, strategic and organisational planning and decision-making processes.

The core business of the UNIMOT Group is retail and wholesale of liquid and gaseous fuels, petroleum products, electricity, photovoltaics and construction of natural gas distribution networks.

4.2. COMPOSITION OF THE PARENT ENTITY'S MANAGEMENT AND SUPERVISORY BOARD

Composition of the Management Board:

- 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 Management Board during the reporting period.

Composition of the Supervisory Board:

- Andreas Golombek – President of the Supervisory Board
- Bogusław Sattawa – Vice-President of the Supervisory Board
- Piotr Cieślak - Member of the Supervisory Board

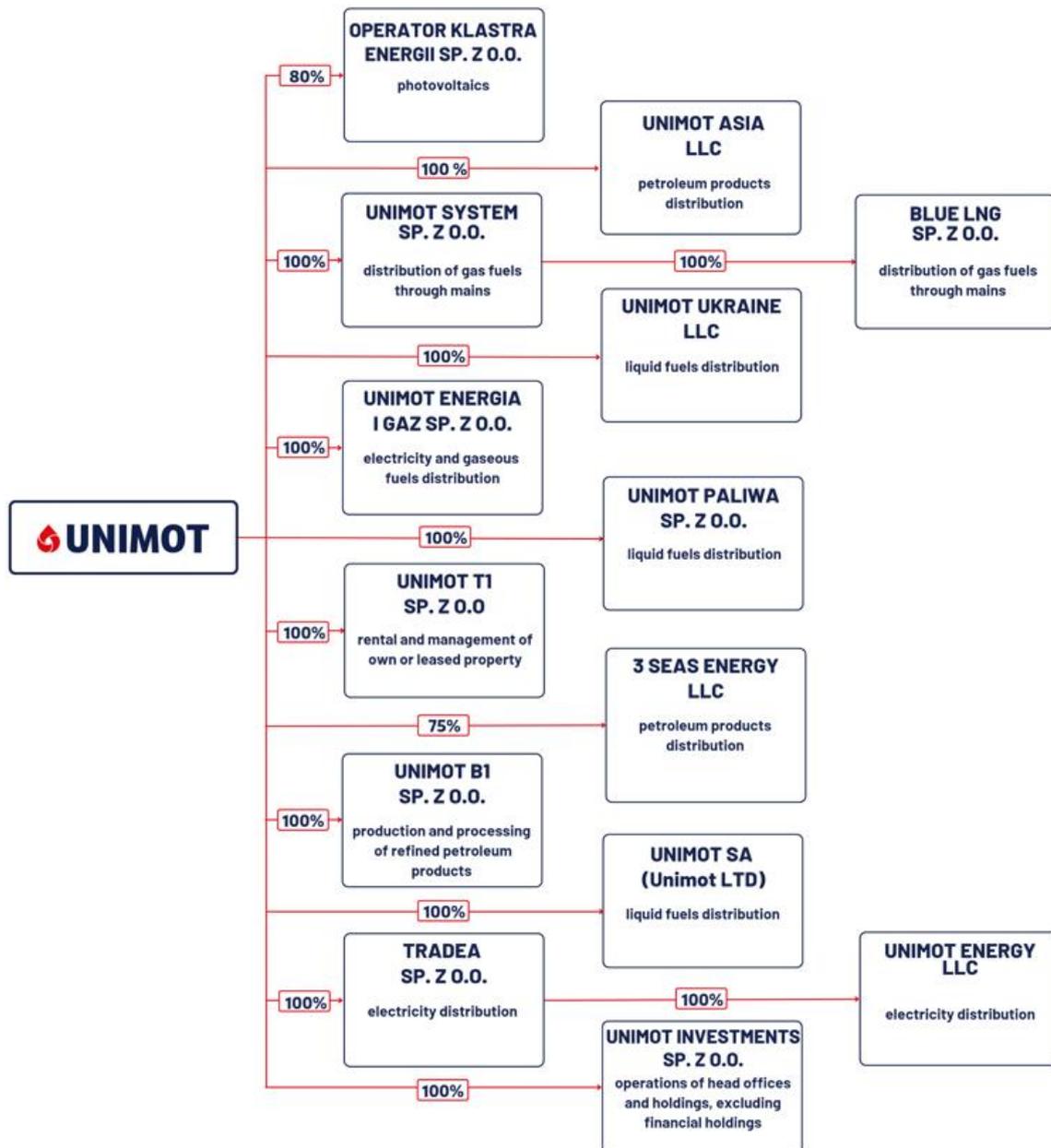
- Isaac Querub - Member of the Supervisory Board
- Piotr Prusakiewicz - Member of the Supervisory Board
- Ryszard Budzik - Member of the Supervisory Board
- Lidia Banach-Hoheker – Member of the Supervisory Board

There were no changes in the composition of the Supervisory Board during the reporting period.

4.3. COMPOSITION OF THE UNIMOT CAPITAL GROUP

As of 30 September 2022, the UNIMOT Capital Group consisted of the following directly and indirectly consolidated subsidiaries:

| Name of subsidiary | The Seat | Scope of unit's basic operations | Held shares and rights to vote | Date of obtaining control |
|-------------------------------------|-------------|---|--------------------------------|---------------------------|
| UNIMOT SYSTEM Sp. z o.o. | Poland | distribution of gas fuels through mains | 100,00% | 20.01.2014 |
| BLUE LNG Sp. z o. o. | Poland | distribution of gas fuels through mains | 100,00% | 04.07.2014 |
| UNIMOT PALIWA Sp. z o.o. | Poland | liquid fuels distribution | 100,00% | 16.11.2015 |
| UNIMOT ENERGIA I GAZ Sp. z o.o. | Poland | electricity and gaseous fuels distribution | 100,00% | 30.12.2015 |
| TRADEA Sp. z o.o. | Poland | electricity distribution | 100,00% | 23.05.2016 |
| UNIMOT UKRAINE LLC | Ukraine | liquid fuels distribution | 100,00% | 19.04.2018 |
| UNIMOT ASIA LLC | China | petroleum products distribution | 100,00% | 04.09.2018 |
| UNIMOT ENERGY LLC | Ukraine | electricity distribution | 100,00% | 02.04.2019 |
| 3 SEAS ENERGY LLC | U.S.A. | petroleum products distribution | 75,00% | 21.05.2020 |
| OPERATOR KLASTRA ENERGII Sp. z o.o. | Poland | photovoltaics | 80,00% | 15.02.2021 |
| UNIMOT INVESTMENTS Sp. z o.o. | Poland | operations of head offices and holdings, excluding financial holdings | 100,00% | 20.10.2021 |
| UNIMOT T1 Sp. z o.o. | Poland | rental and management of own or leased property | 100,00% | 20.10.2021 |
| UNIMOT B1 Sp. z o.o. | Poland | production and processing of refined petroleum products | 100,00% | 20.10.2021 |
| UNIMOT SA (Unimot LTD) | Switzerland | Liquid fuels distribution | 100,00% | 17.05.2022 |



4.4. CAPITAL INVESTMENTS MADE

In Q3 2022, the following changes occurred in the Unimot Capital Group:

- On 1.08.2022. Unimot S.A. and Unimot Paliwa sp. z o.o. (a company 100% controlled by Unimot S.A., "Unimot Paliwa") entered into an agreement for the transfer of an organised part of the enterprise of Unimot S.A. (the "OPE") in exchange for the acquisition of new shares in Unimot Paliwa (the "Agreement"). The OPE comprises an organisationally, financially and functionally separated part of Unimot S.A.'s enterprise, the object of which is fuel trading, excluding fuel trading activities within the developed AVIA fuel station chain and the segment related to natural gas trading. The acquisition of the ownership of the OPE from Unimot S.A. by Unimot Paliwa took place upon the conclusion of the Agreement, i.e. on 1.08.2022. The Issuer received 3,258,500 newly created shares of PLN 100.00 each in Unimot Paliwa in return for the non-cash contribution (contribution in kind) in the form of the OPE. As a result of the transaction, the share capital of Unimot Paliwa increased by PLN 325,850 thousand.

- On 19.08.2022, Unimot S.A. increased its capital in Unimot B1 Sp. z o.o. by acquiring 200 new shares at PLN 50 each, as a result of which the share capital of that company increased by PLN 10,000. The percentage share of Unimot S.A. in Unimot B1 Sp. z o.o. did not change and amounts to 100.00%.
- On 19.08.2022, Unimot S.A. increased its capital in Unimot T1 Sp. z o.o. by acquiring 200 new shares at PLN 50 each, as a result of which the share capital of this company increased by PLN 10,000. The percentage share of Unimot S.A. in Unimot T1 sp. z o.o. did not change and amounts to 100.00%.
- On 22.09.2022. Unimot S.A. increased its capital in Unimot System Sp. z o.o. by acquiring 6,000 new shares at PLN 500 each, as a result of which the share capital of this company increased by PLN 3,000,000. The percentage share of Unimot S.A. in Unimot System Sp. z o.o. did not change and amounts to 100.00%.
- On 23.09.2022. Unimot S.A. increased its capital in Blue LNG sp. z o.o. by taking up 6,500 new shares at PLN 100 each, as a result of which the share capital of this company increased by PLN 650,000. Unimot S.A.'s percentage share in Blue LNG Sp. z o.o. did not change and amounts to 100.00%.

Mergers completed in Q3 2022:

No mergers of companies within the meaning of the Commercial Companies Code were realised in Q3 2022.

Disposals in Q3 2022:

No shares in subsidiaries were disposed of in Q3 2022.

Changes after the balance sheet date (after 30 September 2022):

On 4.10.2022, Unimot S.A. increased the capital in Unimot Investments sp. z o.o. by acquiring 1700 new shares at PLN 50 each, covering them entirely with a cash contribution in the amount of PLN 850,000.00 as a result of which the share capital of this company increased by PLN 85,000, while the surplus over the nominal value of the acquired shares, i.e. the amount of PLN 765,000, was transferred to the supplementary capital (agio). The percentage share of Unimot S.A. in Unimot Investments sp. z o.o. did not change and amounts to 100.00%.

5. ISSUER'S SHAREHOLDER'S STRUCTURE

5.1. ISSUER'S SHAREHOLDER'S STRUCTURE

Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the Issuer's General Meeting as at the date of this interim report:

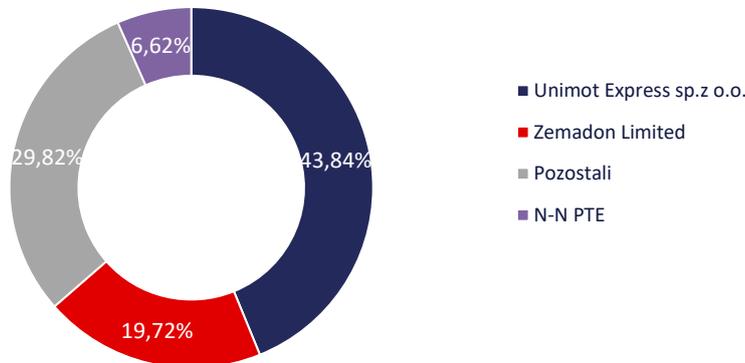
| Shareholder | Number of shares | Share in capital | Number of votes | Share in votes % |
|---|------------------|------------------|------------------|------------------|
| Unimot Express Sp. z o.o. ¹ | 3 593 625 | 43,84% | 3 593 625 | 42,04% |
| Zemadon Limited ¹ | 1 616 661 | 19,72% | 1 966 661 | 23,01% |
| Nationale-Nederlanden Powszechno Towarzystwo Emerytalne S.A. (portfolio) ² | 542 400 | 6,62% | 542 400 | 6,35% |
| including: Nationale-Nederlanden Otwarty Fundusz Emerytalny. | 428 719 | 5,23% | 428 719 | 5,02% |
| Others | 2 445 132 | 29,82% | 2 445 132 | 28,60% |
| Total | 8 197 818 | 100,00% | 8 547 818 | 100,00% |

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 5.12.2016 between spouses Adam Antoni Sikorski and Magdalena Sikorska as regards conducting common policy towards Unimot Express sp. z o.o. and Unimot S.A. For a detailed description of the structure of entities exercising control over the Issuer, see below.*

² *Nationale-Nederlanden Powszechno Towarzystwo Emerytalne S.A. through 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 Dobrowolny Fundusz Emerytalny Nasze Jutro 2045, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2050, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2055, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2060 i Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2065.*

In the period since the date of the previous interim report, there have been no changes in the ownership structure of significant shareholdings in UNIMOT.

Share in the capital of UNIMOT S.A.



6. SUMMARY OF ISSUER'S SHARES HELD BY MANAGING AND SUPERVISING PERSONS

The summary of the number of the Issuer's shares held by the issuer's management and supervisory personnel as at the date of the report and change in the number of shares held, since the date of the previous interim report.

| Shareholder | Number of votes | Share in capital | Number of votes | Share in votes | Changes in ownership |
|-------------------|-----------------|------------------|-----------------|----------------|----------------------|
| Robert Brzozowski | 102 068 | 1,25% | 102 068 | 1,19% | + 850 |
| Filip Kuropatwa | 21 347 | 0,26% | 21 347 | 0,25% | - |
| Isaac Querub | 15 700 | 0,19% | 15 700 | 0,18% | - |

Mr Adam Antoni Sikorski - the President of the Management Board of the Issuer, owns indirectly 100% of shares of Zemadon Ltd. in Cyprus through "Family First Foundation" seated in Vaduz in Liechtenstein which he controls and of which the beneficiary is the family of Mr Adam Antoni Sikorski.

Zemadon Ltd. with its registered office in Nicosia, Cyprus, as of the publication date of the interim report owns 19.72% in the Issuer's share capital and 23.01% in votes at the Issuer's General Meeting. There has been no change in ownership since the previous interim report.

Zemadon Ltd., with its registered office in Nicosia, Cyprus is also a shareholder in Unimot Express Sp. z o.o. (the main shareholder of the Issuer) which has 49.75% of share in the share capital and votes. The second partner of Unimot Express Sp. z o.o. is Mr. Adam Władysław Sikorski (nephew of Mr. Adam Antoni Sikorski) with 49.75% share and votes at a meeting of shareholders. The remaining minority share which is 0.5% in the share capital and votes in Unimot Express Sp. z o.o. is owned by Mrs Magdalena Sikorska, wife of Adam Antoni Sikorski – the President of the Management Board.

As of the publication date of the interim report **Unimot Express Sp. z o.o.** owned 43.84% in the share capital and 42.04% in votes at the General Meeting of Unimot S.A. There has been no change in ownership since the previous interim report.

Since 5 December 2016 spouses Adam Antoni Sikorski and Magdalena Sikorska, due to their oral agreement on conducting common policy towards Unimot Express Sp. z o.o. and Unimot S.A., indirectly through Unimot Express Sp. z o.o. and Zemadon Ltd. they controlled a total of 63.56% of the share capital and 65.05% of votes in the General Meeting of Unimot S.A.

The entity related with the Issuer, due to being subject to joint control by Unimot Express Sp. z o.o. is Unimot-Truck sp. z o.o. seated in Warsaw, where Unimot Express Sp. z o.o. has 52.02% of share in the share capital and Ammerviel Ltd., seated in Nicosia, Cyprus, in which Unimot Express Sp. z o.o. has 100% of shares.

The company related with the Issuer is also PZL Sędziszów S.A. with its registered office in Sędziszów Małopolski, in which Mr. Adam Antoni Sikorski owns 48.78% and Unimot Express SP. z o.o. owns 48.78% of share in the share capital.

The unit related with the Issuer, due to be being subject to common control by Mr. Adam Antoni Sikorski (indirectly by Zemadon Ltd.) is U.C. Energy Ltd. seated in Cyprus.

In the period since the previous interim report, the shareholding of Mr and Mrs Sikorski has not changed.

Mr. Robert Brzozowski – Vice-President of the Issuer's Management Board, as of the publication date of the report, held 102 068 Issuer's shares entitling to 102 068 votes at the General Meeting, which participation in the share capital amounted to 1.25%, and participation in the total number of votes at the General Meeting amounted to 1.19%.

In the period since the publication of the previous interim report, Mr Robert Brzozowski acquired 850 shares of the Issuer, conferring the right to 850 votes at the General Meeting, whose share in the share capital amounts to 0.01% and the share in the total number of votes at the General Meeting was 0.01%.

Mr Filip Kuropatwa – Vice-President of the Issuer's Management Board, as of as of the publication date of the report, held 21 347 Issuer's shares entitling to 21 347 votes at the General Meeting, whose share in the share capital amounted to 0.26% and the share in the total number of votes at the General Meeting amounted to 0.25%.

In the period since the previous interim report, the shareholding of Mr Filip Kuropatwa has not changed.

Mr Isaac Querub – Member of the Supervisory Board of the Issuer as of the publication date of the report held 15 700 Issuer's shares entitling to 15 700 votes at the General Meeting, whose share in the share capital amounted to 0.19%, and the share in the total number of votes at the General Meeting amounted to 0.18%.

In the period since the previous interim report, the shareholding of Mr Isaac Querub has not changed.

6.1. DIVIDEND POLICY

The dividend policy of the Unimot CG has been described in the Group Strategy in section 7.1, of this Management Board's report.

6.2. SHARES OF UNIMOT S.A. ON WSE

On the Warsaw Stock Exchange ("WSE") in Q3 2022, the WIG broad market index lost: 14.19% continuing the declines that began in November 2021. The large-cap indices WIG20 and WIG30 behaved less well, losing respectively: 18,75% i 18,90%. Only four WIG indices recorded increases, among them WIG.GAMES5 gained the most 9.12% and WIG-Ukraine the least: 0.92%.

UNIMOT S.A. shares are listed on the parallel market of the WSE, in the continuous trading system. They are included in the indices: WIG, WIG-PALIWA, sWIG80, sWIG80TR, WIG-Poland, InvestorMS, CEEplus. In Q3 2022, UNIMOT S.A.'s share price gained 3.76%, performing better than the SWIG80 index, which lost 8.04%. In terms of turnover value in Q3 2022, Unimot was in 65th place out of 407 companies listed on the WSE. The minimum price in this period was PLN 47.00 and the maximum price was PLN 76.50. The value of trading was PLN 58.17 million and the average volume per session was 14,382 shares. Capitalisation of UNIMOT S.A. at the end of the period: PLN 429.57 million.

Statistical data and stock market indices:

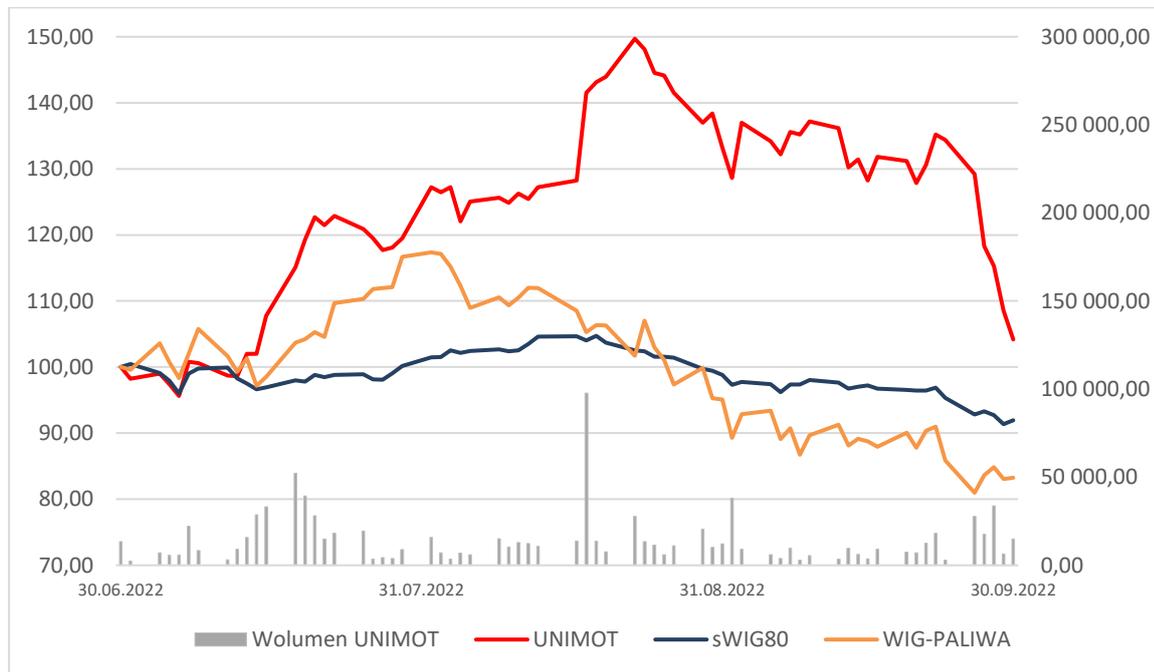
| | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|------------------------------------|---------|---------|---------|---------|
| Quarterly return rate of sWIG80 | -8,04% | -12,32% | - 1,71% | -4,98 |
| Quarterly return rate | 3,76% | 19,90% | 5,14% | -16,79% |
| Capitalisation (PLN million) | 429,57 | 412,35 | 343,90 | 327,09 |
| P/E ratio | 2,3 | 2,6 | 4,5 | 4,2 |
| P/Bv ratio | 0,88 | 0,94 | 1,14 | 1,09 |
| Dividend rate | - | 3,9 | 4,7 | 4,9 |
| Turnover value (PLN million) | 58,17 | 37,90 | 39,82 | 31,53 |
| Share in trading | 0,09% | 0,06% | 0,04% | 0,04% |
| Average volume per session (units) | 14 382 | 12 905 | 14 394 | 11 511 |

source: GPW

UNIMOT S.A. is valued by analysts of Dom Maklerski Banku Ochrony Środowiska S.A. The table presents the last recommendations for the company prepared on behalf of the WSE within the Analytical Support Programme 3.0.

| Issuance date | Fundamental recommendation | Relative recommendation | Valuation in 12-month horizon | Price on issuance day |
|---------------|----------------------------|-------------------------|-------------------------------|-----------------------|
| 27-10-2022 | Buy | Overweigh | PLN 95,00 | PLN 70,20 |
| 16-08-2022 | Buy | Overweigh | PLN 87,00 | PLN 64,50 |
| 05-12-2021 | Hold | Neutral | PLN 47,00 | PLN 41,00 |
| 25-08-2021 | Buy | Overweigh | PLN 67,00 | PLN 48,05 |

Price of UNIMOT shares compared to indexes sWIG80 and WIG-Paliwa
[left axis: price change, right axis: trading volume in items]



source: stockwatch.pl

* differences between the stated values and those published on certain websites may result from the value of the dividends paid.

Main activities carried out by UNIMOT S.A. in the area of investor relations in Q3 2022:

- **Performance conferences** - online meetings of the Management Board with representatives of financial institutions (analysts, fund managers) following the publication of interim reports and at other times as required.
- **Investor chats** - online meetings between the Management Board and individual investors held quarterly after the publication of interim reports. Prior to the chats there is a performance presentation by a member of the Management Board. Reports of the chats are posted on the Company's website.
- **Online conferences, presentations and commentaries** - when important events occur in the company or in the market environment, online conferences are held with the President of the Management Board and possibly members of the Management Board, or presentations are prepared. These materials are available on the company's website: <https://www.unimot.pl/relacje-inwestorskie/>
- **Investor relations tab on the company's website** – on its website the company informs, among others, about most important events and new recommendations. The tab is also regularly updated with new contents and reference materials (video, audio, presentations one-pagers). The website functions in Polish and English: <https://www.unimot.pl/relacje-inwestorskie/>.
- **Twitter communication** – the company conducts active communication through the social media Twitter providing most relevant information and answering questions; company's account on Twitter is observed by over 1200 persons.
- **IR notifications** - investors can benefit from receiving by email: notifications of important company events that have taken place and a set of performance materials. Consent to receive emails can be applied for via the website under the investor relations tab <https://www.unimot.pl/relacje-inwestorskie/powiadomienia-inwestorskie/>.

UNIMOT Club+

In 2021, a loyalty programme was launched for UNIMOT S.A. shareholders under the name UNIMOT Club+. The aim of the Club is to build a long-term relationship with shareholders and to thank and appreciate loyal investors who hold UNIMOT shares for a long time. UNIMOT Club+ is also an element of building a stable and conscious shareholding.

Every shareholder owning at least 100 shares for at least 6 months may join the Club. Club members receive access to a wide range of benefits depending on membership level. The benefits include reimbursement of fuel costs at AVIA stations, discounts for domestic LPG installations, participation in online meetings with the CEO, discounts on subscriptions to the partner stock exchange media (StockWatch.pl, Strefa Inwestorów, Parkiet), discounts on conferences and training sessions and insurance coverage. A Club member may also benefit from a reduced or waived membership fee to the Association of Individual Investors depending on the level of membership in the Club. In addition, Members can attend the WallStreet Conference on preferential terms. All shareholders can join the Club. The programme is not restricted to shareholders holding shares in brokerage houses and offices cooperating with the programme.

An online platform has been made available to Club members where, after logging in, benefits can be activated: <https://www.unimotklubplus.pl/>.

The main partner of UNIMOT Club+ is the Association of Individual Investors.

7. RISKS IN THE OPERATIONS OF THE CAPITAL GROUP

7.1. DESCRIPTION OF BASIC THREATS AND RISK CONNECTED WITH THE REMAINING MONTHS OF THE FINANCIAL YEAR

In connection with the ongoing war in Ukraine, the Management Board continuously monitors emerging sanctions regulations and their implementation and assesses their impact on the Group's operations. The impact of the armed conflict in Ukraine on the Group's operations is further described in section 10.4 of this report.

Although the armed conflict does not adversely affect the Group's current trading activities, it cannot be ruled out that, in the event of its escalation or as a result of the economic sanctions imposed, it will not have a significant negative impact on the Unimot Group's operating and investment activities in the future. A table listing the most significant categories of risks identified in the Group is presented below.

Factors related to the operations of the Company and the Capital Group:

| RISK GROUP | RISK AND ITS DESCRIPTION | MITIGATING ACTIONS AND RISK MANAGEMENT TOOLS |
|----------------------------|---|--|
| Market and commodity risks | Risk of volatility with regard to commodity prices and associated with instability of the liquid and gaseous fuel market, depending on external factors, in particular the macroeconomic and political situation at home and abroad, affecting, inter alia, the demand for fuels, margins earned by the Issuer, the amount of fuel storage costs. | <ul style="list-style-type: none"> ongoing analysis of the market and fuel prices to enable appropriate responses to changes hedging purchases with appropriate hedging transactions using futures contracts; in the case of fast-moving commodities, risk is mitigated by passing on pricing formulas onto the customer and by setting purchase and sale prices in the shortest possible time interval; |
| | Risk of volatility of electricity prices related to uncertainty as to the levels and volatility of electricity prices and prices of key energy products and derivatives that shape the price of electricity (inter alia CO ₂ , fuels - gas, coal), which may affect the margins obtained by the Issuer's subsidiary. | <ul style="list-style-type: none"> ongoing analysis of the market and fuel prices, and CO₂ emission allowance prices allows for appropriate reactions to changes; hedging purchases with appropriate hedging transactions, using forward contracts while monitoring the collateral of deposits on the exchange as well as with the Transmission System Operator in the case of energy trading with the use of price formulae indexed, in particular to the short-term market (Day-Ahead and/or Intraday type), the risk is mitigated with simultaneous reduction of margins on these products; |

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| | <p>The risk of an increase in operating costs, in particular in the area of material costs, energy costs, staff costs, as well as transport costs, resulting from the current macroeconomic situation.</p> | <ul style="list-style-type: none"> ongoing market analysis and budgeting, considering forecasts of changes in the macroeconomic situation shaping product prices, adequately to the growth of operating costs conducting a balanced cost policy; |
| | <p>The risk of the impact of economic sanctions imposed on Russia and Belarus in connection with the armed aggression against Ukraine with a potential impact on the reduction of sources of supply of liquid and gaseous fuels, as well as disruptions in the transfer of payments and the supply chain, including in the transport and logistics sphere, which could have an impact on the reduction of supplies from these directions or an increase in costs resulting from securing transactions and the necessity to change the sources of supply.</p> | <ul style="list-style-type: none"> diversification of liquid fuel supply sources by the Issuer; building strong and long-lasting relations with suppliers, in order to be able to purchase fuels in larger volumes in the future diversification of the Issuer's sources of revenues, considering renewable energy sources, as well as new planned investments in the area of logistics centres and bitumen, so as to reduce the share of diesel oil and gas in revenues. |
| | <p>Risks related to the existence of a grey market reducing competitiveness in the market, related to the appearance of dishonest contractors in the supply chain and limiting the demand for the Issuer's and its subsidiaries products.</p> | <ul style="list-style-type: none"> having appropriate procedures and verification of the Issuer's and its subsidiaries' counterparties with respect to risks related to the Issuer's or the Group's involvement in unfair market practices considering the possible impact of additional costs related to concession fees or hedging the risk of joint and several VAT in the business operations and financial projections; |
| | <p>Risk of the impact of reduced demand for diesel passenger cars on fuel sales, with a potential impact on reduced diesel sales levels, as well as increased competition in the market and reduced margins.</p> | <ul style="list-style-type: none"> ongoing analysis of the fuel market and the impact of EU environmental policy regarding CO2 emission limitations on the Issuer's activities; undertaking investment activities in the area of renewable energy sources so as to diversify sources of revenues; |
| | <p>Risks arising from competition in the fuel market related to the possible emergence of new international companies in the Polish market or the search by competitors for new sources of supply, which may result in a need to reduce the prices of products offered by the Group.</p> | <ul style="list-style-type: none"> adopting a policy of competing not only with price, but the ability to ensure timely and continuous deliveries; building direct and lasting relations with individual and wholesale customers; building own AVIA chain and developing the brand in Poland, including cooperation with partners in Poland and abroad; maintaining a secure but attractive policy of granting merchant credits to customers; competitive advantage due to the heavy legal and capital requirements associated with trading in licensed products; |
| <p>Property risks associated with the development and maintenance of assets</p> | <p>Risk related to failure of investments by the Issuer and its subsidiaries, including in particular investments in renewable energy sources, which are capital intensive and subject to risks arising from the early stage of development. The failure of investments may result in the necessity to make impairment write-offs on loans or acquired shares, which may have a direct impact on the Issuer's result.</p> | <ul style="list-style-type: none"> conducting due diligence investigation on acquired assets or projects; securing contracts with partners in order to reduce the risk of financial failure of the investment in the form of contractual penalties, right of withdrawal from concluded contracts or exit options under certain conditions diversification of projects from different types of RES, including distribution of funds from the investment pool among different projects. |
| | <p>Risks associated with the acquisition of assets as part of the acquisition of LOTOS Group by PKN ORLEN associated with the execution of</p> | <ul style="list-style-type: none"> limiting investments and withholding dividends in order to retain working capital |

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| | <p>loan agreements and collateral, which will increase the Group's liabilities and reduce free working capital, including for new investments</p> | <p>for the time necessary to achieve synergies from the transaction;</p> <ul style="list-style-type: none"> managing covenants and liquidity ratios at the level of the Issuer and Group to ensure appropriate levels of these ratios prior to incurring further material commitments for the Group; enforcing proper preparation of assets for acquisition from the Seller in terms of: IT resources, personnel and TSA/SLA; engaging experienced management and process optimisation specialists; proactive approach to customers and business areas (UNIMOT as a flexible and dynamic company will be able to react faster to market changes than a large concern); preparing incentive programmes, cross-selling and up-selling may increase business efficiency and profitability. |
| | <p>Risks associated with prolonged completion or failure to complete the acquisition of assets in the Lotos Terminals acquisition which may be associated with the loss of the possibility to make a leap in the development of the Issuer's Group, including the achievement of a number of synergies that are part of the Issuer's development strategy, i.e. diversification of revenue sources, reducing the costs of commercial activities and obtaining significantly higher financial results from new activities. If the transaction does not take place, it will also be necessary to cover high costs of preparing the transaction from the current activity of the Issuer.</p> | <ul style="list-style-type: none"> taking preparatory, reorganisation measures within the Group in order to prepare for the transaction; taking steps to secure the fulfilment of transaction conditions on the part of the Issuer and the subsidiary involved in the transaction; |
| <p>Operational risks related to the implementation of current economic processes</p> | <p>Risk of losing key managerial staff and finding qualified employees particularly relevant in the fuel industry where experience and established business relationships in the industry are important.</p> | <ul style="list-style-type: none"> building and maintaining long-term good relations with key managers and employees analysing the market in terms of employment and offering attractive terms of employment; running a bonus programme for the members of the management team; team building and focusing on substitutability within the team; building a consistent and positive corporate image; |
| | <p>Risks related to ensuring the continuity of the Group's fuel sales operations as a result of the transfer of part of the Company's operations to Unimot Paliwa, including, in particular, those related to the acquisition of financing by Unimot Paliwa and the maintenance of compulsory reserve.</p> | <ul style="list-style-type: none"> the opportunity to benefit from the experience and support of the Company, which is 100% owned by Unimot Paliwa, in the running of the business, including, in particular, obtaining financing. |
| | <p>The risk of dependence on external terminals and transshipment bases, the selection of which is determined by the location, including optimisation of transport costs to customers of the Issuer's goods. Termination or non-renewal of cooperation agreements with these operators could result in reduced sales volumes and increased transport costs.</p> | <ul style="list-style-type: none"> taking actions aimed at diversification of bases and terminals; concluding a preliminary agreement for the purchase of own bases and terminals as part of the transaction of purchasing assets from Lotos Terminale S.A. |

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| | <p>Risks related to:</p> <ul style="list-style-type: none"> - fluctuation of LPG supply in Ukraine; - logistical problems associated with the extension of rail transit times; and - increase in rail freight prices in Poland and Europe driven by frequent changes in electricity prices; - lack of availability of wagons for LPG and diesel transport; - limitations as to the capacity of the Port of Gdynia for transshipment of diesel from tankers due to the geopolitical situation in the world; - limited capacity of the sea infrastructure in Świnoujście and Szczecin for transshipment of ON from tankers; - increased demand for cargo transport. | <ul style="list-style-type: none"> • - diversification of supply sources, e.g. by purchasing gas from Polish suppliers and from Western Europe. • - proper organisation of the sales process, as well as the application of internal procedures for the verification of transport documents, which reduce the number of incidents causing abnormal stoppages; • - activities aimed at purchasing own rail tankers enabling an increase in transport volumes, partial independence from wagon leasers. |
| <p>Regulatory and legal risks associated with of meeting the requirements of the external and internal legal environment</p> | <p>Risk of revocation, expiration or violation of fuel trading concessions or imposition of a financial penalty due to violation by the Issuer or its subsidiaries of the provisions of the Energy Law, in particular in cases of violation of security or fair-trading principles or in case of violation of the concessions issued.</p> | <ul style="list-style-type: none"> • selection of management personnel with experience in the activities covered by the concessions held by the Issuer and its subsidiaries; • monitoring the validity of recipients' concessions on the ERO website; • monitoring compliance by the Issuer and its subsidiaries with the terms and conditions of the concessions granted; |
| | <p>Risk associated with changes in fuel prices and thus the impact of these differences on the valuation of held inventories.</p> | <ul style="list-style-type: none"> • securing fuel purchases with appropriate hedging transactions, using forward contracts; • securing purchases and sales of currencies with appropriate hedging transactions, using forward contracts • acquisition of own depots and terminals as part of the transaction for the acquisition of assets from Lotos Terminale S.A.; the conclusion of the transaction will allow the Group to use its own storage capacity for its needs. |
| | <p>Risks arising from the Act of 27 October 2022 on emergency measures to cap electricity prices and support for certain consumers in 2023 - in particular the contribution to the solidarity fund</p> | <ul style="list-style-type: none"> • Assessing the impact of the Act on the Company - working with experienced law firms and advisors specialising in energy law • Monitoring of possible amendments • Reviewing model contracts for RES generators to eliminate risks arising from provisions in the Act. |
| | <p>Risk of misinterpretation of the regulations on calculating the basis for the energy efficiency obligation due to the lack of an exact formula indicated for calculating the charge. Risks associated with very general energy efficiency regulations</p> | <ul style="list-style-type: none"> • ongoing monitoring of regulatory developments; • consultation with tax offices. |
| | <p>Risks related to the obligation to ensure the National Indicative Target and the National Reduction Coefficient for bio-components, within the framework of trade in liquid fuels and biofuels, are regulated by legal regulations the breach of which may result in the imposition of fines.</p> | <ul style="list-style-type: none"> • selection of managers with experience in managing indicators for biocomponents; • on-going monitoring of the level of the required coefficients. |
| | <p>Risk of instability of the Polish legal and tax system in the area of the fuel market, as well as changes in tax law, including VAT, excise tax</p> | <ul style="list-style-type: none"> • advice from experienced tax and legal advisors in the areas of key importance to the Group's operations; |

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| | and fuel surcharge, which may result in difficulties in carrying out activities related to the need to incur additional costs. | <ul style="list-style-type: none"> monitoring changes in legal regulations relevant to the Group's operations and taking actions in advance to adapt the Group's activities to these changes; |
| | Risk related to transfer prices adopted for transactions with related parties occurring within the Issuer's Group, which, due to the ambiguity of the regulations, may be challenged by tax authorities or tax inspection authorities, which may impose higher than expected tax liabilities on the Issuer or its subsidiaries. | <ul style="list-style-type: none"> cooperation with experienced law firms and advisors in the scope of preparing transfer pricing documentation; |
| | Risk of questioning the legitimacy of the transaction of transferring part of the business to a subsidiary or the price determined for the purposes of the transaction. | <ul style="list-style-type: none"> Engaging a team of external specialists to support the transaction process in financial, legal and tax terms. |
| | Risk related to the possibility of questioning the assets transferred as a non-monetary contribution to Unimot Paliwa as an organised part of the enterprise within the meaning of tax regulations. | <ul style="list-style-type: none"> cooperation with experienced law firms and advisors as part of the process of making a non-monetary contribution to Unimot Paliwa as well as in the process of obtaining a binding tax interpretation confirming the qualification of the transferred assets; |
| Financial risks related to financial management | Risks associated with the level of interest rates and financing operations from third-party sources, including bank loans and leases, based on floating interest rates, resulting in a possible increase in debt service costs and deterioration in the financial efficiency of projects, as well as a reduction in the availability of financing for current operations, investments and hedging transactions from third-party sources. | <ul style="list-style-type: none"> controlling interest rate risk through a system of limits relating to the maximum potential loss from interest rate changes, ultimately translating the risk into the final price of the products; |
| | Liquidity risk associated with the use of external bank funding sources and involvement of significant working capital in the trade of liquid and gaseous fuels, as well as the involvement of spare funds in the Issuer's investment activities, including RESE. | <ul style="list-style-type: none"> ongoing monitoring of debt ratios and bank covenants adjusting the volume of investments and dividend payments to the needs in the scope of access to working capital; taking action to optimise costs, efficient management of the current capital, restrictive policy of granting merchant limits, inter alia, by applying short payment terms, optimisation of purchases of goods, rapid turnover of product inventories; |
| | Currency risk in the Issuer's purchases of goods (fuel imports) and sales of goods (fuel exports) settled in foreign currencies, i.e. the US dollar and the Euro, whose exchange rates may adversely affect the Issuer's margins and therefore its financial results. | <ul style="list-style-type: none"> applying a currency hedging policy aimed at minimising the risk of fluctuations in exchange rates from the purchase of commercial goods to their sale in cases where purchases and sales are made in different currencies hedging the risks through natural rebalancing of the foreign exchange position, i.e. pursuit of a closed foreign exchange position against a single currency, meaning an equilibrium between the volume of all incomes and outgoings using currency risk hedging instruments (mainly forwards and currency swaps), which are reflected in actual transactions and hedge the |

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| | | rates of calculation of trade margins; the Issuer does not use currency options as hedging. |
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8. GROUP'S STRATEGY AND DEVELOPMENT PLANS OF THE CAPITAL GROUP

8.1. LEVEL OF GROUP'S STRATEGY IMPLEMENTATION INCLUDING ACHIEVEMENTS OF FINANCIAL FORECASTS

In June 2018, the Company prepared and announced its strategy for 2018-2023. Below, the Issuer sets out the main strategic objectives together with a commentary on their implementation.

➤ **Achieving PLN 75 million of EBITDA in 2023**

The UNIMOT Group strives for annual EBITDA growth by undertaking a number of strategic initiatives, developing both diesel oil, LPG, natural gas and electricity businesses, as well as bitumen products and photovoltaics. Ultimately, the EBITDA result will also be significantly contributed by the systematically expanded chain of AVIA petrol station.

An element of the published Strategy was the forecast of consolidated adjusted EBITDA for 2018-2023. The Company assumed the following levels: 2018 = PLN 12 million (book EBITDA), 2019 = PLN 34.0 million, 2020 = PLN 44.2 million, 2021 = PLN 54.3 million, 2022 = PLN 64.9 million, 2023 = PLN 74.8 million.

For 2018, the UNIMOT Group achieved a consolidated (book) EBITDA result in the amount of PLN 13.5 million, i.e. exceeding the forecast value of PLN 12 million by 12.6%. In the course of 2019, the Company updated the forecast of consolidated adjusted EBITDA for 2019 several times, and the achieved result reached the level of PLN 63.7 million. The company updated its consolidated adjusted EBITDA forecast for 2020 twice. Initially, the forecast was raised to PLN 62.3 million and then to PLN 80.0 million. The final EBITDA result for 2020 was PLN 87.2 million. In 2021, the UNIMOT Group generated PLN 70.6 million in adjusted EBITDA, exceeding the forecast by PLN 16.3 million.

At the end of 2019, the company changed its information policy regarding the publication of financial forecasts. Accordingly, the decision was taken to cancel the consolidated adjusted EBITDA forecast for the following years of the strategy and, at the same time, the intention to publish them each time, at the end of the preceding year, was declared. However, the adjusted EBITDA forecast for 2022 is not possible to present due to the unprecedentedly volatile market situation related to Russia's aggression against Ukraine and the imposed and potential sanctions on Russia and Belarus.

➤ **Increased business efficiency measured by the ROCE index (calculated as EBITDA / assets net of short-term liabilities) – in 2023 ROCE = 15%**

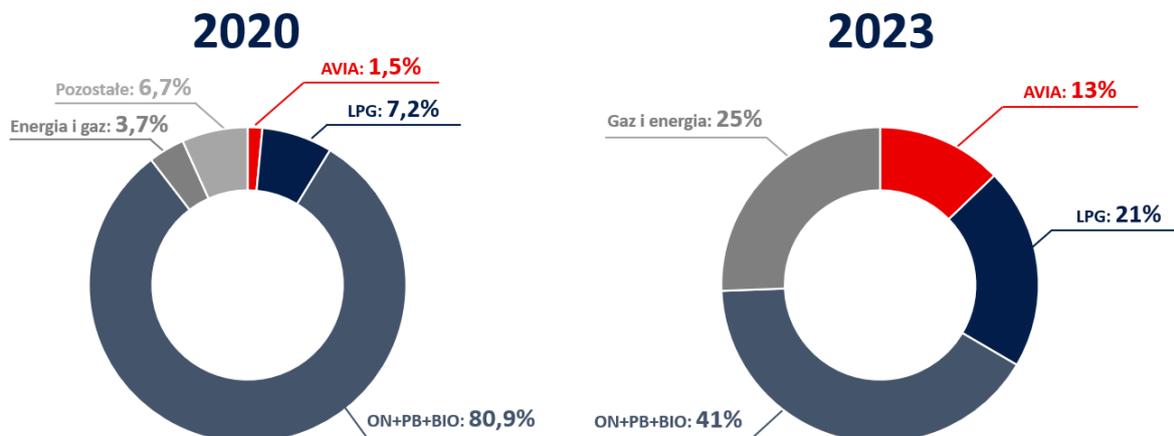
The UNIMOT Group systematically improves efficiency of all businesses ultimately striving at reaching, in accordance with the strategy, the ROCE index at the level of 15%. To do so, it undertakes a number of actions – both on the revenue as well as cost side. At the end of June 2022, the ROCE index (calculated as adjusted EBITDA / equity + long-term liabilities) amounted to 58%, that is more than the assumed level of 15% for the year 2023.

➤ **Activity diversification – generating in 2023 70% of EBITDA from intensively developed businesses beyond diesel**

The UNIMOT Group is developing and enlarging the scale of all conducted businesses, also in the businesses beyond diesel oil and bio-fuels, which previously constituted the basis of the Company. This is carried out primarily through:

- Expansion of stations in the AVIA chain with the aim of focusing on more prestigious locations and building a new source of profit in the form of non-fuel products sold at AVIA stations.
- Expansion of the offer in the area of petroleum products. From August 2019, the UNIMOT Group began importing and selling asphalt products in Poland. These products are sold under the AVIA Bitumen brand.
- Developing oil sales in China and Ukraine from 2019, assuming sales growth and entry into new markets in Europe and Asia for the next few year.
- Commencing the sales, installation and service of photovoltaic panels for business and residential customers under the AVIA Solar brand (from Q2 2020).
- Commissioning of a photovoltaic panel factory in the halls of PZL Sędziszów in July 2021.

Market share in renewables is expected to add significant value to the Group in the future and contribute to further business diversification.



➤ **Development of AVIA chain in Poland – 200 petrol stations until the end of 2023**

One of the most important elements of the Strategy for 2018-2023 is the dynamic development of the AVIA chain. The goal of the Issuer is to own 200 stations in the AVIA chain in 2023 in Poland, however, due to unexpected market events, including the pandemic and the war in Ukraine, which significantly affected the dynamics of fuel market development, the real number of stations at the end of 2023 may be around 150 facilities. The Unimot Group is trying to acquire as many stations as possible and to this end is increasing the attractiveness of its franchise offer by, among other things: introducing and developing a fleet card, increasing the flexibility of cooperation terms depending on the potential of the station, creating several flagship stations and expanding the offer with additional products and services.

The brand incessantly continues to expand its catering offer with new products and develops its cooperation with the SPAR network, as part of which 25 SPAR Express stores were launched at AVIA stations within 3 quarters of 2022. In addition, the Issuer continues to implement its original Eat&Go concept.

During 9 months of 2022, another 20 AVIA petrol stations managed by the Unimot Group were connected in Poland, as of 30 September 2022 the AVIA chain comprised 105 stations, including 72 franchised and 33 operated directly by the Company.

After three quarters of 2022, the Issuer exceeded the sale volume of 160 million litres of fuels at AVIA stations and its ambition is to maintain a dynamic growth of sales volume.

The Group has been developing the launched in March 2022 a fleet programme at AVIA stations managed by the Group. It offers customers two types of fleet cards - prepaid and credit. AVIA Card is designed for business and institutional customers who are looking for effective ways to optimise fuel purchase costs, and who value minimum formalities when ordering the card and secure cashless transactions, carried out online. Ultimately, the Issuer expects at least a 20% share of sales under the fleet programme in the total volume of stations.

➤ **Annual dividend payment in the amount of min. 30% of net profit of UNIMOT S.A.**

According to the dividend policy in force, in case net profit is achieved in the given fiscal year, the Management Board will recommend to the General Meeting of the Company to pay an annual dividend in the amount of min. 30% of the standalone net profit achieved in the given financial year.

Dividend for the year 2017 was paid on 19th June 2018. The Ordinary General Meeting of the Company decided to pay PLN 13.9 million of dividend (PLN 1.70 per share), which constituted 55.1% of standalone net profit.

In 2018 the standalone net result of UNIMOT S.A. was negative

The dividend from the profit for 2019 was paid on 9 July 2020. The Annual General Meeting of UNIMOT S.A. decided to pay PLN 16.1 million, or PLN 1.97 per share, which represented 30% of the unconsolidated net profit.

The dividend from the profit for 2020 was paid on 25 June 2021. The Ordinary General Meeting of UNIMOT S.A. decided on payment of PLN 16.1 million, i.e. PLN 1.97 per share, which represented 50% of the separate net profit.

On 29 June 2022, the Annual General Meeting of Unimot S.A., after reviewing the proposal of the Company's Management Board and the results of the evaluation carried out by the Supervisory Board, decided to allocate the unconsolidated net profit generated in 2021 to the Company's supplementary capital. This was a consequence of the loan agreement concluded in connection with the signing of the preliminary agreement for the acquisition of 100% of shares in LOTOS Terminale S.A.

8.2. CHARACTERISTICS OF EXTERNAL AND INTERNAL FACTORS VITAL FOR THE DEVELOPMENT OF UNIMOT S.A. AND THE CAPITAL GROUP

In the Group's opinion, one of the most important factors that may affect the Group's operations in the future is the availability of working capital necessary to finance a further increase in turnover, as well as to finance the purchase of compulsory reserves in subsequent periods. This is of particular importance in the context of the Russia-Ukraine armed conflict. The amount of working capital necessary to finance depends on the level of fuel prices in the markets (especially diesel prices). It will also be important to extend working capital loans and to allocate cash resources in the amount enabling repayment of loans from related entities, or in an optimal scenario to extend the repayment deadline for these loans.

Other factors significant for the development of the Capital Group:

- **Interest rate level** – the Group uses external sources of financing (mainly credits and loans in PLN, and also USD and EUR) the cost of which depends on the level of interest rates. After several years of relatively low interest rates, in the second quarter of 2021 interest rates started to rise steadily, which negatively affects debt servicing costs. Unfortunately, high domestic and global inflation will have an impact on further increases in interest rates.
- **Exchange rate level** – the Group sells on the domestic market and exports, while purchases of fuels are mostly carried out on foreign markets and settled in foreign currencies. The main currencies used for export transactions are EUR and USD. In case of an acquisition the settlement currencies are USD, EUR, and PLN. The effect of the exchange rates on the Group's activity is neutralised by the used hedging instruments.
- **Level of raw material prices** – the business model of the Group mainly relies on the purchase of liquid and gaseous fuels abroad or in Poland, its distribution and subsequent sale. The lack of price stability of liquid and gaseous fuels in Poland and abroad has a significant impact on the margins achieved and consequently on the results obtained by the Group. Additionally, a sharp increase in prices of energy carriers may lead to decrease in consumption, which may translate into deterioration of the financial standing of the Group. The changes of energy commodity prices are dictated by several key factors. The first category of factors includes the interrelationship of raw materials with each other, as, for example, changes in the price of natural gas depend heavily on the price of crude oil. Then there is the impact of the value of the exchange rates in which these raw materials are denominated in the markets. The exchange rate determines the level of the cost of purchasing imported raw materials and, consequently, their price on the domestic market. The last group includes a number of geopolitical factors such as armed and political conflicts or economic crises in regions abundant in raw resources⁸.
- **The amount of the land premium** (the difference between the price on the local market and the price at the ports of delivery of fuel to the country) for diesel – the assortment prevailing in the Group's sales structure. The amount of the land premium determines the area of realisable trading margin less logistics costs (transport costs, handling costs, quality tests), costs of lease of fuel depots capacity, costs of receivables insurance (in connection with the trading security policy adopted by the Group), as well as the costs of fulfilling NIT obligations.

⁸ Cire.pl - Geopolityczne oraz makroekonomiczne uwarunkowania wzrostu ceny paliw

- **The grey market in fuel trading** - unfair practices of some entities concern the sale of fuels without paying due fees and taxes and in violation of applicable regulations and laws. This results in decrease in competitiveness and reduction in demand for products offered by the Issuer and its subsidiaries, which may adversely affect the financial results achieved. The Group, having many years of experience on the market, is aware of all kinds of restrictions and risks associated with the grey market. The Group takes into account the possible impact of additional costs related to concession fees or hedge of the risk of solidary VAT in the business and the financial forecasts. Transport package adopted in 2017 imposing the obligation of digital registration of transported goods, including liquid fuels, which enables to register and monitor them by means of satellite systems together with fuel package adopted in 2016, significantly limited the grey market in fuel trade, in the opinion of the Group. In the perspective until the end of 2022 the Group assumes that the present situation will remain the same.
- **Costs of fulfilling the National Indicative Target, the National Reduction Target, the EFE that are required to be covered by fuel producers and importers, which affect the operations of the Issuer Group:**
 - NIT (National Indicative Target) - the need to achieve, in a given year, a minimum share of bio-components and other renewable fuels in the total volume of liquid fuels and liquid bio-fuels sold, disposed of or otherwise consumed for own use. This results in the need to use logistics and storage infrastructure to carry out the required blending (physical blending of fuel with bio-components). These activities are performed as a service by fuel depot operators used by the Issuer. The costs of fulfilling NIT and the costs of fuel blending services, affect the trading margin obtained, which has a direct impact on the Group's results.
 - NCR (National Reduction Target) - the need to fulfil the obligation to reduce the average CO₂ emissions of transport fuels introduced to the national market. In practice, this means the advisability of using lower-emission bio-components, concluding contracts with importers of lower-emission fuels (CNG, LNG and LPG) and purchasing so-called UER, i.e. allowances resulting from emission reductions in the extraction of energy resources, which also influences the prices of fuels offered and the margin realised on them.
 - EE (energy efficiency) - the need to meet the final energy saving target. Obligated entities include, inter alia, companies selling electricity, district heat, gaseous fuels to end users and, from mid-2021, fuel entities marketing liquid fuels. The obligation can be fulfilled by implementing an energy efficiency improvement project at the end user, implementing a programme of non-refundable subsidies to co-finance energy efficiency improvement projects or obtaining/purchasing white certificates, which they will present to the President of the Energy Regulatory Office for redemption.

9. OPERATING ACTIVITY OF THE UNIMOT CG

9.1. PRINCIPAL FACTORS AND EVENTS INFLUENCING GROUP'S RESULTS IN Q3 2022 THAT MAY AFFECT THE GROUP'S OPERATIONS IN SUBSEQUENT QUARTERS

DIESEL AND BIO-FUELS TRADING SEGMENT

In Q3 2022, the main factor affecting the segment's result was the war in Ukraine and the consequent high uncertainty in global markets.

DIESEL AND BIO-FUELS

| <i>In PLN thousand</i> | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | change % |
|--------------------------------|----------------------------------|----------------------------------|-----------------|
| Sales volume [m ³] | 491 913 | 407 146 | 20,8% |
| Revenues on sales | 3 035 308 | 1 659 311 | 82,9% |
| EBITDA | 51 434 | 13 149 | 291,2% |
| Adjusted EBITDA | 115 849 | 13 880 | 734,6% |
| Profit/(loss) for the period | 55 784 | 10 047 | 455,2% |

In Q3 2022, the Group sold over 491 thousand m³ of diesel and bio-fuels, which was up by 20.8% against the corresponding period of the previous year. Simultaneously, a significant increase in revenues on sales was recorded, up by 82.9% y/y, in value to the amount of PLN 3 035.3 million, which is a consequence of the dynamic growth in fuel prices.

The results of this segment for Q3 2022 include the impact of the sale of part of the compulsory reserve as a consequence of the organisational changes reported by UNIMOT in current report No. 39/2022 of 1 August 2022, which contributed to the generation of PLN 23 million of adjusted EBITDA.

The achieved in Q3 2022 EBITDA amounted to PLN 51,4 million (up by 291,2% y/y), and adjusted EBITDA PLN 115.8 million (up by 734.6% y/y). The profit for Q3 2022 reached the level of PLN 55.8 million (up by 455% y/y).

The main impact on the consolidated adjusted EBITDA in Q3 2022 was driven by the following factors:

Impact on Group's results:

- The outbreak of war in Ukraine and the consequent high uncertainty in global markets.
- Rapid changes in market fuel prices and the US dollar/PLN exchange rate with increased demand impacted the increase in achievable margins;
- Meeting the fuel needs of the Ukrainian economy and population. Q3 2022 saw an increase in the number of entities supplying fuels to Ukraine, which had the effect of reducing UNIMOT Group's sales to this market;
- Adjustment of supply chains to operate in the conditions of a total embargo on fuel imports from Russia and Belarus, including the lease of a fuel handling terminal in the Danish Straits increased purchasing flexibility, but this means additional related costs (terminal lease, increase in stocks);
- Increasing logistical problems in Poland related to the transport of raw materials by rail and consequent significant increases in logistics costs;
- To a significant extent, the release of compulsory liquid fuel reserve associated with the reorganisation of the Unimot CGU referred to below, affecting lower fuel purchases and consequently improving liquidity.

The following factors will mainly affect the results of future periods:

- **The reorganisation of the Unimot Group**, the aim of which is the preparation of the Group to act as an independent operator, which it will become having taken over the company Lotos Terminale. Within the reorganisation process, UNIMOT ceased the activity in the scope of liquid fuel import and liquid fuel production (in the scope of LPG) under OPZ and WPC concessions held, and continues this activity since 1 July 2022 through its subsidiary UNIMOT Paliwa. The continuation of fuel import and fuel production activities (in the scope of LPG) through the subsidiary secures the supply of liquid fuels for the entire Group on the same terms and conditions as before. Due to the changes described, on 1 August 2022 the companies: UNIMOT and Unimot Paliwa sp. z o.o. (a company 100% controlled by UNIMOT) signed an agreement to transfer the organised part of UNIMOT's enterprise in exchange for the acquisition of new shares in Unimot Paliwa. The organised part of the enterprise comprises an organisationally, financially and functionally separated part of UNIMOT, the object of whose activity is the trade in fuels, excluding the activity related to the trade in fuels within the developed network of AVIA petrol stations and the segment related to the trade in natural gas. The effect of the transfer of the organised part of the enterprise to UNIMOT Paliwa is limiting the obligation to maintain a compulsory reserve of liquid fuels for the period from 1st July 2022 to 30th June 2024.
- **The amount of the land premium** (the difference between the price on the local market and the price at the ports of delivery of fuel to the country) for diesel – the assortment prevailing in the Group's sales structure. The amount of the land premium determines the area of realisable trading margin less logistics costs (transport costs, handling costs, quality tests), costs of lease of fuel depots capacity, costs of receivables insurance (in connection with the trading security policy adopted by the Group), as well as the costs of fulfilling NIT obligations.
- **Dynamics and direction of diesel oil price changes** - high dynamics of price increases have a negative impact, high dynamics of price decreases - a positive one,
- **Market and competitive situation** after the acquisition of Lotos by PKN Orlen,
- **The amount of working capital** necessary to finance the realised turnover, which depends on the level of fuel prices in the markets and the extension of the possessed working capital loans.
- **Demand and supply situation in Europe, especially in Poland**, particularly in the context of the war in Ukraine, its further course and also further sanctions imposed on Russia and Belarus.

LPG

In Q3 2022, the Group continued trading in LPG, focusing primarily on wholesale.

The outbreak of war in Ukraine destabilised the demand and supply situation of the market, which led to difficulties in acquiring LPG.

LPG

| <i>In PLN thousand</i> | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | change % |
|----------------------------------|----------------------------------|----------------------------------|-----------------|
| Sales volume [T] | 68 170 | 52 590 | 29,6% |
| Revenues on sales | 304 529 | 168 351 | 80,9% |
| EBITDA | 16 059 | 7 595 | 111,4% |
| Adjusted EBITDA | 16 059 | 7 067 | 127,2% |
| Net profit/(loss) for the period | 16 337 | 7 387 | 121,2% |

In Q3 2022, the Group achieved volumes higher by 29.6% against the corresponding period of the previous year. The revenues amounted to PLN 304.5 million (up by 80.9% y/y).

The achieved EBITDA and Adjusted EBITDA Q3 2022 were equal and amounted to PLN 16.1 million each, and the profit reached the level of PLN 16.3 million (up by 121.2%).

The results of H1 2022 in this segment were mainly driven by the following factors:

- Transport difficulties on Polish and European railways, including the lack of availability of wagons to carry LPG and significant lengthening of transit times especially for loading at ports due to repairs and priority coal shipments in Poland and Germany, creating problems with alternative supply routes from Western Europe.
- Large increases in rail freight prices in Poland and Europe (due to high volatility in electricity prices).
- High demand for LPG from Ukrainian customers, despite a reported increase in the number of LPG suppliers to Ukraine in Q3 2022.

In the following periods, the Group's LPG business will be most affected by the demand and supply situation in the market related to the outbreak of war in Ukraine and the subsequent sanctions imposed on Russia and Belarus.

GASEOUS FUELS TRADING

The Group conducts activity in the scope of trading, sales and distribution of natural gas with the use of inhouse infrastructure (gas network, LNG regassification stations), foreign infrastructure, Polish Power Exchange, and abroad. The outbreak of war in Ukraine did not directly affect the situation of the segment's Companies, but it indirectly translated into higher gas prices. Concerns about ensuring the continuity of gas supplies to Poland have also increased. High gas prices translate into a decreasing volume of gas sold and distributed by the existing customers (in part related to the transition of our customers to cheaper energy carriers - LPG, fuel oil), as well as the suspension of new investments in gas infrastructure (the use of hard coal continues).

The above may, in the long run, influence customers' departure from gas fuel in favour of alternative fuel sources and will translate into the Company's financial results in 2022 and subsequent years.

NATURAL GAS

| <i>In PLN thousand</i> | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | change % |
|------------------------------|----------------------------------|----------------------------------|-----------------|
| Sales volume [GWh] | 153 | 340 | -55,0% |
| Revenues on sales | 128 122 | 90 522 | 41,5% |
| EBITDA | 4 864 | (936) | - |
| Adjusted EBITDA | 1 351 | (257) | - |
| Profit/(loss) for the period | 4 536 | (830) | - |

In the natural gas segment in Q3 2022 the Group sold 153 GWh of natural gas. Revenues on this segment's sales amounted to PLN 128.1 million (up by 41.5% y/y). EBITDA reached the level of PLN 4 864 thousand, while the adjusted EBITDA of the segment in the analysed period reached the level of PLN 1 351 thousand.

The results in Q3 2022 in this segment were mainly driven by the following factors:

- Persistently high natural gas prices on global markets and significant fluctuations in natural gas prices between 740 PLN/MWh and 1680 PLN/MWh;
- The decision of the President of the Energy Regulatory Office (ERO) of 15 July 2022 to change (increase) the rates for gas fuel by 14% for Unimot System's customers (in accordance with the current law, the price is frozen). The new rates took effect from 1 August 2022;
- Decision of the President of the ERO dated 08 June 2022 to change (increase) the rates for gaseous fuel by 37% for Blue LNG customers (in accordance with the applicable law, the price is frozen). The new rates became effective from 1 July 2022;
- Entry into force of the Act of 13 January 2022 on special solutions for the protection of gas fuel consumers in connection with the gas market situation. Pursuant to the principle provided for in Article 10(3) of the aforementioned Act, an obligation was introduced for all sellers to apply the prices and fee rates resulting from the PGNiG OD tariff, with effect from 1st January to 31st December 2022, treating them as maximum. The above Act makes it necessary for the Company to seek compensation for the difference in rates between the PGNiG OD tariff and the tariff currently in force for the Company;
- Reduction of the VAT rate from January to March to 8% and then to 0%;
- Lack of predictability about the availability of natural gas in Europe is causing anxiety among consumers;
- The European Commission's natural gas policy directed towards the intensive injection of natural gas storage in Europe. This resulted in higher gas prices being maintained on the SPOT market, but at the same time calmed the gas market for the coming quarter by generating price falls on exchanges at the end of the third quarter.

The situation in the natural gas market was very dynamic in the third quarter of this year. The ongoing war in Ukraine heightened uncertainty about securing supplies of raw materials and at the same time drove up fuel prices. Despite the suspension of supplies to Europe via Nord Stream 1, Nord Stream 2 and the undersea explosions accompanied by the rupture of transmission infrastructure, 88.4 % of Europe's underground natural gas storage facilities were filled⁹.

The results of future periods will be influenced mainly by market prices for natural gas, the level of new tariffs at UNIMOT System and Blue LNG and, due to high gas prices, the progressive substitution of the use of gaseous fuels in favour of coal.

ELECTRICITY

The Group continues the development of electricity sales project as an element of implementing its strategy of creating a multi-energy sales offer. This segment comprises wholesale electricity trading through exchange and brokerage platforms of Tradea Sp. z o.o. and sales of electricity by Unimot Energia i Gaz Sp. z o.o. to final customers with the use of foreign infrastructure.

| ELECTRICITY | | | |
|------------------------------|----------------------------------|----------------------------------|-----------------|
| <i>In PLN thousand</i> | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | change % |
| Sales volume [GWh] | 623 | 729 | -14,5% |
| Revenues on sales | 174 844 | 56 071 | 211,8% |
| EBITDA | 4 782 | (2 825) | - |
| Adjusted EBITDA | 4 782 | (2 825) | - |
| Profit/(loss) for the period | 5 580 | (3 745) | - |

In the electricity segment in Q3 2022 the sales volume reached the level of 623 GWh, i.e. down by 14.5% against the corresponding period of the past year.

Revenues on sales in this segment amounted to PLN 174.8 million (up by 211.8% y/y), EBITDA reached the level of PLN 4.8 million, and the segment recorded a net profit for Q3 2022 in the amount of PLN 5.6 million.

⁹ <https://www.cire.pl/artykuly/opinie/polskie-Ing-w-III-kwartale-2022>

The results of Q3 2022 in this segment were primarily driven by the following factors:

- An increase in margins on the optimisation of Forward/SPOT contracts as a result of high price volatility driven, among other things, by persistently high levels of coal and gas prices and high uncertainty in the supply of these commodities to European markets.
- Deterioration of the negative pricing of PV contracts with the increase in the number of PV installations in the market and high energy market prices in the months of July-August 2022.

In the following quarters, the segment's performance may be affected by the change in the exchange obligation, which may significantly affect the level of trading as well as the transparency of the exchange market and the introduction of further regulations at the European Union and Polish level affecting electricity pricing on the wholesale market.

On 4 November 2022, the Act of 27 October 2022 on emergency measures to reduce electricity prices and support certain consumers in 2023 entered into force, which defines, in particular: the maximum price for the sale of electricity used in settlements with certain consumers, the principles and procedure for granting and paying compensation for the introduction of the maximum price, and the principles and procedure for introducing a temporary obligation to transfer a write-down to the Price Difference Payment Fund.

The goal of the law is to increase the protection of households (in the event that they exceed the energy consumption limits described in the Act of 7 October 2022 on specific solutions to protect electricity consumers in 2023 in connection with the situation on the electricity market), to introduce protection for public utilities, local government units and micro, small and medium-sized enterprises against an increase in the cost of purchasing electricity by introducing a maximum electricity price mechanism. At the same time, electricity trading companies will be covered by compensations.

With regard to the wholesale electricity market, the law introduces a mechanism to limit the revenues of electricity generators and trading companies through the obligation to transfer to the Price Difference Payment Fund the excess revenue, which will be able to be calculated after the announcement of the act implementing the law.

The UNIMOT Group is subject to the obligations indicated in the Act. The detailed method of determining the electricity price limit is indicated in the Decree of the Council of Ministers of 8 November 2022 on the method of calculating the price limit, which is an implementing act of the Act. As at the date of publication of these financial statements, the Group is not in a position to estimate the impact of the Act on its financial and asset position, but it may have an impact on reducing the financial results achieved in this segment.

PHOTOVOLTAICS

Segment revenues include sales of photovoltaic installations under the AVIA Solar brand on the Polish market. The segment was launched at the end of Q2 2020.

| PHOTOVOLTAICS | | | |
|------------------------------|--------------------------|--------------------------|----------|
| <i>In PLN thousand</i> | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | change % |
| Sales volume [kWp] | 1 776 | 627 | 183,3% |
| Revenues on sales | 1 152 | 4 672 | -75,3% |
| EBITDA | (389) | (799) | - |
| Adjusted EBITDA | (389) | (799) | - |
| Profit/(loss) for the period | (1 644) | (871) | - |

Since the launch of the segment in May 2020, further contracts have been signed with individual and business customers. Revenues on sales in Q3 2022 reached the level of PLN 1.2 million, against PLN 4.7 million a year before. In Q3 2022, the loss on this segment was down by PLN 0.8 million against the corresponding period of the past year.

The results of this segment in H1 2022 were driven by the following negative factors:

- Increased costs associated with building a team responsible for the realisation of PV installations above 50 kWp;
- Reduced realisation of installations below 50 kWp due to the strategy to move towards industrial realisations.

In line with the adopted strategy, the team operating in the PV segment within Unimot Energia i Gaz is engaged in the implementation of projects above 50 kWp, the development of own projects and activities aimed at building long-term value for the Unimot Group. As of the publication date of this report, the Company's portfolio includes contracts for large-scale

projects (above 50 kWp) at a level of 3 MWp. At the same time, the Company is actively seeking new customers interested in industrial installations expanding its product offer.

Significant price volatility in the electricity market has increased interest in photovoltaic and energy storage solutions among business customers, resulting in an increased portfolio of active projects and the number of bids submitted. At the same time, the Group is taking steps to expand its portfolio of non-Asian panels through cooperation with US panel manufacturer First Solar.

OTHER ACTIVITY

PETROL STATIONS

Segment revenues include revenues from fuel sales at the Issuer's own stations and investment, fixed and other fees received from AVIA franchised stations. The EBITDA additionally includes a fixed fee for each litre of fuel sold at franchised stations (transferred from the ON+BIO segment - wholesale of fuels).

| PETROL STATIONS | | | |
|------------------------------|----------------------------------|----------------------------------|-----------------|
| <i>In PLN thousand</i> | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | change % |
| Sales volume [M litres] | 61 | 50 | 22,8% |
| Revenues on sales | 116 663 | 68 763 | 69,7% |
| EBITDA | 759 | 1 413 | -46,3% |
| Adjusted EBITDA | 759 | 1 413 | -46,3% |
| Profit/(loss) for the period | (2 150) | 292 | - |

Thanks to the development of the chain, the Group has recorded successive increases in fuel sales at stations and in Q3 2022 it recorded very good results of the sold volume. In Q3 2022, the AVIA chain stations operating within the Group sold 61 million litres of fuels, which is up by 22.8% y/y.

The revenues in this segment increased by 69.7% y/y and in Q3 2022 amounted to PLN 116.7 million. EBITDA reached the level of PLN 0.8 million, and net loss PLN 2.2 million.

The results of Q3 2022 in this segment were primarily driven by the following factors:

- Rapid changes in retail margins, pressure on retail margins from domestic concerns driven by holiday special offers;
- Increase in maintenance costs of fuel stations due to increased charges for, among other things, the purchase of electricity and the commissioning of new facilities;
- Connection of a further 3 AVIA petrol stations in Poland (at the end of Q3 2022, the AVIA chain comprised 105 stations, including 72 franchised stations and 33 operated directly by the company);
- Increased sales at franchised stations including the AVIA Port Słubice station cooperating with Belgian Real near the German border. It is a facility with a high sales potential, focused on truck service.;
- Exceeded sales volume of 160 million litres at AVIA stations in three quarters of 2022 and ambitions to maintain dynamic sales volume growth with chain development;
- Launch of further SPAR Express supermarkets at AVIA stations (in total, at AVIA stations at the end of Q3 2022 there were 25 SPAR supermarkets in operation). Unimot regularly records over 20% sales growth at stations with SPAR shops and is preparing plans to further develop cooperation between the chains;
- Launch of Avia Card fleet card for business customers in March 2022. Ultimately, at least 20% share of sales within the fleet programme is expected in the total station volume;
- Suspension of operations of most franchise stations in Ukraine, suspension of franchise fees, suspension of receipt of motor oils by partners in Ukraine.

OTHER PETROLEUM PRODUCTS

The segment includes sales of asphalt products and engine oils and lubricants under the AVIA brand. Businesses came into the UNIMOT Group in the second half of 2019.

OTHER PETROLEUM PRODUCTS

| <i>In PLN thousand</i> | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | change % |
|--------------------------------------|----------------------------------|----------------------------------|-----------------|
| Sales volume [T] of bitumen and oils | 17 339 | 19 602 | -11,5% |
| Revenues on sales | 50 607 | 33 185 | 52,5% |
| EBITDA | 719 | (862) | - |
| Adjusted EBITDA | 719 | (862) | - |
| Profit/(loss) for the period | 432 | (910) | - |

In Q3 2022, the segment sold a total of 17.3 thousand tonnes of products. The revenues amounted to over PLN 50.6 million, which is up by 52.5% against the corresponding period of the past year. In the reported period the segment achieved a profit of PLN 0.4 million, while EBITDA reached the level of PLN 0.7 million.

The segment's results in Q3 2022 were primarily driven by the following factors:

- The increase in sales volumes of the segment was related to the increase in bitumen sales, which was achieved thanks to the increased demand for bitumen recorded after the pandemic.
- Lower oil sales volumes mainly related to the outbreak of war in Ukraine and also to the consequences of successive lockdowns implemented in China resulting in a lack of access to storage facilities and the inability to use the port of Shanghai.

8.2. COURT PROCEEDINGS

Neither the Issuer nor any of its subsidiaries are a party to the proceedings before a Court, a competent authority for the arbitral proceedings or a public authority concerning the liabilities or claims, which would significantly have an effect on the financial results.

8.3. SEASONABILITY OF OPERATIONS

The Group's business is subject to seasonality.

During the year, a regular and moderate variability in product sales volumes occurs due to seasonal fluctuations in demand, in particular in the following segments:

- sales of natural gas and electricity due to significantly higher demand for this product range during the heating season, i.e. in Q1 and Q4;
- sales of fuels/bio-fuels/LPG - increased demand for fuels in Q3 and Q4;
- sales of bitumen - due to the peak season for road construction and repairs falling in Q3 and Q4.

The business of selling and fitting photovoltaic installations is carried out throughout the year, but there are occasional technical interruptions during the winter due to adverse weather conditions.

8.4. DESCRIPTION OF FACTORS AND EVENTS, INCLUDING UNUSUAL ONES, SUBSTANTIALLY INFLUENCING THE INTERIM FINANCIAL STATEMENTS

In Q3 2022, a significant reorganisation process was completed in the Unimot Capital Group, initiated by resolutions of the Management Board of Unimot S.A. of 11 May 2022, No. 1/05/2022, on amending resolution No. 1/8/2019 of 6 August 2019, on the separation of the Organised Part of the Enterprise, and No. 2/05/2022, on expressing directional consent for the implementation of intra-organisational activities.

On the basis of the directional decisions expressed in the aforementioned resolutions, it was decided to separate an organisational unit in the internal structure of Unimot S.A., the object of whose activities will be trading in fuels, excluding the segment of activities related to the trading of fuels within the framework of the developed chain of petrol stations under the AVIA brand and the segment related to the trading of natural gas, constituting an Organised Part of the Company's enterprise (hereinafter referred to as "OPE", the activities carried out by OPE hereinafter referred to as "OPE Activities"). OPE constitutes an organisationally and financially separated set of tangible and intangible assets, including liabilities, within the existing enterprise of Unimot S.A. intended for the performance of specific economic tasks, which at the same time could constitute an independent enterprise performing these tasks independently

OPE was separated organisationally in the structure of Unimot S.A. by separating divisions/areas and employees from the organisational structure in order to perform economic tasks, within the subject of OPE operations.

OPE was also separated financially - a situation was created in which, through the appropriate recording of economic events, it was possible to allocate revenues and costs as well as receivables and liabilities to OPE by separating the accounts in the Company's books.

OPE was subject to functional separation within the framework of which rights to movable property, including equipment, in particular equipment used in the OPE Business, and fixed assets, all rights arising from contracts with OPE's contractors, know-how and secrets of the business, documents related to the conduct of the OPE Business, administrative decisions and decisions, permits, licences and any other individual administrative acts related to the operation of the OPE Business, the rights arising from insurance policies covering the insurance of the assets forming part of the OPE Business as well as the rights and obligations towards the employees (arising from their employment contracts or civil law contracts) employed in the OPE Business.

OPE was separated in such a way that it could function as an independent enterprise and the assets were assigned to it in such a way as to constitute an appropriately related economic unit contributing to the generation of revenue by OPE, which, through its employees using the assigned assets, was able to organise and carry out business activities in the aforementioned scope on its own.

The spin-off described above was carried out with the intention of contributing OPE to a subsidiary company, Unimot Paliwa Sp. z o.o. (already conducting fuel trading activities to a limited extent) and dedicated within the Group to this area of activity. Unimot S.A., after the transfer of fuel operations to the subsidiary, was to focus on performing a holding function for the remaining Group companies, concentrating its activities on managing the Group, in connection with the relocation of all businesses (defined as particular types of fuel or energy carriers) to subsidiaries.

The relocation of the fuel trading operations to a subsidiary has brought the following benefits to the Group, among others:

- a. Reducing and optimising costs in this business segment - incurring only the segment's necessary costs, no costs not belonging to the business segment in the company.
- b. Greater organisational efficiency of the business activities carried out in this business segment - human resources with greater clarity of tasks and responsibilities, remunerated and motivated to the strictly defined tasks and results of one segment, no dispersion of attention, commitment and activity between segments in one company, eliminating the need to assess the validity of such division.
- c. Easier acquisition of bank financing (necessary in fuel and energy trading activities) for entities with homogeneous trading activities in terms of fuel types or energy carriers.
- d. Lower costs of obtaining and using bank financing as a result of greater reliability of results, transparency of collateral and orderly use of financing within individual companies.
- e. Greater opportunities for growth by increasing the scale of the business through the realisation of acquisitions of similar entities, OPEs or customer portfolios in the same business segment, and opportunities for financing from sources other than the banking sector, e.g. structural funds, industry funds, bonds in the market for the given business segment.

For the Parent Entity Unimot S.A. (as well as for the Group as a whole), however, the transfer of OPE to Unimot Paliwa Sp. z o.o. and Unimot S.A.'s focus on its holding function has brought the following benefits:

- a. Structuring the ownership structure - locating individual business segments in individual subsidiaries.
- b. Optimisation of operating costs in the Group - relocation of all operating business costs to the subsidiaries (difficult to assess the reasonableness of the level of operating costs serving several business segments together), elimination of costs that do not generate value for these segments, delegation to the subsidiaries of the decision-making as to the form of acquisition of service costs (employment contract, activity, external supplier).
- c. Reduction of management costs (the holding company acts as a service centre: human resources, accounting, controlling, treasury, legal department) - use of economies of scale (the sum of all business segments) to obtain the best conditions from external providers of these services or the most effective use of own resources in the holding company - no independent determination of the scope (and thus costs) of these services by individual business

- segments which is not optimal (different cost/effect parameters incurred depending on the approach of a given segment)
- d. Transparent management model from the holding company level - uniformity of communication and its accessibility to all business segments and their managers and the requirements for the application of corporate governance applied in the Group, homogeneity of the system of qualitative and quantitative assessments and of the results of achieving business objectives based on the established KPIs.
 - e. Controlling transparency - standardised reporting of business segments across subsidiaries, ability to compare key data between business segments and also with other (non-Group) participants/operators in the segment (including domestic and foreign), ability to refer to key publicly available indicators for the industry or segment
 - f. Ordering the responsibilities of key managers as Management Board Members of individual companies constituting business segments – their greater responsibility in accordance with the Commercial Companies Code than with the most detailed division of responsibilities in a single company containing multiple business segments.
 - g. Flexibility of attracting a partner/investor to separate business segments, each of which may be addressed by a different shareholding scenario (including a target scenario that may be different from the initial one), with a different timeframe and level of expenditures - possibility to run multiple scenarios for individual businesses in parallel. Ease of making investments or divestments depending on needs, market opportunities or business opportunities.

On 19 May 2022, Unimot S.A. received individual interpretations of tax law provisions confirming that the separated set of tangible and intangible components assigned to the OPE constitutes an organised part of an enterprise within the meaning of Article 4a(4) of the CIT Act and an organised part of an enterprise within the meaning of Article 2(27e) of the VAT Act, with the consequence that the in-kind contribution of the components in question to Unimot Paliwa Sp. z o.o. was excluded from the scope of taxation with these taxes. On 30 May 2022, the company also received a CLT tax (*polish*: PCC) interpretation in which the tax authority confirmed that the in-kind contribution would be tax-neutral in terms of CLT.

On 29 June 2022, at the Ordinary General Meeting of Shareholders, the shareholders of Unimot S.A. approved the reorganisation actions by adopting resolutions on the approval of the sale by Unimot S.A. of an organised part of its enterprise to its subsidiary Unimot Paliwa Sp. z o.o. by way of a contribution in kind (in-kind contribution) to cover shares in the increased share capital of Unimot Paliwa Sp. z o.o. and the Annual General Meeting authorised the Management Board to conclude an appropriate agreement for the transfer of the OPE and to perform all related actions. The Ordinary General Meeting of Shareholders of Unimot S.A. also adopted a resolution on a significant change in the Company's object of operations (from the previously predominant fuel trading business to holding activities) and on an amendment to the Articles of Association with regard to the Company's object of operations (subject to the effective transfer of the OPE to Unimot Paliwa Sp. z o.o.).

On 1 August 2022, the Extraordinary Meeting of Shareholders of Unimot Paliwa Sp. z o.o. adopted a resolution to increase the share capital of that company from PLN 1,500,000.00 (one million five hundred thousand zlotys) to PLN 327,350,000.00, i.e. by PLN 325,850,000.00, through the creation of new, equal and indivisible, non-preference shares in the number of 3,258,500 with a nominal value of PLN 100.00 (one hundred zlotys) each. All the newly created shares, i.e. 3,258,500 shares of PLN 100.00 (one hundred zlotys) each, were intended to be taken up by Unimot S.A. and were covered by a contribution in kind - in the form of the OPE.

On the same date, i.e. 1 August 2022, Unimot S.A. and Unimot Paliwa Sp. z o.o. entered into an agreement for the transfer of the OPE to Unimot Paliwa Sp. z o.o. The transfer of ownership of the OPE from Unimot S.A. to Unimot Paliwa Sp. z o.o. took place upon the conclusion of the Agreement, i.e. on 1 August 2022. Unimot S.A. received 3,258,500 newly created shares in the share capital of Unimot Paliwa Sp. z o.o. in consideration of the non-cash contribution (contribution in kind) in the form of the OPE.

The value of the OPE was determined on the basis of a valuation prepared on 1 August 2022 by a company under the name Deloitte Advisory Spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw.

The reorganisation process was approved by the competent registry court (National Court Register) by registering the in-kind contribution on 17 August 2022.

9. FINANCIAL STANDING OF THE CAPITAL GROUP

9.1. INFORMATION ON PRINCIPLES ADOPTED WHILE PREPARING THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The present interim condensed consolidated financial statements (the "consolidated financial statements") have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognition as equivalent of information required by the laws of a non-member state (consolidated text: Journal of Laws 2018, item 757 of 20 April 2018) (the "Regulation") and presents the financial standing of the UNIMOT Group ("Group", "UNIMOT Group", "CG") as at 30 September 2022 and as at 31 December 2021, the results of its operations and its cash flows for the 9 months and 3 months ended 30 September 2022 and 30 September 2021.

9.2. CONSOLIDATED STATEMENTS OF THE FINANCIAL RESULT AND OTHER TOTAL REVENUES

| | 01.01.2022 30.09.2022 | 01.01.2021 30.09.2021 | Dynamics | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | Dynamics |
|---|--------------------------|--------------------------|---------------|--------------------------|--------------------------|---------------|
| Revenues on sales | 9 709 845 | 5 353 200 | 81,4% | 3 797 526 | 2 088 218 | 81,9% |
| Profits (losses) due to financial instruments pertaining to fuel trade | (6 433) | 31 541 | -120,4% | 16 920 | (6 984) | -342,3% |
| Cost of sold services, goods, and materials | (9 134 132) | (5 142 104) | 77,6% | (3 636 279) | (2 012 320) | 80,7% |
| Gross profit/(loss) on sales | 569 280 | 242 637 | 134,6% | 178 167 | 68 914 | 158,5% |
| Other operating revenues | 13 212 | 1 050 | 1158,3% | 1 956 | 284 | 588,7% |
| Sales costs | (241 019) | (145 517) | 65,6% | (102 025) | (50 763) | 101,0% |
| Overheads | (62 564) | (26 324) | 137,7% | (16 480) | (9 977) | 65,2% |
| Other net profits/losses | (2 888) | 384 | -852,1% | 60 | 100 | -40,0% |
| Other operating costs | (8 946) | (896) | 898,4% | (3 325) | (244) | 1262,7% |
| Profit/loss on operating activity | 267 075 | 71 334 | 274,4% | 58 353 | 8 314 | 601,9% |
| Financial revenues | 153 | 415 | -63,1% | (286) | 186 | -253,8% |
| Financial costs | (16 300) | (5 536) | 194,4% | (6 742) | (2 443) | 176,0% |
| Net financial costs | (16 147) | (5 121) | 215,3% | (7 028) | (2 257) | 211,4% |
| Profit/(loss) before taxation | 250 928 | 66 213 | 279,0% | 51 325 | 6 057 | 747,4% |
| Income tax | (50 122) | (15 400) | 225,5% | (10 259) | (2 043) | 402,2% |
| Net profit/(loss) for the reporting period including, attributable to: | 200 806 | 50 813 | 295,2% | 41 066 | 4 014 | 923,1% |
| Parent Entity's shareholders | 200 830 | 50 971 | | 41 090 | 4 022 | |
| Non-controlling shares | (24) | (158) | | (24) | (8) | |
| Net profit/(loss) for the reporting period | 200 806 | 50 813 | 295,2% | 41 066 | 4 014 | 923,1% |
| Other total profits/(losses) - that will be reclassified as profits or losses upon fulfilment of specific conditions | | | | | | |
| Exchange rate differences from conversion of units operating abroad | (82) | - | - | (141) | - | |
| Other total revenues/(losses) for the financial year | (82) | - | - | (141) | - | |
| Total revenues/(losses) for the financial year | 200 724 | 50 813 | | 40 925 | 4 014 | |
| including, attributable to: | | | | | | |
| Parent Entity's shareholders | 200 748 | 50 971 | | 40 949 | 4 022 | |
| Non-controlling shares | (24) | (158) | | (24) | (8) | |
| Total revenues for the reporting period | 200 724 | 50 813 | | 40 925 | 4 014 | |
| Profit/(loss) per share attributable to Parent Entity's shareholders (in PLN) | 24,50 | 6,22 | | 5,01 | 0,49 | |
| Diluted profit/(loss) per share attributable to Parent Entity's shareholders (in PLN) | 24,50 | 6,22 | | 5,01 | 0,49 | |

In the first three quarters of 2022, the Group generated sales revenue of PLN 9,709,845 thousand, which was up by PLN 4,356,645 thousand or 81.4% against that achieved in the corresponding period of 2021.

The following factors contributed to the increase in sales revenues in the period:

- higher by PLN 3 604 287 thousand i.e. 75% revenues from liquid fuels trading;
- higher revenues from trading in gaseous fuels by PLN 275 437 thousand i.e. 136%;
- higher revenues from trading in energy by PLN 210 081 thousand i.e. 148%.

The cost of goods and materials sold incurred in the first three quarters of 2022 was up by PLN 3 992 028 thousand, i.e. 77.6% against the corresponding period of 2021, mainly due to the general increase in turnover and fluctuating prices of purchased goods and materials.

For the nine-month period ended 30 September 2022, the Group achieved gross profit on sales of PLN 569 280 thousand, i.e. up by PLN 326 643 thousand against the same period of 2021.

A consequence of the increase in turnover and prices of goods and materials was a significant increase in other costs by type discussed below, as well as an increase in operating and financial expenses.

COST BY TYPE STRUCTURE

| <i>In PLN thousand</i> | 01.01.2022 30.09.2022 | 01.01.2021 30.09.2021 | Dynamics | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 | Dynamics |
|---------------------------------------|----------------------------------|----------------------------------|-----------------|----------------------------------|----------------------------------|-----------------|
| Amortisation | (10 369) | (9 639) | 7,6% | (3 669) | (2 975) | 23,3% |
| Electricity and materials consumption | (7 327) | (8 495) | -13,7% | (3 998) | (3 386) | 18,1% |
| Foreign services | (217 410) | (130 378) | 66,8% | (85 148) | (46 602) | 82,7% |
| Taxes and charges | (7 134) | (1 558) | 357,9% | (3 383) | (323) | 947,3% |
| Remunerations | (47 847) | (20 800) | 130,0% | (14 317) | (4 801) | 198,2% |
| Social security and other benefits | (3 802) | (2 506) | 51,7% | (1 301) | (863) | 50,7% |
| Other cost by type | (15 342) | (12 958) | 18,4% | (4 367) | (4 647) | -6,0% |
| Total cost by type | (309 231) | (186 334) | 66,0% | (116 183) | (63 597) | 82,7% |

In Q3 2022, operating expenses increased by 66%.

Salaries and wages in the Unimot Group increased by 130% and were higher by PLN 27 047 thousand against the same period of the previous year. Employee benefits increased by 51.7% and were higher by PLN 1 296 thousand against the corresponding period of the year.

This item comprises, among other things, increased remuneration costs related to servicing the reorganisation processes carried out in the Group in the period under review. A consequence of the increase in salaries and wages is an increase in employee benefits comprising mainly social security, as well as expenses related to health care and employee training.

Third-party services increased by 66.8 % and were higher by PLN 87 032 000 against the corresponding period of the previous year. This item includes primarily the costs of services related to transport, warehousing, logistics, legal services, representative and consultancy contracts. The 66.8% increase in this item is assessed by the Management Board as stable when compared to the dynamic growth in sales revenues.

The cost of consumption of materials and energy was 13.7% lower than in the corresponding period, enabling the Group to save PLN 1 167 thousand.

9.3. FACTORS AND UNUSUAL EVENTS AFFECTING THE RESULTS ACHIEVED BY THE GROUP

| <i>In PLN thousand</i> | 01.01.2022 30.09.2022 | 01.07.2022 30.09.2022 | 01.01.2021 30.09.2021 | 01.07.2021 30.09.2021 |
|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| EBIT * | 263 940 | 56 145 | 71 334 | 8 314 |
| EBITDA ** | 274 309 | 59 814 | 80 715 | 11 121 |
| GROSS RESULT | 250 928 | 51 325 | 66 213 | 6 057 |
| NET RESULT | 200 806 | 41 066 | 50 813 | 4 014 |

* **EBIT ratio** --> defined as Earnings Before Interest and Taxes

****EBITDA ratio** --> defined as Earnings Before Interest, Taxes, Depreciation and Amortization

In Q3 2022, the Group recorded an EBIT result of PLN 56 145 thousand, which is up by PLN 47 831 thousand against Q3 2021.

In terms of EBITDA value in Q3 2022, the CG recorded a result of PLN 59 814 thousand, which is up by PLN 48 693 thousand against Q3 2021.

The gross result in Q3 2022 amounted to PLN 51 325 thousand, which was up by PLN 45 268 thousand against same period of 2021.

The net result in Q3 2022 amounted to PLN 41 066 thousand and was up by PLN 37 052 thousand against the corresponding period of 2021.

RESULTS – adjusted

| <i>In PLN thousand</i> | 01.01.2022 30.09.2022 | 01.07.2022 30.09.2022 | 01.01.2021 30.09.2021 | 01.07.2021 30.09.2021 |
|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Adjusted EBITDA | 280 168 | 120 715 | 57 456 | 12 004 |
| Adjusted NET RESULT | 206 665 | 101 967 | 27 554 | 4 897 |

The results incrementally in 2022 were adjusted by PLN (-)5 859 thousand as a result of:

- adjustment of the impact of accounting valuations and cost transfers over time related to the trading of diesel and biofuels: (-)PLN **14 521** thousand,
- realisation of gains on electricity market transactions concluded last year by the company TRADEA in the amount of: (+)PLN **21 500** thousand,
- time shifts of non-recurring costs and revenues related to corporate functions of the CG's business: (-)PLN **1 120** thousand.

The results in Q3 2022 were adjusted for the following factors – in total for the amount of **PLN (+) 60 901 thousand**:

- adjustment of the impact of accounting valuations and time shifts of cost related to diesel and biofuel trading: PLN **(+) 64 415** thousand,
- reversal of the result adjustment for FIFO effect recognised in Q2 relating to gaseous fuels trading PLN **(-)3 514** thousand.

Data on the value of adjusted EBITDA by period is presented on page 1 of this report in the graph entitled "Adjusted EBITDA".

9.4. INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

| <i>In PLN thousand</i> | 30.09.2022 | 31.12.2021 | Dynamics |
|---|-------------------|-------------------|-----------------|
| Assets | | | |
| Tangible fixed assets | 65 806 | 45 965 | 43,2% |
| Right to use assets | 100 902 | 69 856 | 44,4% |
| Intangible assets | 19 318 | 21 233 | -9,0% |
| Other financial assets | 260 | 260 | |
| Long-term receivables | 6 376 | 30 500 | -79,1% |
| Client contracts assets | 11 114 | 7 739 | 43,6% |
| Deferred income tax assets | 13 984 | 12 163 | 15,0% |
| Total fixed assets | 217 760 | 187 716 | 16,0% |
| Current assets | | | |
| Inventory | 172 073 | 325 215 | -47,1% |
| Client contracts assets | 380 | 2 128 | -82,1% |
| Trade and other receivables | 997 506 | 513 303 | 94,3% |
| Other financial assets | 27 163 | 36 128 | -24,8% |
| Derivative financial instruments | 38 048 | 59 465 | -36,0% |
| Income tax receivables | 6 847 | 11 573 | -40,8% |
| Financial resources and their equivalents | 220 595 | 79 092 | 178,9% |
| Other current assets | 3 176 | 16 668 | -80,9% |
| Total current assets | 1 465 788 | 1 043 572 | 40,5% |
| Total assets | 1 683 548 | 1 231 288 | 36,7% |

As at 30 September 2022, the balance sheet figures have increased significantly compared to the previous year. Total assets as at 30 September 2022 increased by 36.7 % compared to the figures as at 31.12.2021, representing PLN 452 260 thousand.

The value of Fixed assets as at 30 September 2022 increased by 16% in relation to the figures as at 31.12. 2021, representing PLN 30 014 thousand. This total consists of a 44% increase in the right to use assets, this item includes concluded lease agreements. In the 9-month period of 2022, the Group concluded new lease agreements in the amount of PLN 38 975 thousand, comprising rights to use transport vehicles and rights to use assets under long-term lease agreements.

Tangible fixed assets increased by 43.2%, which is up by PLN 19 841 thousand. This item consists mainly of expenditures on the modernisation and adaptation to the Avia brand of leased and own petrol stations, computer hardware and equipment.

A significant change occurred in long-term receivables, which were down by 79%, amounting to PLN 24 124 thousand. This item included receivables from a deposit relating to excise duty security and performance bond. As a consequence of the transfer of part of the contracts related to ZORG, the forms of security changed and the value on the discussed item decreased.

Current assets increased by PLN 422 216 thousand i.e. 40.5%, with the largest changes occurring in trade and other receivables, which increased by 94.3% or PLN 484 203 thousand.

The largest increase was recorded in trade and other receivables. The increase was 94.3%, which amounts to PLN 484 203 thousand. This item includes: trade receivables, receivables from the budget, advances for supplies and services and other receivables. The increase in receivables as at 30 September 2022 is due to an increase in turnover.

The value of inventories decreased by 47.1 per cent, amounting to PLN 153 142 thousand. The decrease in the value of inventories is due to the sale of a portion of the compulsory reserve relating to diesel trading, which is a consequence of organisational changes in the Group.

Cash and cash equivalents increased by 179% in relation to the figures as at 31.12.2021, representing PLN 141 503 thousand. The increase in cash as at 30 September 2022 is due to an increase in turnover.

Other current assets decreased by 81%, representing PLN 13 492 thousand. This item mainly includes prepaid expenses, the decrease in value is a consequence of the end of the settlement cycle for some items.

| <i>In PLN thousand</i> | 30.09.2022 | 31.12.2021 | Dynamics |
|--|-------------------|-------------------|-----------------|
| Equity | | | |
| Share capital | 8 198 | 8 198 | 0,0% |
| Other capitals | 306 992 | 234 946 | 30,7% |
| Exchange rate differences from foreign units conversion | - | 82 | 100,0% |
| Previous years' results and current year result | 211 862 | 82 923 | 155,5% |
| Equity of Parent Entity's shareholders | 527 052 | 326 149 | 62% |
| Non-controlling interests | (246) | (274) | (0) |
| Equity in total | 526 806 | 325 875 | 62% |
| Long-term liabilities | | | |
| Liabilities due to credits, loans, lease, and other debt instruments | 92 667 | 65 078 | 42,4% |
| Employee benefits liabilities | 220 | 219 | 0,5% |
| Derivative financial instruments | 11 400 | 24 944 | -54,3% |
| Deferred income tax reserve | 2 873 | 2 056 | 39,7% |
| Total long-term liabilities | 107 160 | 92 297 | 16% |
| Short-term liabilities | | | |
| Overdrafts | 344 669 | 336 563 | 2,4% |
| Liabilities due to credits, loans, lease, and other debt instruments | 11 464 | 8 829 | 29,8% |
| Derivative financial instruments | 3 798 | 58 685 | -93,5% |
| Employee benefits liabilities | 753 | 753 | 0,0% |
| Client contracts liabilities | 193 235 | 9 492 | 1935,8% |
| Trade and other liabilities | 495 663 | 398 794 | 24,3% |
| Total short-term liabilities | 1 049 582 | 813 116 | 29% |
| Total liabilities | 1 156 742 | 905 413 | 28% |
| TOTAL LIABILITIES | 1 683 548 | 1 231 288 | 37% |

As at 30 September 2022, equities increased by 62% against the published as at 31 December 2022, representing PLN 200 931 thousand.

The highest increase was recorded in the item: Retained earnings and current year result, which was up by 155% representing PLN 128 939 thousand.

Other capitals increased by 31%, amounting to PLN 72 046 thousand. This item consists of profits carried forward.

As at 30 September 2022, equities represented 31% of the balance sheet total and were by 5 p.p. against the figures as at 31 December 2021.

Long-term liabilities increased by 16% or PLN 14 863 thousand. The highest increase in this section was recorded in the item of liabilities due to loans, borrowings, leases and debt instruments, which increased by 42% against the data as at 31 December 2021. The liability items are presented in detail in the notes to the consolidated financial statements as at 30 September 2022.

Derivative financial instruments decreased by 94% or PLN 13 544 thousand. This item consists of concluded futures contracts. Short-term liabilities increased by 29%, representing PLN 236 466 thousand. The highest increase in this section was recorded in the item Liabilities under agreements with customers, which increased by 1936%, which represents PLN 183 743 thousand. Liabilities from contracts with customers include prepaid remuneration for services not yet performed by the Group, e.g. prepaid subscription and commercial fees for energy distribution, services performed through the use of prepaid gas meters, contracts related to the purchase of liquid and gaseous fuels. The increase in customer contract liabilities is due to increased purchase contracts from the Unimot Group contractors.

Short-term trade liabilities increased by 24.3% or PLN 96 869 thousand. This increase is due to the overall increase in turnover and volumes in the CG.

Short-term liabilities from loans, leases and debt instruments increased by 30%, representing PLN 2 635 thousand.

Liabilities from derivative financial instruments decreased by 93%, amounting to PLN 54 887 thousand.

The change in the valuation of financial instruments (futures contracts) as at 30.09.2022 relative to 31.12.2021 resulted from a significant change in the quotation of petroleum products on international markets. The increase in prices on the one hand influences a positive valuation of diesel stocks, and on the other a negative valuation of futures contracts concluded at lower price levels. A negative valuation of futures contracts is recorded on the liabilities side, while a positive one is reflected on the assets side, the whole appropriately split into short- and long-term parts.

9.5. THE INDICATOR AND COMPARATIVE ANALYSIS OF THE CAPITAL GROUP

The presented below indicator evaluation of the Group was conducted on the basis of the consolidated financial statements for Q3 2022 and reference period.

Financial liquidity

The following ratios were used to assess the financial liquidity:

- **Current ratio - a ratio of current assets to short-term liabilities.** The ratio determining the ability of the Group to repay its current short-term liabilities in the medium term, this is after the realisation of owned stock, short-term financial assets, collection of short-term receivables and use of cash.
- **Quick ratio - a ratio of current assets net of stock to short-term liabilities.** The ratio determining the ability of the Group to repay its current short-term liabilities within a short time, this is after the realisation of short-term financial assets, collection of short-term receivables and use of cash on bank accounts.
- **Cash ratio - a ratio of cash balance to short-term liabilities.** The ratio determining the ability of the Group to immediately repay its current short-term liabilities within a short time, this is only after the realisation of owned cash on bank accounts.

| FINANCIAL LIQUIDITY RATIOS | 30.09.2022 | 31.12.2021 |
|----------------------------|------------|------------|
| Current liquidity ratio | 1,4 | 1,3 |
| Quick liquidity ratio | 1,2 | 0,9 |
| Cash liquidity ratio | 0,2 | 0,1 |

The liquidity ratios achieved in Q3 2022 are slightly higher than those shown at the end of 2021. The increase and the amount of the ratios achieved for the nine months of 2022 show that the Group's liquidity has improved.

Profitability

Profitability analysis is based on a group of ratios allowing to assess the effectiveness of the sales activities of the Group and the impact of individual groups of costs on its financial result:

- **Rate of return on sales -** return on sales sets the efficiency of carried out sales activities, that is, it allows you to specify the part of profit remaining in the company to cover the costs of its operation – after considering the direct costs of sale. Similarly, this ratio allows you to determine the effect of Group's direct sale costs on its result.
- **Gross profitability -** determines the performance of activities carried out by the Group, that is, in general allows the assessment part of the income remaining in the Group to cover tax, after considering the costs of financial activities and abnormal events. Similarly, this ratio, interpreted in conjunction with the above ratios of profitability, allows the assessment part of the result that is built not by operating activities, but results from the financial activities or impact of the events of extraordinary nature.

- **Net profitability** - determines the revenue percentage of the Group representing its net result, that is after the costs of its activities have been covered: sales, operating, financial and after taxes have been paid.
- **ROE**: a ratio of net profit to average state of equity during a financial year. The ratio allows the investors to assess the performance of utilisation of capital entrusted to the Group. It means the percentage share of funds earned by the Group (net result) that can be paid in the form of a dividend, to the capital brought by investors plus part of cash earned by the Group in previous years (equity).
- **ROA**: a ratio of net profit to average state of assets during a financial year. The ratio allows the investors to assess the performance of utilisation of all assets owned by the Group.

| PROFITABILITY RATIO | 01.01.2022 30.09.2022 | 01.01.2021 30.09.2021 | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| ROA | 11,9% | 3,9% | 2,4% | 0,3% |
| ROE | 38,1% | 16,9% | 7,8% | 1,3% |

The achieved return on equity ratio of 38.1% for the three quarters of 2022 is by 21.2 p.p. higher than in the corresponding period. The return on assets ratio for the three quarters of 2022 is by 9.5 p.p. higher than in the corresponding period.

| PROFITABILITY RATIO | 01.01.2022 30.09.2022 | 01.01.2021 30.09.2021 | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 |
|----------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| PROFIT RATE ON SALES | 5,9% | 4,5% | 4,7% | 3,3% |
| EBIT PROFITABILITY | 2,8% | 1,3% | 1,5% | 0,4% |
| EBITDA PROFITABILITY | 2,9% | 1,5% | 1,6% | 0,5% |
| NET PROFITABILITY | 2,1% | 0,9% | 1,1% | 0,2% |

The profitability ratios achieved in Q3 2022 and for the nine-month period at all levels analysed are significantly higher than in the comparable periods of 2021 and result from higher profit.

Efficiency of action

The following ratios were used to assess the efficiency of action:

- **Average collection period (days)**: a ratio of trade receivables at the end of a financial year to revenue from net sales x 360. The ratio determines the average period in days which is followed by collection of receivables from invoices issued by the Group. In general, you should strive to minimise this ratio.
- **Creditor (days)**: a ratio of short-term receivables against suppliers at the end of a financial year to revenue from net sales x 360 days. The ratio determines the average period in days which is followed by repayment of Group's liabilities. In general, you should strive to maximise this ratio.
- **Inventory turnover (days)**: a ratio of average state of inventory at the end of a financial year to revenue from net sales x 360. The ratio determines the average period in days during which the Group holds the stock before sale thereof. Considering the performance, you should strive to minimise this ratio.

| OPERATION EFFICIENCY RATIOS | 01.01.2022 30.09.2022 | 01.01.2021 30.09.2021 | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Rotation of trade receivables (days) | 28 | 31 | 24 | 27 |
| Rotation of trade liabilities (days) | 14 | 26 | 17 | 22 |
| Inventory rotation (days) | 5 | 18 | 4 | 16 |
| Inventories rotation (days) adjusted for compulsory reserve | 5 | 6 | 4 | 6 |

The rotation ratio of trade receivables in Q3 was 24 days, meaning that the average waiting time for receivables was reduced by 3 days. The payables turnover time was reduced by 5 days against Q3 2021. The inventory turnover ratio decreased by 12 days in Q3 2022, which is mainly due to a reduction in the value of inventories at the end of Q3 2022. The inventory turnover ratio adjusted for the value of compulsory reserve was reduced by 2 days against Q3 2021.

| Cash to Cash | 01.01.2022 30.09.2022 | 01.01.2021 30.09.2021 | 01.07.2022 30.09.2022 | 01.07.2021 30.09.2021 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Inventory cycle + receivable cycle – liability cycle. | 19 days | 23 days | 11 days | 20 days |
| Adjusted for the value of compulsory reserve cash to cash cycle amounts to | 19 days | 11 days | 11 days | 10 days |

The cash to cash cycle at the end of Q3 2022 amounted to 19 days and was shorter by 4 The cash to cash cycle adjusted for the value of compulsory reserve at the end of Q3 2022 lengthened by 8 days against Q3 2021. In the corresponding period of 2021 the cycle amounted to 11 days.

Debt assessment

The assessment of the degree of debt of the Group was made based on the following ratios:

- **Asset coverage ratio:** a ratio of the sum of equity value to the sum of total assets. The ratio determines the degree of coverage of the assets of the Group by its owned equities.
- **Debt ratio:** a ratio of total liabilities amounts to value of assets in total. The ratio specifies to what extent the Group's assets were financed with debt.

| DEBT RATIO | 30.09.2022 | 31.12.2021 |
|---|------------|------------|
| Total debt ratio | 68,7% | 73,5% |
| Equity/assets ratio | 31,3 % | 26,5 % |
| Equity to fixed assets ratio | 241,9% | 173,6% |
| Total debt ratio adjusted for credit for compulsory reserve | 68,7% | 65,5 % |

The total debt ratio at the end of Q3 2022 is slightly lower (4.8%) than the ratio calculated at the end of 2021, indicating that the sources of external financing of the Group's operations have not changed significantly. The asset coverage ratio is 4.8% higher than at the end of 2021. The equity/assets ratio is shown to be more than twice as high. The total debt ratio adjusted for the loan to compulsory reserve coincides with the total debt ratio, as at the end of Q3 2022, the loan to compulsory reserve was no longer present.

9.6. MANAGEMENT OF THE GROUP'S FINANCIAL RESOURCES

The Group manages its financial resources both at the individual company level and at the consolidated level.

The management process is directed towards taking measures to ensure stable and efficient financing of operations.

In managing liquidity, the Group adheres to the following principles:

- ensuring stable and diversified financing from external institutions,
- allocating financial surpluses to the repayment of interest-bearing debt or investing them efficiently in safe instruments,
- credit limits for business partners,
- collecting receivables in accordance with their due dates, possibly issuing interest notes,
- effective management of other elements of working capital.

| Specification | 30.09.2022 | 30.09.2021 | Dynamics 2021=100 |
|--|----------------|------------------|----------------------|
| Net cash flows on operating activity | 181 525 | (146 197) | (124) |
| Net cash flows on investment activity | (22 311) | (22 514) | 99 |
| Net cash flows on financial activity | (25 341) | (30 212) | 84 |
| Net change in cash and cash equivalents | 133 873 | (198 923) | |

Cash from operating activities

In the nine-month period of 2022, positive net cash flow from operating activities of PLN 181.5 million was achieved thanks to the positive cash inflows generated from operating activities, which were primarily driven by the profit before tax in the amount

of PLN 250.9 million, the change in customer contract assets in the amount of PLN 183.7 million and the change in inventories in the amount of PLN 153.1 million.

Cash from investment activities

Cash used in the reported nine-month period of 2022 amounted to PLN 22.3 million and was down by PLN 0.2 million against the same period of 2021.

The main item of investment expenditure was the acquisition of tangible fixed assets in the amount of PLN 32.6 million.

Cash from financial activities

Net cash flow from financial activities in the nine-month period of 2022 reached PLN (25.3) million against PLN (30.2) million cash flow in the corresponding period of 2021. The level of cash flow in the reported period includes repayments of borrowings in the amount of PLN 9.7 million, payments of liabilities under lease agreements and interest paid from financing activities in the amount of PLN 16.6 million.

As a result of the above-mentioned factors, the change in cash and cash equivalents amounted to PLN 133.9 million against the change of PLN (198.9) million in the comparable period of 2021.

9.7. SURETIES, LOANS AND GUARANTEES GRANTED

| <i>In PLN/EUR/USD thousand</i> | As of 30.09.2022 | | | As of 31.12.2021 | |
|--|------------------|---------------|--------------|------------------|---------------|
| | PLN | EUR | USD | PLN | EUR |
| Own contingent liabilities of Parent Entity | - | 3 500 | - | 37 259 | 9 200 |
| insurance guarantees given as security for excise duties | - | - | - | 17 350 | - |
| insurance guarantees given as concession security | - | - | - | 19 909 | 9 200 |
| guarantees relating to performance bonds and merchant's limits | - | 3 500 | - | - | - |
| Contingent liabilities of related entities | 78 476 | 25 000 | 3 600 | 27 229 | 2 500 |
| insurance guarantees given as security for excise duties | 27 100 | - | - | 7 000 | - |
| insurance guarantees given as concession security | 27 000 | - | - | 10 000 | - |
| guarantees relating to performance bonds and merchant's limits | 19 276 | 14 000 | - | 7 485 | - |
| sureties relating to performance bonds and merchant's limits | 5 100 | 11 000 | 3 600 | 2 744 | 2 500 |
| Summary | 78 476 | 28 500 | 3 600 | 64 488 | 11 700 |

The amount of guarantees relating to Unimot S.A.'s and its subsidiaries' liabilities to third parties issued in the course of ongoing operations as at 30 September 2022 and 31 December 2021 amounted to PLN 0.- million and EUR 3.5 million and PLN 37.3 million and EUR 9.2 million, respectively. These mainly related to: civil guarantees related to performance bonds and merchant limits. (In the comparable year, they also related to public-law guarantees under regulations).

In addition, companies in the Unimot Group provided insurance guarantees as security for public-law liabilities, guarantees relating to performance bonds and merchant limits and sureties relating to performance bonds and merchant limits in amounts totalling PLN 78.5 million, EUR 25 million and USD 3.6 million as at 30 September 2022. (For comparison, as at 31.12.2021: PLN 27.2 million and EUR 2.5 million).

In addition, Unimot S.A. signed a guarantee in the amount of PLN 6 million for the future liabilities of its subsidiary Unimot Investments Sp. z o.o. which may arise as a result of the agreement concluded for the acquisition of a part of the assets from PKN Orlen SA. This item is not included in the table above.

The increase in the value of guarantees granted is mainly driven by the change in the forms of collateral for merchant limits and the reorganisation within the Group.

9.8. CURRENT AND FORESEEN FINANCIAL STANDING OF THE UNIMOT CG

Unimot Capital Group does not publish financial forecasts for future years; additionally, the Issuer's Management Board decided not to publish a forecast of consolidated adjusted EBITDA for 2022, having regard to external market factors beyond the Company's control, related to the high volatility and uncertainty of the fuel market situation caused by the ongoing armed conflict in Ukraine and the economic effects of sanctions on Russia and Belarus imposed in connection with this event. In

addition, the inability to estimate and publicise the forecast for 2022 is due to the difficult-to-predict impact on this year's Group results of the planned acquisition of the Lotos Terminals assets¹⁰.

9.9. TRANSACTIONS WITH RELATED ENTITIES

In the current reporting period, transactions concluded by the Parent Entity with related companies concerned typical commercial transactions and business operations, carried out on an arm's length basis.

These transactions were mainly related to purchases of materials and services for current operating activities: trading in liquid and gaseous fuels, trading in electricity, rental services. No individual transactions between the Company and related parties were identified that were significant due to their unusual scope and value, with the exception of the one described below.

In the third quarter of 2022, the Unimot Group completed a significant reorganisation process of the separation of the Company's Organised Part of Enterprise further discussed in section 8.4 of this report.

9.10. SIGNIFICANT OFF-BALANCE SHEET ITEMS

There are no significant off-balance sheet items on the Unimot Group's books, except for the contingent liabilities disclosed in the report.

10. OTHER INFORMATION

10.1 EMPLOYMENT IN THE GROUP

| SPECIFICATION | 30.09.2022 | | | 30.09.2021 | | |
|--|------------|-----|-------|------------|-----|-------|
| | WOMEN | MEN | TOTAL | WOMEN | MEN | TOTAL |
| Employment structure in the CG by type of contract | 101 | 99 | 200 | 94 | 78 | 172 |
| Employment contract for indefinite time | 60 | 61 | 121 | 60 | 61 | 121 |
| Employment contract for a specified duration | 34 | 35 | 69 | 30 | 13 | 43 |
| Probationary employment contract | 7 | 3 | 10 | 4 | 4 | 8 |
| Employment structure in the CG by type of contract | 101 | 99 | 200 | 94 | 78 | 172 |
| Full time | 99 | 98 | 197 | 92 | 77 | 169 |
| Part time | 2 | 1 | 3 | 2 | 1 | 3 |
| Employment structure in the CG by age | 101 | 99 | 200 | 94 | 78 | 172 |
| Up to 30 years | 21 | 13 | 34 | 20 | 11 | 31 |
| Between 31 and 40 years | 40 | 23 | 63 | 37 | 19 | 56 |
| Between 41 and 50 years | 31 | 38 | 69 | 27 | 25 | 52 |
| Over 50 years | 9 | 25 | 34 | 10 | 23 | 33 |

The Unimot Group has an Employment Policy, which regulates the hiring of employees with qualifications and competences that ensure the fulfilment of the assigned tasks and assumed objectives.

As at 30 September 2022, there were 200 employees in the Group, while as at 30 September 2021 there were 172 employees. The majority of employees (61%) have contracts for indefinite times, with the largest group being employees in the 41-50 age bracket (35%), while in 2021, the 31-40 age bracket (33%) predominated in the corresponding period. At the end of the third quarter of 2022, 51% were women, while in the corresponding period of 2021 it was 55%.

11.2. CORPORATE SOCIAL RESPONSIBILITY

In all areas of its activity, the Group complies with the principles of professionalism and business credibility, while at the same time ensuring the quality and safety of the products it trades. We also conscientiously care for relations with clients, suppliers, employees, local community and investors, basing them on respect and mutual trust. The UNIMOT Group tries to conduct its

¹⁰ <https://www.unimot.pl/relacje-inwestorskie/raporty/biezace/> - Current report No. 8/2022 of 01 April 2022

business activity in a socially responsible and sustainable way, i.e. so that the needs of the present generation are satisfied without diminishing the chances of future generations to satisfy their needs. The Group's priority is to act transparently, considering environmental (including climate), social and management objectives.

On 25.03.2022, the Company's Management Board adopted a Sustainability Strategy, which is based on five pillars (strategic objectives) addressing each of the main ESG areas: environment ("E" for environment), society ("S" for social responsibility) and corporate governance ("G" for corporate governance). Under these pillars, the Group has defined twelve activities to achieve these objectives. In addition to the existing internal regulations (policies, procedures) concerning the ESG area, additional regulations were adopted to support the achievement of the set objectives and activities. The Management Board declared to support the activities resulting from the above regulations and will ensure appropriate resources and means to implement the objectives defined therein. Full content of the Strategy was published on 25-03-2022 and posted on the website <https://www.unimot.pl/relacje-inwestorskie/>

The UNIMOT Group also endeavours to respect the natural environment and the surrounding in which it operates. As a fuel company it strives to minimise the negative impact on the natural environment, among others, through a diligent implementation of the National Indicative target and development of alternative means of transport powered with electricity. The Group, being simultaneously also an electricity seller strives to ensure that it comes to the largest extent from renewable energy sources.

The AVIA station chain offers Fairtrade-certified coffee in its new Eat&Go dining concept. The Fairtrade certification system seeks to improve the situation of small farmers in the global South who grow coffee, among other things. Farmers in Fairtrade cooperatives receive at least a minimum purchase price for their crops, which protects them from sharp price drops on the world market. For every pound of coffee sold, they receive a Fairtrade premium for development projects. In addition to economic issues, Fairtrade places great emphasis on appropriate social conditions - equal rights for women and combating forced and child labour.

Unimot has been supporting education of outstanding, young Poles at best American and European universities (such as: Harvard, Stanford, Yale, Oxford or Cambridge) cooperating with the IVY Poland Foundation. It promotes education and conducts a programme of tailored educational advisory. The selected candidates have been provided by the UNIMOT Group with interest-free loans to cover the cost of tuition. In total the Group has granted loans for over 10 participants in the amount of over PLN 200 thousand.

Unimot has also undertaken a number of activities that shape positive and responsible relations with the social groups that surround us. It is involved in the local community by promoting sports activities and education. As part of its activities, it sponsors, among others, the Kolejarz-Jura Częstochowa cycling club, Efektowni.pl Sports Club in Stalowa Wola and the Association Speedway Fan Club Częstochowa. The association runs a speed-cycling club: Lwy AVIA Częstochowa. At the end of 2019, the Unimot Group established cooperation with the Zawadzkie municipality, where the registered office of Unimot S.A. is located. As part of the cooperation, Unimot donated an amount of PLN 100 thousand to the municipality, which in 2020 was used to build a modern and safe playground for children in the town centre. These funds also supported two local youth sports clubs: Nidan Karate Club and the Autonomous Handball Section. In 2021, another 100 thousand PLN was allocated for a community playground in Zawadzkie. In the first quarter of 2022 another PLN 100 thousand was donated to the Zawadzkie community for the construction of the third stage of the community playground, including the addition of playground equipment such as Skate Park and Pumptrack, and for the development of design documentation for the construction of a recreational area for seniors in the vicinity of the Social Welfare Centre building in Zawadzkie.

For humanitarian aid, Unimot made donations in the form of fuel supplies and funds. These funds were donated to organisations that support those in need.

Summary value of in-kind and in-cash donations

| Donation purpose/Beneficiary | Value |
|--|--------------|
| Humanitarian Aid | 4 962 387 zł |
| Zawadzkie Municipality | 102 000 zł |
| Supporting development of sport among children and youths | 24 325 zł |
| Supporting current activity of social organisations and institutions | 52 543 zł |

The Unimot Group became socially involved during the COVID-19 pandemic. At the very beginning, it supported the Polish

Ministry of Health and donated over 1.5 million PLN for the purchase of rapid tests for SARS-CoV-2 coronavirus, which were delivered to the Central Sanitary and Epidemic Reserve Base in Poręby near Zduńska Wola. This action was followed by others, and Unimot funded 10 thousand reusable protective masks for seniors from the Strzelce Opolskie district and Zawadzkie municipality. Also, over 750 hand disinfecting liquids were donated to various state institutions in the Opole Province. This support reached, among others, the National Health Fund branch in Opole and the District Governor in Strzelce Opolskie.

On 24 June 2022, the Company published a non-financial report for 2021. The Company is not obliged to publish it in accordance with the CSRD - Corporate Sustainability Reporting Directive - the obligation will only arise from 2024. The report is posted on the website: <https://www.unimot.pl/relacje-inwestorskie/>. The Company will publish annual non-financial reports periodically.

11.3. ESTIMATION OF THE INFLUENCE OF CORONAVIRUS SARS COV-2 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL STANDING OF THE CAPITAL GROUP

The Company's Management Board continuously analyses information on the spread of the SARS CoV-2 coronavirus worldwide, and especially in Poland and the region.

Based on the available information, the Company's Management Board does not see any threat to the continuation of deliveries of our primary products, i.e. diesel oil, bio-fuels, LPG, natural gas, electricity, and other petroleum products to our customers.

In the opinion of the Management Board of the Unimot CG, the impact of the COVID-19 pandemic in 2021 in the area of conducted business was negligible in the first three quarters of 2022. The introduction of vaccines and the change of legal regulations which consisted in replacing the state of an epidemic with the state of an epidemiological threat, with simultaneous mitigation of restrictions resulted in the society "getting used to" the virus.

Although the situation in the country and the world continues to be volatile and dangerous due to the emergence of new variants of the SARS-CoV-2 coronavirus (Delta, Omicron), nevertheless, in the economy, the problem of the virus is no longer crucial, as it was in 2020 and partly in 2021.

Only the reintroduction of lockdowns in China at the end of March resulted in a complete lack of oil sales in this market.

At the moment, due to the dynamically changing environment, the Management Board of the Parent Entity is not able to precisely determine the final impact of the COVID-19 outbreak on the operations and prospects of the UNIMOT Capital Group. The extent of the impact will depend, above all, on the duration of the epidemic and the degree of its intensity, which will directly affect trading restrictions and changes in demand and supply, which in turn is of key importance for the operations of trading companies.

11.4. SITUATION IN THE EAST - IMPACT ON THE UNIMOT CG

On 24 February 2022, the armed aggression of the Russian Federation against independent Ukraine began. This situation did not go unchallenged for the Unimot CG's business, as supply conditions, prices, and availability of raw materials changed in the market within a very short period of time. The Unimot Group continuously monitors the political and economic steps taken by government administrations, as well as the international community, and analyses their impact on its business. The Unimot Group is prepared for various scenarios in the fuel market and adapts to all national and international sanctions. In terms of diesel, the Unimot Group has taken decisive steps to become completely independent from the eastern direction by quickly launching a new supply channel using the terminal located in the Danish Straits. Thanks to a leased terminal for diesel, the Unimot Group is fully prepared for the introduction of sanctions on this product. The Gulfhavn deep-water fuel terminal makes it possible to offload diesel from the largest tankers arriving in Europe from directions other than Russia and to continue transporting the fuel to Poland and, if necessary, to all other ports in the Baltic Sea. The three tanks with a total capacity of 127,000 m³ that the Unimot Group has leased are at the Group's disposal from 15 April 2022. The contract for the use of the tanks at the Gulfhavn terminal in Denmark has been concluded for the period of one year, with the possibility of extension. The UNIMOT Group has already made three diesel deliveries using the Danish terminal to date - two from Saudi Arabia and one from India. The terminal's transshipment capacity allows it to fully meet the import needs of diesel to Poland (not only the volumes currently realised by Unimot) and creates additional trading opportunities. The Unimot Group is looking for further alternative sources of raw material supply in order to become independent of raw material imports from Russia as soon as possible. As regards the sources of supply of LPG, the UNIMOT Group is undertaking intensive logistical activities aimed at acquiring this product from western directions. However, the gradual change in the purchase stream is associated with the need for additional transport to carry gas coming from these directions. Given the infrastructural and logistical constraints, the

UNIMOT Group identifies major challenges related to the storage of gas from directions other than the East and the transport of this fuel to stations. The above factors may affect the price for the end customer. The UNIMOT CG trades, sells and distributes natural gas using its own infrastructure (gas network, LNG regasification stations), external infrastructure, on the Polish Power Exchange and with foreign countries. The terms of supply, due to the high diversification of sources in the Unimot Group, did not change and were still based on concluded long-term contracts and market offers. The uncertainty of supplies realised from the east entailed significant price increases on the western European market and consequently also on the Polish market.

11.5. EVENTS AFTER THE BALANCE SHEET DATE

The Management Board of UNIMOT S.A. with its registered office in Zawadzkie ("the Issuer") announced that on 14 November 2022 the Issuer agreed on the material terms of the transaction for the acquisition from two natural persons, including the majority shareholder ("the Seller") and seven members of management, of a total of 100 per cent of shares in Olavion sp. z o.o. with its registered office in Gdańsk ("Olavion") operating in the rail transport industry ("the Transaction"). The material terms of the Transaction have been set out in a term sheet signed on 14 November 2022 (the "Term Sheet").

In accordance with the concluded Term Sheet, the parties will, as a result of the negotiations, conclude a preliminary conditional agreement for the sale of the shares and, upon fulfilment of the conditions precedent, a final sale agreement.

The Transaction will be finalised upon the fulfilment of conditions precedent, including but not limited to: the approval of the President of the Office of Competition and Consumer Protection, the receipt of corporate approvals of the Issuer and the non-occurrence of certain events related to the shares or resulting in changes in the economic and financial standing of Olavion, as detailed in the Transaction documentation, during the period until the date of the Final Agreement.

The purpose of the Transaction is to complement the UNIMOT Group's value chain and competencies in the area of logistics and transport, taking into account the Issuer's previous experience in supply planning and transport and warehouse logistics, as well as the planned transaction for the acquisition of shares in the company LOTOS TERMINALE S.A., comprising 9 fuel terminals and assets related to the turnover of bitumen products. The acquisition of shares in Olavion is also expected to allow the UNIMOT Group to secure its own transport and logistics needs¹¹.

11.6. OTHER INFORMATION, WHICH IN THE ISSUER'S OPINION IS RELEVANT TO ESTIMATE ITS STAFF, PROPERTY AND FINANCIAL STANDING, FINANCIAL RESULT AND THEIR CHANGES, AND INFORMATION THAT IS RELEVANT TO ESTIMATE THE ABILITY TO FULFILL OBLIGATIONS BY THE GROUP

After 30 September 2022, i.e. after the end of the reporting period, to the best of our knowledge, apart from the events mentioned in these statement and those described in the interim condensed financial statements of Unimot S.A. for the 9-month period ended 30 September 2022 and the interim condensed consolidated financial statements of the Unimot S.A. Capital group for the 9-month period ended 30 September 2022, there have been no other significant events that could significantly affect the assessment of and changes to the financial standing and the financial result, as well as other significant events for the assessment of the personnel situation and the ability to meet obligations.

12. APPROVAL OF THE MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF THE UNIMOT CAPITAL GROUP

¹¹ <https://www.unimot.pl/relacje-inwestorskie/raporty/biezace/> Current report No. 47/2022 of 14.11.2022



The Management Board of Unimot S.A. declares that this report entitled Management Board's Report on the Operations of the Unimot Capital Group for the third quarter ended 30 September 2022 provides a true picture of the development, achievements and situation of the Unimot Capital Group, including a description of the main threats and risks, and has been approved for publication and signed by the Management Board of Unimot S.A. on 16 November 2022.

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Adam Sikorski

President of the Management Board

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Filip Kuropatwa

Vice-President of the Management Board

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Robert Brzozowski

Vice-President of the Management Board