



UNIMOT S.A.

Annual Report for 2020

Standalone Statements

23rd March 2021

ANNUAL REPORT – STANDALONE STATEMENTS

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1. SELECTED FINANCIAL DATA

Selected data from the standalone consolidated financial statements

	in PLN thousand		in EUR thousand	
	31.12.2020	Comparable data*	31.12.2020	Comparable data*
I. Revenues on sales	4 610 557	4 349 121	1 030 472	1 011 000
II. Profit on operating activity	45 014	75 089	10 061	17 455
III. Gross profit/(loss)	40 060	67 442	8 954	15 678
IV. Net profit/(loss)	32 279	53 825	7 215	12 512
V. Net operating cash flows	128 310	24 439	28 678	5 681
VI. Net investment activity cash flows	(4 394)	(3 604)	(982)	(838)
VII. Net financial activity cash flows	(24 563)	(21 752)	(5 490)	(5 057)
VIII. Total net financial flows	97 094	(1 342)	21 701	(312)
IX. Total assets	743 474	640 479	161 106	150 400
X. Liabilities and provisions for liabilities	483 737	396 872	104 823	93 195
XI. Long-term liabilities	47 978	15 183	10 397	3 565
XII. Short-term liabilities	435 759	381 689	94 426	89 630
XIII. Equity	259 737	243 607	56 283	57 205
XIV. Share capital	8 198	8 198	1 776	1 925
XV. Number of shares (in thousands of shares).	8 198	8 198	-	-
XVI. Profit (loss) per one ordinary share (in PLN/EUR)**	3,94	6,57	0,88	1,53
XVII. Diluted profit (loss) per one ordinary share (in PLN/EUR)**	3,94	6,57	0,88	1,53
XVIII. Book value per one share (in PLN/EUR)***	31,68	29,72	6,87	6,98
XIX. Diluted book value per one share (in PLN/EUR)***	31,68	29,72	6,87	6,98
XX. Declared or paid dividend per one share (in PLN/EUR)	1,97	-	0,44	-

* Data for items concerning the statements of financial condition is presented as of 31.12.2019 and for the items concerning the statements of total profits and the statements of cash flows for the period from 01.01.2019 to 31.12.2019.

** as of 31.12.2020 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 31.12.2019 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 31.12.2020 the number of shares used to calculate the book value and diluted book value per share was 8 198 thousand of shares

*** as of 31.12.2019 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 position were converted into EUR according to the average exchange rate announced by the National Bank of Poland valid as of 31.12.2020 PLN/EUR 4.6148 and for the comparative data as of 31.12.2019 PLN/EUR 4.2585.

The individual items on the profit and loss account and other comprehensive income and cash flows were converted into EUR according to the exchange rate which is the arithmetic mean of average National Bank of Poland rate valid on the last calendar day of each month which was respectively PLN/EUR 4.4742 (2020), PLN/EUR 4.3018 (2019).

2. ANNUAL FINANCIAL STATEMENTS

Statements of financial condition

<i>in PLN thousand</i>	<i>Note</i>	31.12.2020	31.12.2019
Fixed assets			
TANGIBLE FIXED ASSETS	4.9	11 036	8 413
Right to use assets	4.10	52 459	10 960
INTANGIBLE ASSETS	4.11	14 315	14 382
Investments into subsidiaries	4.12	48 338	43 481
Other financial assets	4.13	260	2 916
Derivative financial instruments	4.23	13 247	-
Other long-term liabilities	4.16	9 899	2 224
Client contracts assets	4.18	3 628	4 317
Deferred income tax assets	4.14	6 027	-
Total fixed assets		159 209	86 693
Current assets			
Inventory	4.15	163 145	238 701
Client contracts assets	4.18	1 322	1 162
Trade and other receivables	4.17	304 527	263 470
Other financial assets	4.13	2 765	5 758
Derivative financial instruments	4.23	14 885	12 123
Income tax receivables		-	621
Financial resources and their equivalents	4.20	92 806	26 776
Other current assets	4.19	4 815	5 175
Total current assets		584 265	553 786
TOTAL ASSETS		743 474	640 479

President of the Management Board

Adam Sikorski

Person preparing the report

Małgorzata Walnik

*Vice-President of the
Management Board*

Robert Brzozowski

*Vice-President of the
Management Board*

Marek Moroz

*Vice-President of the
Management Board*

Mikołaj Wierzbicki

*Statements of the financial condition should be analysed jointly with explanatory information,
which constitutes an integral part of the financial statements*

Statements of financial condition (continued)

<i>in PLN thousand</i>	<i>Note</i>	31.12.2020	31.12.2019
Equity			
Share capital	4.21	8 198	8 198
Other capitals	4.21	218 816	181 140
Previous years' results and current year result		32 723	54 269
Total equity		259 737	243 607
Long-term liabilities			
Liabilities due to loans and other debt instruments	4.22	44 284	7 272
Employee benefits liabilities	4.26	256	185
Derivative financial instruments	4.23	3 438	5 648
Deferred income tax reserve	4.14	-	2 078
Total long-term liabilities		47 978	15 183
Short-term liabilities			
Overdrafts	4.22	172 440	203 504
Liabilities due to loans and other debt instruments	4.22	17 876	2 866
Derivative financial instruments	4.23	17 700	2 421
Employee benefits liabilities	4.26	539	435
Income tax liabilities		2 558	-
Client contracts liabilities	4.27	1 981	2 613
Trade and other liabilities	4.28	222 665	169 850
Total short-term liabilities		435 759	381 689
Total liabilities		483 737	396 872
TOTAL LIABILITIES		743 474	640 479

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Statements on total revenues

<i>in PLN thousand</i>	<i>Note</i>	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
Revenues on sales	4.1	4 660 051	4 353 881
Profits (losses) from financial instruments pertaining to fuel trading	4.1	(49 494)	(4 760)
Cost of sold goods and materials	4.3	(4 386 249)	(4 141 208)
Gross profit on sales		224 308	207 913
Other operating revenues	4.4	2 500	2 076
Sales costs	4.2	(145 937)	(113 570)
Overheads	4.2	(24 171)	(20 528)
Other net profits/losses	4.5	189	959
Other operating costs	4.6	(11 875)	(1 761)
Profit/loss on operating activity		45 014	75 089
Financial revenues	4.7	1 117	1 232
Financial costs	4.7	(6 071)	(8 879)
Net financial costs		(4 954)	(7 647)
Profit/(loss) before taxation		40 060	67 442
Income tax	4.8	(7 781)	(13 617)
Net profit/(loss) for the financial year		32 279	53 825
Profit/loss per one share in PLN			
Basic		3,94	6,57
Diluted		3,94	6,57

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Statements of cash flows

<i>in PLN thousand</i>	<i>Note</i>	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
Operating cash flows			
Profit/(loss) before taxation		40 060	67 442
Adjustments with items:			
Tangible fixed asset amortisation	4.9	6 695	3 894
Intangible assets impairment	4.11	277	244
Loss (profit) due to exchange rate differences		2 259	425
Profit (loss) on sales of other investments		7	3 332
(Profit)/loss on sales of tangible fixed assets	4.5	(189)	(959)
Interests and transactional costs (concerning credits and loans) and dividends, net		4 787	8 265
Receivables status change	4.33	(52 773)	(63 557)
Inventory status change	4.15	75 556	(48 421)
Client contracts assets status change	4.18	529	(573)
Client contracts liabilities status change	4.27	(632)	(10 707)
Status change of trade and other short-term liabilities	4.33	55 531	60 578
Status change of assets/(liabilities) due to hedging instruments	4.23	(2 940)	18 158
Provisions status change	4.33	(2 078)	2 033
Status change of liabilities due to employee benefits	4.26	175	(32)
Creating/reversing impairment loss		8 827	(2 066)
Income tax paid/returned	4.8	(7 781)	(13 617)
Net operating cash flows		128 310	24 439
Investment activity cash flows			
Revenues on tangible fixed assets sale		847	3 223
Received interests		715	353
Revenues on loans		13 108	7 774
Tangible fixed assets purchase		(4 995)	(1 029)
Intangible assets purchase		(210)	(186)
Loans granted		(13 859)	(11 214)
Other entities acquisition		-	(2 525)
Net investment activity cash flows		(4 394)	(3 604)
Net financial activity cash flows			
Contracting credits, loans, and other debt instruments		10 000	9 000
Acquisition of shares in owned subsidiaries		(6 750)	(9 981)
Repayment of credits, loans, and other debt instruments		-	(9 000)
Paid dividends		(16 149)	-
Payment of liabilities due to financial lease contracts		(5 982)	(3 467)
Paid interests and transactional costs (concerning credits and loans)		(5 682)	(8 304)
Net financial activity cash flows		(24 563)	(21 752)
Financial resources and their equivalents status change			
Influence of exchange rate changes concerning financial resources and their equivalents		(2 259)	(425)
Financial resources and their equivalents status change		97 094	(1 342)
Financial resources and their equivalents net of overdrafts as of 1st January	4.20	(176 728)	(175 386)
Financial resources and their equivalents net of overdrafts as of 31st December	4.20	(79 634)	(176 728)

President of the Management Board

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which constitutes an integral part of the financial statements*

Statements of changes in equity

<i>in PLN thousand</i>	Share capital	Other capitals (including own shares)	Previous years' results	Current year result	Total equity
Equity as of 1st January 2019	8 198	174 437	9 346	(2 199)	189 782
Total profits for the financial year	-	-	-	53 825	53 825
- Net profit/(loss) for the period	-	-	-	53 825	53 825
Transactions with owners recognised directly in equity					
Profit/(loss) transfer	-	6 703	(8 902)	2 199	-
Equity as of 31st December 2019	8 198	181 140	444	53 825	243 607

<i>in PLN thousand</i>	Share capital	Other capitals (including own shares)	Previous years' results	Current year result	Total equity
Equity as of 1st January 2020	8 198	181 140	444	53 825	243 607
Total profits for the financial year	-	-	-	32 279	32 279
- Net profit/(loss) for the period	-	-	-	32 279	32 279
Transactions with owners recognised directly in equity					
Additional payments from and payments to the owners	-	-	-	(16 149)	(16 149)
- Dividend	-	-	-	(16 149)	(16 149)
Profit/(loss) transfer	-	37 676	-	(37 676)	-
Equity as of 31st December 2020	8 198	218 816	444	32 279	259 737

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3. EXPLANATORY INFORMATION TO THE ANNUAL FINANCIAL STATEMENTS

3.1 INFORMATION ABOUT THE COMPANY

Unimot Spółka Akcyjna ("Unimot S.A.", "Company") with its registered office in Zawadzkie, at 2A Świerklańska, was entered on 29th March 2011 into the Business Register of the District Court in Opole VIII Commercial Division of the National Court Register, as KRS number: 0000382244

Unimot S.A.'s shares from 7 March 2017 have been listed on the regulated market of the Warsaw Stock Exchange.

The primary activity of the Company is retail and wholesale of liquid fuels, gaseous fuels, and petroleum products.

Composition of the managing and supervisory bodies

Composition of the Management Board as of the date of drawing up the present financial statements:

Adam Sikorski - President of the Management Board
 Robert Brzozowski - Vice-President of the Management Board
 Marek Moroz - Vice-President of the Management Board
 Mikołaj Wierzbicki – Vice-President of the Management Board

Composition of the Supervisory Board as of the date of drawing up the present financial statements:

Andreas Golombek – President of the Supervisory Board
 Bogusław Satława - Vice-President of the Supervisory Board
 Piotr Cieślak - Member of the Board
 Isaac Querub - Member of the Board
 Piotr Prusakiewicz - Member of the Board
 Ryszard Budzik - Member of the Board
 Dariusz Formela - Member of the Board

As of 31st December 2020 Unimot S.A. owned directly and indirectly the shares of the following subsidiaries:

Name of subsidiary	The Seat	Scope of unit's basic operations	Owned shares and voting rights	Date of obtaining control
Unimot System Sp. z o.o.	Poland	gaseous fuels distribution through mains	100,00%	20.01.2014
Blue LNG Sp. z o.o.	Poland	gaseous fuels distribution 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 liquid 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 Energy LLC	Ukraine	electricity distribution	100,00%	02.04.2019
Unimot Asia LLC	China	liquid fuels distribution	100,00%	04.09.2018
3 Seas Energy LLC	USA	liquid fuels distribution	75,00%	21.05.2020
Naturalna Energia Sp. z o.o.	Poland	electricity production	80,00%	14.12.2020
Nasze Czyste Powietrze Sp. z o.o.	Poland	electricity production	80,00%	14.12.2020
PV Energy Sp. z o.o.	Poland	electricity production	80,00%	14.12.2020

The following changes occurred in 2020 in the Unimot Capital Group:

Investments made in 2020:

- On 7.05.2020 the Parent Entity Unimot S.A. increased capital in the company Unimot Paliwa Sp. z o.o. acquiring 10 000 of new shares at PLN 100 each, as a result the share capital of this company grew by PLN 1 million. The percentage share of the Parent Entity in the company Unimot Paliwa Sp. z o.o. has not changed and amounts to 100.00%.
- On 21.05.2020 the Parent Entity established a subsidiary 3 Seas Energy LLC with the capital USD 100 thousand. The percentage share of the Parent Entity in 3 Seas Energy LLC amounts to 75.00 %.
- On 16.07.2020 the Parent Entity Unimot S.A. increased capital in the company Unimot Energia i Gaz Sp. z o.o. acquiring 1 500 of new shares at PLN 1 each, as a result the share capital of this company grew by PLN 1.5 million. The percentage share of the Parent Entity in the company Unimot Energia i Gaz has not changed and amounts to 100.00%.
- On 20.08.2020 the Parent Entity Unimot S.A. increased capital in the company Unimot Energia i Gaz Sp. z o.o. acquiring 1 250 of new shares at PLN 1 000 each, as a result the share capital of this company grew by PLN 1.25. The percentage share of the Parent Entity in the company Unimot Energia i Gaz Sp. z o.o. has not changed and amounts to 100.00%.
- On 21.12.2020 the Parent Entity Unimot S.A. increased capital in the company Unimot Energia i Gaz Sp. z o.o. acquiring 3 000 of new shares at PLN 1 000 each, as a result the share capital of this company grew by PLN 3 million. The percentage share of the Parent Entity in the company Unimot Energia i Gaz Sp. z o.o. has not changed and amounts to 100.00%.

3.2 BASIS FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

(a) Principle of operation continuity

The financial statements as of the day and period ended on 31st December 2020 have been prepared assuming that the Company will continue its economic activity in the foreseeable future.

The Company is the Parent Entity in the Unimot Capital Group. As of the day of drawing up the present financial statements the Management Board of Unimot S.A. does not recognise the existence of the circumstances that may indicate threats to continue the operations, both by the Company as well as the Unimot Capital Group, in the next reporting period.

(b) Statement of conformity

The financial statements have been prepared applying accounting principles accordant with the International Financial Reporting Standards (IFRS), which comprise International Accounting Standards (IAS) and Interpretations of the Standing Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the European Union and were in force as of 31st December 2020.

The financial statements have been prepared based on the principle of historical cost, except for derivatives, diesel oil provisions valuation and receivables being subject to full factoring valued at fair value through financial result.

The Company also draws up the consolidated financial statements of the Unimot Capital Group.

The consolidated financial statements of the Capital Group that include the company as its subsidiary are prepared by Unimot Express Sp. z o.o. with the registered office in Warsaw, Al. Jerozolimskie 142A, 02-305 Warszawa.

IFRS of the EU include all International Accounting Standards, International Financial Reporting Standards and related to them interpretations except for the specified below Standards and Interpretations, which are pending for the EU's approval or have been approved by the EU but have not entered into force yet.

Certain new standards, amendments to standards and interpretations that are in force or will enter into force for the accounting periods ending after 31st December 2020 have not been considered while preparing the present financial statements.

New standards and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

A. In the present standalone financial statements, the following new standards and amendments to the applicable standards have been applied for the first time, which entered into force on January 1, 2020:

- a) IFRS 3 'Business Combinations'.
- b) Amendments to IFRS 9, IAS 39 and IFRS 7 related to the IBOR reform
- c) IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- d) Changes to the Conceptual Framework in IFRS

In the Company's opinion, the above-mentioned changes do not have a significant impact on the presented standalone financial statements.

B. Published standards and interpretations that are not yet in force and have not been previously applied by the Company:

In the present consolidated financial statements, the Company has not decided to apply in advance the following published standards, interpretations, or amendments to the existing standards before the date of their entry into force:

- a) IFRS 17 Insurance Contracts and amendments to IFRS 17
- b) Amendments to IAS 1 Presentation of Financial Statements
- c) Amendments to IFRS 3 Business Combinations
- d) Amendments to IAS 16 Property, Plant and Equipment
- e) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

- f) Annual amendments to IFRS 2018-2020
- g) Amendments to IFRS 16 Leases
- h) Amendment to IFRS 4: Application of IFRS 9 Financial Instruments
- i) IFRS 14 Regulatory Deferral Accounts
- j) Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associates or joint ventures

In the Company's opinion, the above-mentioned standards and interpretations will not have a significant impact on the standalone financial statements.

c) Significant estimates and judgements

Preparation of the financial statements in conformity with International Financial Reporting Standards requires the Management Board of the Company to make judgments, estimates and assumptions that affect the accepted accounting principles and the reported amounts of assets, liabilities, income, and expenses. The estimates and underlying assumptions are based on historical experience and other factors that are considered reasonable under given circumstances, and their results provide the basis for professional judgment as to the book value of assets and liabilities not derived directly from other sources. The actual value may differ from the estimated value.

Judgments, estimates, and underlying assumptions are subject to ongoing verification. The change in accounting estimates is recognised in the period in which the estimate is changed or in current and future periods if the change in estimate affects both the current period and future periods.

Significant judgements and assessments conducted by the Management Board with the application of International Financial Reporting Standards (IFRS) have been presented in the notes:

- note 3.2 – operation continuity principle,
- note 4.11 - test for value loss of cash flow generating centres, to which the value of companies has been allocated,
- note 4.14 – deferred tax assets and reserves and utilisation of tax losses,
- note 4.26 – employee benefits liabilities,
- note 4.29 – financial instruments valuation,
- note 4.30 – contingent liabilities.

d) Functional and presentation currency

The Company's functional currency and the presentation currency of these financial statements is Polish Zloty (PLN). The data in the financial statements are presented in Polish Zloty, rounded to the nearest thousand unless stated otherwise in specific circumstance.

3.3 DESCRIPTION OF SIGNIFICANT APPLIED ACCOUNTING PRINCIPLES

Principles of the accounting policy presented below have been applied with reference to all periods included in the consolidated financial statements.

a) Transactions in foreign currency

Transactions denominated in foreign currencies at the transaction date are recognised in the relevant functional currency using the exchange rate of the transaction date. Monetary items of assets and liabilities denominated in foreign currency are converted into the functional currency at the reporting date at the exchange rate prevailing at that date. The exchange differences arising from the settlement of foreign currency transactions and the carrying amount of monetary assets and liabilities denominated in foreign currencies are recognised in the financial result. Non-monetary items of assets and liabilities valued according to the historical cost in foreign currency are converted into the functional currency at the exchange rate prevailing on the transaction date. Non-monetary items of the statements of financial condition expressed in foreign currency valued at fair value are converted into functional currency according to the exchange rate effective on the day of estimation fair value.

Foreign exchange profits/losses arising from settling transactions in foreign currencies and carrying amount of financial assets and liabilities expressed in foreign currencies are recognised in the financial result.

b) Tangible fixed assets

Own property, plant, and equipment

Tangible fixed assets include both the tangible assets, as well as the fixed assets under construction. The initial value of tangible fixed assets is determined at the purchase price or at the production cost. The acquisition price or production cost includes the purchase price of the asset (i.e. the amount payable to the seller, less the deductible taxes: on Goods and Services and Excise), legal charges (in the case of imports) and other costs directly related to the purchase and adaptation of the tangible asset for use, including transport, loading, unloading and storage costs. Rebates, discounts and other similar concessions and returns decrease the asset acquisition price.

The cost of the tangible asset includes also estimated costs of dismantling and removing it and restoring the site on which it is located, the obligation for which the Company incurs in relation to the acquisition or construction of the tangible asset.

The tangible fixed assets are valued and reported in the statements of financial condition at the end of the accounting period in the net book value, i.e. are recognised in the accounts at the acquisition cost or at reliably estimated cost of production, less amortisation and impairment loss and grants related to the assets.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset influence its initial value as part of the cost of that asset. The costs are capitalized when it is probable that they will result in future economic benefits and the value of those costs can be valued reliably.

If the specified tangible asset consists of separate and essential constituents of a different period of use, these assets should be treated as separate assets.

Expenditures incurred at a later date

Expenditures of the exchanged constituents of the tangible asset incurred at a later date which may be reliably estimated, and it is probable that the Company will obtain economic benefits related to the exchanged constituents of the tangible assets are capitalised. All other expenditures are recognised in the financial result as costs at the time incurred.

Depreciation

The tangible fixed assets or their significant and separate constituents, are depreciated on a straight-line basis from the date they are available for use, i.e. since the adaptation of the asset to the place and the conditions necessary for its operation, for a period corresponding to the estimated period of their use, taking account of the final value. Lands are not subject to depreciation.

The Company assumes the following useful lives for each category of tangible assets:

– Buildings and structures	from 10 to 20 years
– Machinery	From 3 to 10 years
– Means of transport	From 5 to 7 years
– Other tangible fixed assets	From 3 to 10 years

The correctness of the applicable periods of use, methods of depreciation and residual value of the fixed assets shall be annually reviewed by the Company. Creation and reversal of write-downs of the tangible assets are recognised in other costs and operating revenues.

c) Right to use assets

The moment a new agreement is concluded the Company evaluates whether the agreement is a lease or includes a lease. The agreement is a lease or includes a lease if under it the right to control an identified asset for a given period in return for remuneration. In order to evaluate whether based on the concluded agreement the right to hold control over the use of a given asset is transferred, the Company evaluates whether for the entire period of use it holds the following joint rights:

- the right to obtain generally all the economic benefits from the use of the identified asset and
- the right to control the use of the identified asset.

If the Company has the right to hold control over the use of the identified asset only for part of the period of the agreement's validity, the agreement included lease with reference to this part of the period. The right resulting from the lease, rental, tenancy agreements and other agreements that comply with the definition of lease according to the requirements of IFRS 16 are recognised as assets due to the right to use base elements of these assets within tangible fixed assets and respectively as lease liabilities.

The Company recognises an asset due to the right to use and lease liability on the commencement date. The commencement date of lease is the date on which the lessor makes available the base asset to be used by the lessee. The Company benefits from the exemption to apply the requirements resulting from IFRS 16 in case of recognising:

- Short-term lease – lease whose commencement date includes the lease period no longer than 12 months. The lease that included a call option is not short-term lease.
- lease that pertains to assets of low value – assets whose standalone initial value of a new lease asset does not exceed PLN 20 thousand, excluding the perpetual usufruct rights.

Activated are the incurred in the later period costs of replaced asset of tangible fixed assets, which can be credibly evaluated, and the Company is likely to achieve economic benefits related to the replaced assets of tangible fixed assets. All the other expenditures are recognised in the financial result as the costs at the time they are incurred. On the commencement date the Company values the asset due to the right to use according to the cost.

The cost of an asset due to the right use assets shall according to IFRS 16 cover:

- initial amount of the valuation of a lease liability,
- all lease fees paid on the commencement date or prior this date, net of all the received lease incentives,
- all initial direct costs incurred by the lessee and,
- estimation of costs that are to be incurred by the lessee in relation to dismantling and removal of the base asset, renovation of the place it was present or renovation of the base asset to the condition required by the lease terms, unless the costs are incurred to produce stocks. The lessee undertakes an obligation to cover these costs on the commencement date or upon the use of base asset for the given period.

On the commencement date the Company values a lease liability in the amount of current value of lease fees remaining to be paid on this date. Lease fees are discounted with the use of lease interest rate if this rate can be easily established. Otherwise, the Company applies the marginal interest rate of the lessee.

d) Intangible assets

Goodwill

After the initial recognition, the goodwill is disclosed at the purchase price less accumulated impairment losses. The goodwill is allocated to cash generating entities and is not depreciated but is subject to annual impairment tests. Goodwill impairment losses are not reversed in the following period.

Research and development

Expenses incurred in the research phase with a view to obtaining new scientific or technical knowledge are reported in the financial result when incurred.

Expenditures incurred on the development work of which effects are used in the development or production of new or substantially improved product shall be capitalised if the creation of a new product (or process) is technically possible and economically reasonable and the Company has technical, financial, and other necessary resources to complete the development work. Costs to be capitalised include: cost of materials, wages of employees directly engaged in the development work and a reasonable portion of indirect costs directly associated with the formation of the intangible asset.

Other development costs are recognised in the financial result when incurred. The capitalized development costs are recognised as intangible assets based on their purchase price less depreciation write-offs and impairment losses.

Other intangible assets

Other intangible assets acquired by the Company are initially valued at the purchase cost or production cost and are reported in the financial statements prepared at the end of the accounting period in the net book value, i.e. minus amortisation, and impairment losses together with consideration of grants related to assets.

Expenditures incurred at a later date

Subsequent expenditures on existing intangible assets are capitalized only when it increases future economic benefits to be generated by the asset. Other expenditures are recognised in the financial result when incurred.

Depreciation

Intangible property with a specified useful life are depreciated on a straight-line basis from the date they are available for use, i.e. since the adaptation of the asset to the place and the conditions necessary for its operation, for a period corresponding to the estimated period of their use. The goodwill and intangible assets of unlimited useful life are tested annually for impairment. Creation and reversal of write-downs of the intangible assets are recognised in other operating activities.

The estimated useful life of intangible property is as follows:

– Development costs	5 years
– Computer software	from 2 to 5 years
– Acquired property rights (concessions, licences, patents)	from 2 to 5 years
– Other intangible fixed assets	2 years

e) Subsidiaries

In the financial statements of the Company these entities are recognised as subsidiaries over which the Company exercises direct control. In the financial statements investments in subsidiaries not qualified as destined for sale, are recognised in the purchase price net of impairment write-offs, which is not higher than fair value as of the balance sheet date.

f) Financial assets and liabilities

Financial instruments

Non-derivative financial instruments

The Company recognises financial asset components or financial liabilities in the statements of financial condition if and only if it becomes bound under the provisions of the instrument agreement. Financial assets purchased or sold in the form of standardised purchase or sale transaction are respectively recognised or derecognised at the date of concluding the transaction or the date of its settlement.

The Company ceases to recognise a financial asset at the time of expiry of the contractual rights to receive cash flows from that asset or until, when the rights to receive cash flows from the financial asset are transferred in a transaction substantially transferring all the significant risks and rewards of their property. Each share in the transferred financial asset that is created or held by the Company is treated as an asset or liability.

The Company derecognises the financial asset component also in case a significant modification of financial asset component occurs, among others, if an annex to the financial asset agreement results in a necessity of relevant change for this asset of the accounting category.

Assets and liabilities are set off together and reported in the statements of financial position on a net basis, only if the Company has valid legal title to the set-off of certain financial assets and liabilities and intends to settle the transaction in net terms subject to the set-off of assets and financial liabilities or intends to simultaneously realize the financial assets and settle the financial obligations that are subject to the set-off.

The Company classifies financial instruments, other than derivative financial assets into the following categories: financial assets valued in amortised cost, financial assets valued at fair value through other total revenues and financial assets valued at fair value through the financial result.

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

The classification of a financial asset into one of the categories is made on the basis of an analysis of two equivalent criteria:

- the Company's business model of financial assets management and
- the characteristics of contractual cash flows of a financial asset.

Reclassification of financial assets takes place solely when a business model, defining the way of the management of these assets, is changed.

The derivatives embedded in financial assets (in host contracts that do not constitute derivatives and are financial assets) should not be separated – the whole of a financial asset is classified in an appropriate accounting category in accordance with the aforementioned criteria.

Financial assets valued at amortised cost

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

- a financial asset is held in accordance with a business model, the purpose of which is to hold financial assets in order to receive contractual cash flows and
- the conditions of an agreement concerning a financial asset give rise to cash flows at specific dates, which are solely the payment of principal amount and interest on the outstanding amount due in accordance with the guidelines of IFRS 9.

The assets in this category are recognised as fixed assets providing that their realisation date exceeds 12 months from the balance sheet date. Such assets are initially recognised at fair value increased by directly attributable transaction costs. After initial recognition they are valued at amortised cost net of impairment write-offs.

Sale of financial assets valued at amortised cost may take place on condition that specified by the Company sales principles compliance with business model criteria are adhered to, the goal of the model being maintaining financial assets to obtain cash flows resulting from the contract.

If financial assets valued at amortised cost are derecognised from the balance sheet, the Company discloses the analysis

of profits or losses recognised in the statements of comprehensive income and which result from derecognizing these financial assets as well as the information concerning the reasons for derecognizing these financial assets.

Financial assets valued at fair value through other comprehensive income

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

- a financial asset is held in accordance with a business model, the purpose of which is to both receive contractual cash flows and to sale financial assets and
- the conditions of an agreement concerning a financial asset give rise to cash flows at specific dates, which are solely the payment of principal amount and interest on the outstanding amount due.

After initial recognition, the financial assets in this category are valued at fair value and the results of the fair value change, other than impairment write-offs and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in equity. As of the date the financial assets are derecognised from the books, the accumulated value of profits or losses recognised in equity is reclassified to profit or loss of the current period.

At the time of initial recognition of investments in equities not held for trading, the Company may take advantage of the possibility to refer their fair value change to equities, however, but the selection is irrevocable and is made at the level of a single investment in an equity instrument.

The assets of this category are recognised as fixed assets, provided that their realization date exceeds 12 months from the balance sheet date.

Financial assets valued at fair value through financial result

Financial assets valued at fair value through the financial result are the assets which:

- do not meet the criteria to be classified in the categories valued at amortised cost or valued at fair value through other comprehensive income,
- were assigned to this category by Company's decision at the moment of initial recognition.

Financial assets do not meet the criteria to be classified in other categories (i.e. they are valued at fair value through the financial result), if:

- a financial asset is held in accordance with a business model, the purpose of which is not to hold financial assets in order to receive contractual cash flows (particularly when a financial asset is recognised by the Company in order to generate profit on its resale or is an equity instrument which the Company did not appoint to be valued at fair value through other comprehensive income), or
- the conditions of an agreement concerning a financial asset give rise to cash flows at specific dates, which are not solely the payment of principal amount and interest on the outstanding amount due.

Modifications of financial assets

If a financial asset is modified, which is not valued at fair value through the financial result, which does not result in derecognition of this financial asset from the balance sheet, the Company determines the new gross carrying amount of this asset after the modification and refers the change of this amount to gross carrying amount before the statements of comprehensive income was modified, as a financial assets modification result.

Initial valuation

At the moment of initial recognition the Company values the component of financial assets or financial liability at its fair value, which in case of financial assets or liabilities unmeasurable at fair value through the financial result is increased or decreased of transactional costs, which can be directly attributed to the purchase or issuance of these financial assets or financial liabilities.

At the moment of the initial recognition the Company values trade and other receivables that do not possess a significant financing component (established according to IFRS 15), in their transactional price (according to the definition in IFRS 15).

Depreciation

An impairment write-off regarding trade receivables is created if objective evidence exists that the Company will not be able to receive all due amounts resulting from primary conditions of receivables. The incentives that the trade receivables have been impaired are: serious financial problems of the debtor, likelihood of debtor to declare bankruptcy or to be the subject of financial reorganisation, delays in payments. The amount of the write-off is the difference between the book

value of the given asset component and the current value of the estimated future cash flows, discounted according to the effective interest rate. In case of trade receivables that are devoid of a significant financing element, the Company applies a simplified approach required by the IFRS 9 and values impairment write-offs in the amount of credit losses expected in the whole life cycle of the receivable since the date of its initial recognition. The Company applies a write-offs matrix, where write-offs are calculated for trade receivables included into various age brackets and periods of being overdue.

For each reporting date the Company values a write-off for expected credit losses for a financial instrument in the amount equal to expected credit losses in the whole life cycle, if the credit risk related to the given financial instrument has increased significantly since the initial recognition. The objective of the requirements in the scope of impairment is recognising the expected credit losses in the whole life cycle of all financial instruments, for which a significant increase of credit risk has been recorded since their initial recognition – regardless of the fact whether they have been estimated individually or collectively – considering all rational and possible to document information, including data regarding the future.

The Company values the expected credit losses of financial instruments in the manner that takes into account:

- unencumbered and weighted with probability amount, which is established by measuring a series of possible results,
- time value of money and
- rational and possible to document information, which is available without excessive costs or efforts as of the reporting date, regarding future events, current conditions, and forecasts regarding future economic conditions.

The book value of an asset component is established with the use of a write-offs account and the amount of loss is recognised in the financial result in the costs of sale. In case of irrecoverability of trade receivables a write-off is conducted. Later payments of the prior written-off receivables are recognised in the item of cost of sales in the financial result.

Financial liabilities

The Company classifies all financial liabilities as valued post initial recognition in amortised cost, excluding financial liabilities valued at fair value through financial result. Such liabilities, including derivatives being liabilities, are valued post initial recognition at fair value.

g) Inventories

Inventories, including compulsory reserves are: products, semi-finished products and work in process, goods, and materials.

At the initial recognition, the Company values inventories according to the purchase price.

Inventories at the end of the reporting period are valued in the following manner:

- operational reserve and compulsory reserve pertaining to diesel oil are valued at fair value according to IFS 2 par. 3b,
- the remaining inventories of goods are valued at the purchase price or according to net value possible to be achieved, whichever is lower.

The identified in the course of inventory surpluses or shortages in inventories are recognised in the cost of sold goods or materials.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term bank deposits. Overdrafts that are payable on demand and form an integral part of the Company's cash management are recognised as a constituent of the cash and cash equivalents for the purpose of the statements of cash flows.

The valuation and disbursement in foreign currencies are determined using the FIFO method.

i) Impairment of intangible assets

The book value of intangible assets other than the stock and deferred tax assets is assessed at each reporting date to determine whether there are indications of their impairment. In the event of such indications, the Company estimates the recoverable amount of each asset. The recoverable amount of the goodwill, intangibles with indefinite useful lives and intangible assets that are not yet usable is estimated at each reporting date.

The impairment write-off is recognised when the book value of an asset or cash generating entity exceeds its recoverable amount. The impairment write-offs are recognised in the financial result. The impairment of the cash generating entity is firstly recognised as decrease in goodwill allocated to this cash generating entity (group of entities), and then as reduction of the book value of other assets of the entity (group of entities) on the principle of proportionality.

The recoverable amount of assets or cash-generating entities is defined as the greater of their net achievable value from sales and their value in use. In estimating the value in use, future cash flows are discounted using the pre-tax interest rate, which reflects the current market value of money over time and the risk factors specific to the asset. For assets that do not generate an independent cash flow, the value in use is estimated for the smallest identifiable cash-generating entity to which the asset belongs.

A goodwill write-down from impairment is not reversed. For other assets, an impairment write-down is reversed if the estimates used to estimate the recoverable amount have changed. The impairment write-down is reversed only to the extent of the book value of the asset less any depreciation write-off that would have been recognised if the impairment loss had not been recognised.

j) Equity

Share capital

The share capital of the Parent Entity is the share capital of the Company. The share capital is reported at face value of shares issued in accordance with the statute and registered in the National Court Register.

Other capitals

The other capitals include the spare capital and reserve capital, treasury shares. The spare capital is created from net profit write-offs in accordance with the requirements of the Commercial Companies Code. The reserve capital is created from the net profit for payment of dividends.

Dividends

The dividends are recognised as liabilities in the period when they were approved by virtue of a resolution.

Purchase of own shares

In case of the purchase of own shares, the payment amount, including direct transaction costs, adjusted by tax effects, is reported as a deduction of equity. The purchased treasury shares are recognised under other capitals. At the time of sale or reissue, the amounts obtained are recognised as an increase in equity and the surplus or deficit from the transaction is reported in equity.

k) Liabilities due to bank credits, loans, and other debt instruments

At the time of the initial recognition, all bank credits, loans, and debt securities are recognised at the fair value, less costs associated with obtaining a credit or loan. After the initial recognition, the interest-bearing credits, loans, and debt securities are valued in accordance with the depreciated cost using the effective interest method. Any difference between the amount received (less transaction costs) and the redemption value is recognised using the effective interest method in the financial result for the duration of the contracts.

The fair value, estimated for disclosure purposes, is calculated on the basis of the present value of future cash flows for return of capital and interests, discounted at the market interest rate as of the reporting date. In the case of a financial lease, the market interest rate is estimated based on the interest rate for a similar type of lease contracts.

l) Employee benefits

Defined Benefit Plan - Retirement Compensation

The Company recognises provisions for retirement compensations and other employee benefits on the basis of an actuarial valuation carried out at the reporting date. The valuation is carried out by an independent actuary. The basis for calculation of provisions for employee benefits is determined by internal regulations of the Company and other applicable regulations.

The value of the provisions for employee benefits is determined using actuarial techniques and the requirements of IFRS EU, and in particular of IAS 19 "Employee Benefits". The provisions are valued at the level of the present value of the Company's future employee benefits obligations. The provisions are calculated using the projected entity credit method, separately for each employee.

The basis for the calculation of the provisions attributable to the individual employees is the projected value of the benefit that the Company is required to pay under the regulations listed above. The benefit value is projected until acquisition of the benefit by the employee. The employee benefit obligation is determined on the basis of the expected increase in the value of the benefit and proportionally to the employee's expected length of service. The estimated value is then discounted at the reporting date.

Short-Term Employee Benefits

Liabilities due to short-term employee benefits are valued without discount and are recognised as expenses at the time of performance.

The Company creates a provision charged to expenses in the amount of anticipated employee payments due under short-term cash bonuses if the Company is legally or customarily obliged to make such payments on the basis of past employee services, and that obligation can be fairly estimated.

f) Provisions

The provisions are created when the entity is burdened with the present obligation (the legal or customarily expected one) resulting from past events, and it is probable that the fulfilment of this obligation will result in the necessity of the economic benefits outflow, and the amount of this obligation can be reliably estimated.

The provisions amount is verified on a regular basis during the accounting period in order to adjust them to reflect the current best estimate.

m) Trade and other liabilities

Liabilities, including trade liabilities are valued when they arise at fair value, and then at the amortised cost using the effective interest method. The Company applies simplified methods of valuating liabilities that are valued by amortised cost, if this does not result in distortion of information included in the financial statements, especially in the case when the period until the moment of settling the liability is not long. Current liabilities are not discounted.

n) Revenues

The revenues comprise the fair value of the payment received or due to sales of goods and services within a normal operation of the Company. The revenues are presented in the net form without the tax on goods and services, having considered returns, rebates, and discounts.

The revenues on sales of goods and services are recognised if the following conditions have been met:

- parties to the agreement have concluded an agreement (in the written, oral form or in accordance with other normal commercial practices) and are obliged to perform their duties,
- the Company is able to identify the rights of each party pertaining to goods or services that are supposed to be transferred,
- the Company is able to identify payment terms for goods or services for goods that are supposed to be transferred,
- the contents of the agreement is of economic nature (i.e. one can expect that the agreement will influence risk, time distribution or amount of future cash flows of the Company) and
- it is likely that the Company will receive remuneration, to which it is entitled in return for goods or services that have been transferred to the customer. While evaluating whether the receipt of the remuneration amount is likely the Company considers only the capacity and intention to pay the amount of remuneration by the customer within the specified term. Remuneration amount, which the Company is entitled to, may be lower than specified in the agreement, should the remuneration be variable, as the Company may offer the customer a price discount.

Requirements of identifying the client contract

The client contract is accordant with its definition when all the following criteria have been met: parties to the agreement have concluded an agreement and are obliged to perform their obligation under thereof; The Company is able to identify the rights of each party pertaining to goods or services that are supposed to be transferred; the Company is able to identify payment terms for goods or services for goods that are supposed to be transferred; the contents of the agreement is of economic nature and it is likely that the Company will receive remuneration, to which it is entitled in return for the goods or services that will be transferred to the customer.

Identification of obligations to execute services

The moment an agreement is concluded the Company evaluates the goods or services promised in the client contract and identifies as an obligation to execute service each promise to transfer to the customer: a good or service (or a package of goods and services), which can be distinguished or a group of distinguished goods or services, which are generally the same and in case of which the transfer to the customer is of the same nature, The Company within the confines of concluded contracts undertakes to supply to customers primarily petrochemical goods and gas. Within the confines of these contracts

the Company acts as a principal.

Establishing transactional price

In order to establish the transactional price the Company considers the terms of agreement and applied normal commercial practices. The transactional price is the amount of remuneration, which – according to Company's expectations – it will be entitled to in return for the transfer of promised good and services to the customer, excluding the amounts charged on behalf of third parties (e.g. some taxes on sales). The remuneration specified in the client contract may cover fixed amounts, variable amounts, or both. Transactional prices in the client contracts are not subject to limitations. The agreements that are in force in the Company do not foresee obligations to accept returns, reimbursements of remuneration and other alike obligations. The Company does not identify revenues for which a receipt of remuneration is contingent.

Allocation of transactional price to particular obligations to perform services

The Company allocated transactional price to each obligation to perform a service (or a separate good or separate service) in the amount that reflects the amount of remuneration, which – according to the Company's expectations – it is entitled to in return for the transfer of promised goods or services to the customer. The guarantees issued within the guarantee agreements are the guarantees that ensure the customer that a given good complies with the agreed specification. They do not consist in performing a separate service.

Within a sale pertaining to sales of liquid fuels, natural gas, primarily deferred payment sales occur. Within the Petrol Stations segment both occur, cash-based sale and deferred payment sale.

Usually, the payment is due after the good is delivered or service completed. In client contracts payment terms are mostly no longer than 30 days.

Recognising revenues at the moment of fulfilling the obligations to perform a service

The Company recognises the revenues at the moment of fulfilling (or during fulfilling) the obligation to perform a service by transfer of the promised good or service (i.e. an asset) to the customer (the customer obtains the control over this asset). The revenues are recognised as amounts equal to transactional price, which has been allocated to the given obligation to perform a service.

Revenues on sales of goods and services are adjusted for profits or losses due to financial instruments regarding trading of fuels.

Contract assets

The Company recognises in the statements of financial position a component of assets under the contract being the Company's right to compensation in exchange for goods or services that the Company transferred to the client.

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

- assets pertaining to carried out and provided works related to the development of the chain of AVIA stations. The Company within the concluded franchise agreements with petrol stations in the scope of developing the AVIA brand, incurs expenditures for adjusting the stations to the Company's requirements.

Contract liabilities

The Company recognises in the statements of financial condition contract liabilities which are the Company's obligation to transfer for the client goods or services in exchange for which the Company has received compensation (or for which compensation is due) from the client.

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

- advance payments for deliveries.

Additionally, accounting period revenues that influence the profit or loss of the period are:

other operating revenues indirectly related with the business activity, among others:

- dissolution of unused provisions previously charged to other operating costs,
- trade receivables and other interest revenue,
- revenue from reimbursement of court costs,
- received donations,

financial revenues, which are mainly revenues related to funding of activities.

- revenues and profit from financial investments,
- revenues from dividends,
- net profit due to exchange rate differences pertaining to financial assets,
- reversal of impairment write-off of held-to-maturity financial assets, available-for-sale financial assets, loans, and shares.

o) Profits or losses due to financial instruments pertaining to fuel trading

The Company recognises as profits or losses due to financial instruments pertaining to fuel trading the profits or losses that occur following the realisation of financial instruments pertaining to fuel trading included to financial assets/liabilities valued at fair value through the balance of results and the effect of their valuation at fair value.

p) Costs

The costs are considered to be a reasonable reduction in the economic benefits of a reliably determined value in the accounting period in the form of a decrease in the value of assets or an increase in the value of liabilities and provisions which will lead to a decrease in equity or an increase in its deficit in other way than withdrawal of owner funds.

The cost of sold goods and materials comprises:

- cost of sold goods and materials,
- valuation to the fair value of inventories,
- effect of settling financial instruments pertaining to compulsory reserve,
- valuation of financial instruments pertaining to compulsory reserve,
- exchange rate differences from credits for financing purchases of diesel oil,
- valuation of credits for financing purchases of diesel oil,
- realized exchange rate differences concerning settlements,
- balance sheet valuation of settlements.
- inventory shortages and surpluses,
- creating and releasing reserves for the cost of compulsory reserve maintenance.

In addition, the costs of the accounting period, affecting profit or loss of the period are:

other operating costs indirectly related with the business activity, among others:

- provisions for disputes, penalties, damages, and other costs related indirectly to the operating activities,
- interest expenses on trade payables and other using the effective interest method,
- costs of legal proceedings,
- donations given.

financial costs related with the external financing of the activities, including in particular:

- interest on bank overdrafts,
- interest on short-term and long-term loans, credits, and other sources of financing.
- net losses from the foreign exchange gains on financial assets,
- impairment write-offs on held-to-maturity financial assets, available-for-sale financial assets, loans, and shares.

q) Other net profit/loss

Other profit/loss net include:

- net profits/losses from disposals of tangible fixed assets and intangible assets.

r) Current and deferred income tax

The income tax reported in the financial result includes current and deferred part. The income tax is recognised in the financial result, excluding amounts related to items recognised in other comprehensive income or equity. Then they are recognised respectively in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous years.

The deferred tax is calculated using the balance sheet liability method, based on temporary differences between the value of the assets and liabilities for accounting purposes, and their estimated value for tax purposes. The deferred tax is not

created on the following temporary differences: goodwill, initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, differences related to investments in subsidiaries to the extent that it is unlikely that they will be realized in the foreseeable future. The recognised amount of deferred tax is based on expectations as to how to implement the carrying amount of assets and liabilities, using tax rates in force, or enacted at the reporting date.

The deferred tax assets are recognised to the extent to which it is probable that taxable income is reached, which will allow for the implementation of the deferred tax asset. The deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

3.4 DISCLOSURES RESULTING FROM ARTICLE 44 OF ENERGY LAW

Unimot S.A. due to possessed concessions is an energy enterprise and therefore performs responsibilities under Article 44 of the Energy Law. Within disclosures it presents separately the concession operation related to gaseous fuels trading. The remaining operation of the Company includes, among others, the operation related to sales of liquid fuels, that is diesel oil, liquefied gas (LPG) and biofuels, managing petrol stations, sales of oils, bitumen, service activity. Unallocated comprise operations related to managing and administering the Company as a whole and they cannot be unequivocally recognised in the result of a given segment of operations. Within the unallocated operations one can in particular distinguish the cost of functioning of the Supervisory Board and Management Board of the Company, including the departments whose operations contribute to the development of the company as a whole, among others, part of the costs of the financial department units and investor relations as well as internal audit units.

Principles of drawing up the statements of total revenues in a breakdown into types of activity

The Company maintains accounting that allows for separate calculation of revenues, costs, and financial result of particular types of activity.

The Company has directly distinguished revenues on sales, revenues and operating costs, own costs of sold goods, materials and services, sales costs and financial revenues and costs.

A part of overheads of the Company, which are related to rendering works for particular types of activity, has been allocated proportionally with the use of breakdown keys calculated based on estimated work intensity. Overheads that cannot be allocated to particular types of activity as they are incurred within units operating for the development of the Company as a whole, have been recognised as unallocated ones. The unallocated items also include revenues and costs related to investment activity of the Company, in particular impairment write-offs.

Principles of drawing up the statements of financial condition in a breakdown into types of activity

The Company has distinguished directly: tangible fixed assets, inventories, trade receivables and liabilities, other trade receivables and liabilities, liabilities due to credits, loans and other debt instruments and derivative financial instruments related to particular types of activity conducted by the Company, which are directly related to the activity within particular operating segments demonstrated in the financial statements of the Company.

In the case of elements of assets and liabilities, which similarly to elements of the financial result cannot be directly recognised in the type of activity, the activity has been classified as unallocated. Unallocated comprises such elements as: tangible fixed assets, intangible and legal assets, investments into subsidiaries, other cash resources, receivables, cash resources, equities except for results of previous years pertaining to particular activities, credit and loan liabilities, tax liabilities, provisions, deferred income tax assets.

Statements of total revenues in breakdown into operating segments

<i>in PLN thousand</i>				
for the period 01.01.2020 - 31.12.2020	Gaseous fuels trade	Other activity	Unallocated	Total
Revenues from external customers	60 706	4 594 664	4 681	4 660 051
Profits (losses) due to financial instruments pertaining to fuel trade	-	(49 494)	-	(49 494)
Total revenues	60 706	4 545 170	4 681	4 610 557
Cost of goods and materials sold to external customers	(46 907)	(4 339 342)	-	(4 386 249)
Cost of goods, products, and materials, in total	(46 907)	(4 339 342)	-	(4 386 249)
Segment results	13 799	205 828	4 681	224 308
Other operating revenues	-	2 424	76	2 500
Sale and overheads costs	(5 118)	(145 436)	(19 554)	(170 108)
Other net profits/losses	-	189	-	189
Other operating costs	(13)	(6 790)	(5 072)	(11 875)
Operating activity result	8 668	56 215	(19 869)	45 014
Financial revenues	-	561	556	1 117
Financial costs	-	(569)	(5 502)	(6 071)
Income tax	-	-	-	(7 781)
Profit/(loss) for the period	8 668	56 207	(24 815)	32 279

in PLN thousand

for the period 01.01.2019 - 31.12.2019	Gaseous fuels trade	Other activity	Unallocated	Total
Revenues from external customers	38 604	4 313 163	2 114	4 353 881
Profits (losses) due to financial instruments pertaining to fuel trade	-	(4 760)	-	(4 760)
Total revenues	38 604	4 308 403	2 114	4 349 121
Cost of goods and materials sold to external customers	(38 656)	(4 101 408)	(1 144)	(4 141 208)
Cost of goods, products, and materials, in total	(38 656)	(4 101 408)	(1 144)	(4 141 208)
Segment results	(52)	206 995	970	207 913
Other operating revenues	-	1 976	100	2 076
Sale and overheads costs	(2 565)	(116 855)	(14 678)	(134 098)
Other net profits/losses	-	959	-	959
Other operating costs	(21)	(1 740)	-	(1 761)
Operating activity result	(2 638)	91 335	(13 608)	75 089
Financial revenues	-	262	970	1 232
Financial costs	(1)	(6 213)	(2 665)	(8 879)
Income tax	-	-	-	(13 617)
Profit/(loss) for the period	(2 639)	85 384	(15 303)	53 825

Statements of the financial condition in breakdown into the types of operations

in PLN thousand

31.12.2020	Gaseous fuels trade	Other activity	Unallocated	Total
Fixed assets	160	100 764	58 285	159 209
TANGIBLE FIXED ASSETS	47	8 110	2 879	11 036
Right to use assets	-	51 980	479	52 459
INTANGIBLE ASSETS	-	14 152	163	14 315
Investments into subsidiaries	-	-	48 338	48 338
Other financial assets	-	-	260	260
Derivative financial instruments	-	13 247	-	13 247
Other long-term liabilities	113	9 647	139	9 899
Client contracts assets	-	3 628	-	3 628
Deferred income tax assets	-	-	6 027	6 027
Current assets	50 016	435 398	98 851	584 265
Inventory	12 493	150 652	-	163 145
Client contracts assets	-	1 322	-	1 322
Trade and other receivables	35 952	263 854	4 721	304 527
Other financial assets	1 571	1 000	194	2 765
Derivative financial instruments	-	14 885	-	14 885
Financial resources and their equivalents	-	-	92 806	92 806
Other current assets	-	3 685	1 130	4 815
TOTAL ASSETS	50 176	536 162	157 136	743 474

in PLN thousand

31.12.2020	Gaseous fuels trade	Other activity	Unallocated	Total
Equity	2 165	263 280	(5 708)	259 737
Long-term liabilities	22	46 665	1 291	47 978
Liabilities due to credits, loans, and other debt instruments	22	43 227	1 035	44 284
Employee benefits liabilities	-	-	256	256
Derivative financial instruments	-	3 438	-	3 438
Short-term liabilities	16 418	360 308	59 033	435 759
Overdrafts	-	172 440	-	172 440
Liabilities due to credits, loans, and other debt instruments	10 435	6 769	672	17 876
Derivative financial instruments	-	17 700	-	17 700
Employee benefits liabilities	-	-	539	539
Income tax liabilities	-	-	2 558	2 558
Client contracts liabilities	-	1 981	-	1 981
Trade and other liabilities	5 983	161 418	55 264	222 665
TOTAL LIABILITIES	18 605	670 253	54 616	743 474

in PLN thousand

31.12.2019	Gaseous fuels trade	Other activity	Unallocated	Total
Fixed assets	146	36 451	50 096	86 693
TANGIBLE FIXED ASSETS	-	6 162	2 251	8 413
Right to use assets	36	9 819	1 105	10 960
INTANGIBLE ASSETS	-	14 115	267	14 382
Investments into subsidiaries	-	-	43 481	43 481
Other financial assets	-	-	2 916	2 916
Other long-term liabilities	110	2 038	76	2 224
Client contracts assets	-	4 317	-	4 317
Current assets	16 518	498 767	38 501	553 786
Inventory	6 783	231 918	-	238 701
Client contracts assets	-	1 162	-	1 162
Trade and other receivables	7 514	249 385	6 571	263 470
Other financial assets	2 221	-	3 537	5 758
Derivative financial instruments	-	12 123	-	12 123
Income tax receivables	-	-	621	621
Financial resources and their equivalents	-	-	26 776	26 776
Other current assets	-	4 179	996	5 175
TOTAL ASSETS	16 664	535 218	88 597	640 479

<i>in PLN thousand</i>				
31.12.2019	Gaseous fuels trade	Other activity	Unallocated	Total
Equity	(6 503)	207 073	43 037	243 607
Long-term liabilities	11	12 380	2 792	15 183
Liabilities due to credits, loans, and other debt instruments	11	6 732	529	7 272
Employee benefits liabilities	-	-	185	185
Deferred income tax reserve	-	5 648	-	5 648
Derivative financial instruments	-	-	2 078	2 078
Short-term liabilities	7 693	334 541	39 455	381 689
Overdrafts	-	203 504	-	203 504
Liabilities due to credits, loans, and other debt instruments	9	2 195	662	2 866
Derivative financial instruments	-	2 421	-	2 421
Employee benefits liabilities	-	-	435	435
Client contracts liabilities	-	2 613	-	2 613
Trade and other liabilities	7 684	123 808	38 358	169 850
TOTAL LIABILITIES	1 201	553 994	85 284	640 479

Revenues on sales – geographical breakdown according to localisation of final customers

<i>in PLN thousand</i>	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Poland	3 548 341	3 511 313
Czech Republic	397 642	258 600
Switzerland	2 842	4 388
Slovakia	8 034	13 061
Hungary	26 661	39 466
Austria	35 181	42 171
Belgium	14 473	4 119
Great Britain	273 966	1 085
Germany	186 392	40 111
The Netherlands	19 080	169 828
Estonia	18 698	70 439
Romania	123	91
Cyprus	29	22 059
India	1	-
Sweden	31	-
Ukraine	6 407	25 743
Serbia	1 570	-
France	-	6 450
Belarus	-	2
Taiwan	665	221
China	763	983
Bulgaria	63 299	127 166
Lithuania	6 359	11 825
Total	4 610 557	4 349 121

Main customers

In the period from 1st January to 31st December 2020 and in the comparable period none of the Company's customers exceeded 10% of revenues.

4. ADDITIONAL EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4.1 REVENUES ON SALES

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Revenues on services sale	4 886	1 315
Revenues on sales of goods	4 655 165	4 352 566
Profits (losses) due to financial instruments pertaining to fuel trade	(49 494)	(4 760)
Total	4 610 557	4 349 121

The Company holds a liability in rendering revenues for the period after the balance sheet date in the period over 12 months in the amount of PLN 360 thousand.

4.2 COST BY TYPE

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Amortisation of tangible fixed assets and intangible assets	(1 548)	(1 348)
Asset amortisation due to the right to use assets	(5 424)	(2 790)
Electricity and materials consumption	(2 359)	(2 427)
Foreign services	(128 208)	(95 098)
Taxes and charges	(1 463)	(1 366)
Remunerations	(16 828)	(10 283)
Social security and other benefits	(2 213)	(2 099)
Other cost by type	(8 315)	(8 878)
Costs by type in total	(166 358)	(124 289)
Cost of sold goods and materials	(4 386 249)	(4 141 208)
Change in inventories and accruals	(519)	899
Other	(3 231)	(10 708)
Cost of sold goods, products and materials and overheads	(4 556 357)	(4 275 306)

4.3 COST OF SOLD GOODS, PRODUCTS AND MATERIALS

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Cost of sold goods and materials	(4 430 500)	(4 155 168)
Inventories valuation to fair value	(30 340)	36 785
Balance sheet valuation of derivative instruments	3 923	(18 157)
Effect of executing hedging instruments pertaining to compulsory reserve	60 920	-
Achieved exchange rate differences from credits	11 299	56
Balance sheet valuation of credits	(3 284)	127
Achieved exchange rate differences from settlements	1 019	(3 754)
Balance sheet valuation of settlements	714	(1 097)
Total	(4 386 249)	(4 141 208)

4.4 OTHER OPERATING REVENUES

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Received damages and penalties	153	9
Costs of court proceedings subject to return	132	53
Interest revenues concerning trade receivables	1 353	1 583
Other	862	431
Total	2 500	2 076

4.5 OTHER NET PROFITS/(LOSSES)

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Net profit on sale of tangible fixed assets	189	959
Total	189	959

4.6 OTHER OPERATING COSTS

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Interest costs from non-financial liabilities	(48)	(48)
Costs of irrecoverable receivables	(311)	-
Write-off revaluating investments value	(8 827)	*(1 467)
Costs of court proceedings	(116)	(113)
Donations	(1 901)	(89)
Other	(672)	(44)
Total	(11 875)	(1 761)

*reclassifying investment impairment write-offs from financial costs to operating costs

4.7 NET FINANCIAL COSTS

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Financial revenues		
Interest on financial assets and financial commissions	1 117	1 032
Profit on disposal of investment	-	200
Total financial revenues	1 117	1 232
Financial costs		
Bank interests and transaction costs pertaining to credits and loans	(6 064)	(8 879)
Other	(7)	-
Total financial costs	(6 071)	(8 879)
Net financial costs	(4 954)	(7 647)

4.8 INCOME TAX

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Current income tax		
Income tax for the current year	(15 886)	(11 584)
Income tax deferred		
Arising/reversing temporary differences	8 105	(2 033)
Income tax recognised in the statements of total revenues	(7 781)	(13 617)

Effective discount rate

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Profit/(loss) before taxation	40 060	67 442
Tax based on applicable tax rate	(7 611)	(12 814)
Fixed costs not being the cost of obtaining revenues	(297)	(803)
Non-taxable fixed revenues	127	-
Total	(7 781)	(13 617)
Effective discount rate	19,4%	20,2%

4.9 TANGIBLE FIXED ASSETS

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2019	1 239	3 816	4 370	11 602	3 040	105	24 172
Increase on:	-	-	355	1 737	14	794	2 900
- acquisition	-	-	355	88	14	794	1 251
- lease	-	-	-	1 649	-	-	1 649
Reduction due to:	-	-	(41)	(3 139)	(2 133)	-	(5 313)
- sale	-	-	(41)	(3 139)	(2 133)	-	(5 313)
As of 31.12.2019	1 239	3 816	4 684	10 200	921	899	21 759
Presentation change of means transport in lease – transfer to rights due to use	-	-	-	(7 572)	-	-	(7 572)
As of 31.12.2019	1 239	3 816	4 684	2 628	921	899	14 187

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2020	1 239	3 816	4 684	2 628	921	899	14 187
Increase on:	-	1 033	1 573	1 625	1 148	574	5 953
- acquisition	-	-	1 389	-	1 148	1 791	4 328
- call of assets and transfer from rights to use	-	-	-	1 625	-	-	1 625
- transfer from fixed asset under construction	-	1 033	184	-	-	(1 217)	-
Reduction due to:	-	(35)	(13)	(2 212)	(4)	(570)	(2 834)
- liquidation	-	-	(8)	-	-	(570)	(578)
- sale	-	(35)	(5)	(2 212)	(4)	-	(2 256)
As of 31.12.2020	1 239	4 814	6 244	2 041	2 065	903	17 306

Decommitments and write-offs due to impairment

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2019	-	(605)	(1 834)	(5 553)	(976)	-	(8 968)
Amortisation for the period	-	(187)	(540)	(1 588)	(181)	-	(2 496)
Reduction due to:	-	-	23	2 346	680	-	3 049
- sale	-	-	23	2 346	680	-	3 049
As of 31.12.2019	-	(792)	(2 351)	(4 795)	(477)	-	(8 415)
Presentation change of means transport in lease – transfer to rights due to use	-	-	-	2 641	-	-	2 641
As of 31.12.2019	-	(792)	(2 351)	(2 154)	(477)	-	(5 774)

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
As of 01.01.2020	-	(792)	(2 351)	(2 154)	(477)	-	(5 774)
Amortisation for the period	-	(199)	(560)	(342)	(170)	-	(1 271)
Increase due to:	-	-	-	1 011	-	-	1 011
- call of assets and transfer from rights to use	-	-	-	1 011	-	-	1 011
Reduction due to:	-	19	11	1 753	3	-	1 786
- liquidation	-	-	7	-	-	-	7
- sale	-	19	4	1 753	3	-	1 799
As of 31.12.2020	-	(972)	(2 900)	(1 754)	(644)	-	(6 270)

<i>in PLN thousand</i>	Land	Buildings and structures	Machinery and equipment	Means of transport	- Other tangible fixed assets	Fixed assets under construction	Total
Net value							
As of 31.12.2019	1 239	3 024	2 333	474	444	899	8 413
Net value							
As of 31.12.2020	1 239	3 842	3 344	287	1 421	903	11 036

Tangible fixed assets:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Land	1 239	1 239
Buildings and structures	3 842	3 024
Machinery and equipment	3 344	2 333
Means of transport	287	*474
- Other tangible fixed assets	1 421	444
Fixed assets under construction	903	899
Total	11 036	8 413

*Change of presentation of leased means of transport – transfer of rights due to use in the amount of PLN 4 931 thousand. The comparative data was not converted. The change was conducted by movement over the period.

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Value of tangible fixed assets being security for the liabilities	6 707	3 018
Total	6 707	3 018

Hedges

As of 31.12.2020 tangible fixed assets of the carrying amount of PLN 6 707 thousand (31.12.2019: PLN 3 018 thousand) constituted a hedge of bank loans, overdrafts.

4.10 RIGHT TO USE ASSETS

The Company has analysed all the contracts that could be of a lease nature and implemented IFRS 16 as of 01.01.2019, with an application of a simplified approach. As a result of the analysis the contracts that include lease have been distinguished. These include office space rental contracts, petrol stations lease and means of transport lease.

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Total
Gross book value – impact of implementing IFRS 16 as of 01.01.2019	5 611	9 239	14 850
Increase on:	2 038	1 649	3 687
- new lease agreements, increase of lease remuneration	2 038	1 649	3 687
Reduction due to:	-	(3 316)	(3 316)
- call of assets and transfer from rights to use	-	(3 258)	(3 258)
- sale	-	(58)	(58)
As of 31.12.2019	7 649	7 572	15 221

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Total
As of 01.01.2020	7 649	7 572	15 221
Increase on:	44 497	3 087	47 584
- new lease agreements, increase of lease remuneration	44 497	3 087	47 584
Reduction due to:	-	(1 938)	(1 938)
- call of assets and transfer from rights to use	-	(1 625)	(1 625)
- sale	-	(313)	(313)
As of 31.12.2020	52 146	8 721	60 867

Decommitments and write-offs due to impairment

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Total
As of 01.01.2019	-	(3 558)	(3 558)
Amortisation	(1 398)	(1 392)	(2 790)
Reduction due to:	-	2 309	2 309
- call of assets and transfer from rights to use	-	2 251	2 251
- sale	-	58	58
As of 31. 12.2019	(1 398)	(2 641)	(4 039)

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Total
As of 01.01.2020	(1 398)	(2 641)	(4 039)
Amortisation	(4 110)	(1 314)	(5 424)
Reduction due to:	-	1 145	1 145
- call of assets and transfer from rights to use	-	1 011	1 011
- sale	-	134	134
As of 31.12.2020	(5 508)	(2 810)	(8 318)

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Total
Net value			
As of 01.01.2019	5 611	5 681	11 292
As of 31.12.2019	6 251	4 931	11 182
Net value			
As of 01.01.2020	6 251	4 931	11 182
As of 31.12.2020	46 638	5 911	52 549

Due to sub-rent a part of office spaces, a part of the right to use assets has been presented in the item other receivables.

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Other long-term liabilities	-	17
Other short-term receivables	90	205
Total	90	222

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Due to the above the value of the right to use assets as of 31st December amounts to	52 459	10 960
Total	52 459	10 960

Revenues from sub-rental of asset components under lease contract in 2020 and in 2019 amounted to PLN 128 thousand.

Lease liabilities analysis

Total value of expenditures due to lease contracts, presented in the financial activity in the statements of cash flows in 2020 amounted to PLN 5 982 thousand (in 2019: PLN 3 467 thousand).

Analysis of due financial lease liabilities

<i>in PLN thousand</i>	Balance value	Contracted value of flows	up to 1 month	from 1 month to 3 months	from 3 months to 1 year	from 1 year to 5 years	over 5 years
Lease liabilities as of 31.12.2020	51 740	71 334	968	1 905	6 837	24 346	37 278
Discount	19 594						

<i>in PLN thousand</i>	Balance value	Contracted value of flows	up to 1 month	from 1 month to 3 months	from 3 months to 1 year	from 1 year to 5 years	over 5 years
Lease liabilities as of 31.12.2019	10 138	11 455	277	552	2 431	8 195	-
Discount	1 317						

Amounts due to lease contracts recognised in the statements of total revenues

Cost of interests related to lease liabilities in 2020 amounted to PLN 1 044 thousand (in 2019: PLN 357 thousand).

4.11 INTANGIBLE ASSETS

Gross value

<i>in PLN thousand</i>	Goodwill	Acquired rights	Software-and other	Total
As of 01.01.2019	13 699	210	928	14 837
Increase on:	-	22	165	187
- acquisition	-	22	165	187
Reduction	-	-	-	-
As of 31.12.2019	13 699	232	1 093	15 024

<i>in PLN thousand</i>	Goodwill	Acquired rights	Software-and other	Total
As of 01.01.2020	13 699	232	1 093	15 024
Increase on:	-	78	132	210
- acquisition	-	78	132	210
Reduction	-	-	-	-
As of 31.12.2020	13 699	310	1 225	15 234

Decommitments and write-offs due to impairment

<i>in PLN thousand</i>	Goodwill	Acquired rights	Software-and other	Total
As of 01.01.2019	-	(42)	(356)	(398)
Amortisation for the year	-	(42)	(202)	(244)
Reduction	-	-	-	-
As of 31.12.2019	-	(84)	(558)	(642)

<i>in PLN thousand</i>	Goodwill	Acquired rights	Software-and other	Total
As of 01.01.2020	-	(84)	(558)	(642)
Amortisation for the year	-	(54)	(223)	(277)
Reduction	-	-	-	-
As of 31.12.2020	-	(138)	(781)	(919)

<i>in PLN thousand</i>	Goodwill	Acquired rights	Software-and other	Total
Net value				
As of 01.01.2019	13 699	168	572	14 439
As of 31.12.2019	13 699	148	535	14 382
Net value				
As of 01.01.2020	13 699	148	535	14 382
As of 31.12.2020	13 699	172	444	14 315

Intangible assets amortisation and write-offs due to impairment

Amortisation and impairment write-offs have been recognised in the financial result in the following items:

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Overheads	(277)	(244)
Total	(277)	(244)

Impairment test for cash flow-generating units to which goodwill has been allocated

The units below have the goodwill allocated:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Activities relating to trading in liquefied petroleum gas LPG	2 830	2 830
Activities relating to trading in fuels	10 869	10 869
Total	13 699	13 699

Activity related to fuel trading, activity related to trading of liquefied petroleum gas (LPG) - fair values, net of costs of disposal of the means generating cash flows, are estimated based on the method of discounted cash flows. Calculation of the values according to the discounted cash flows are based on the results achieved in 2019 and 2020 and the estimates of results for the years 2021-2026 drawn up by the Management Board of the Company.

Basic assumptions used to calculate the fair value as of 31.12.2019:

<i>in %</i>		Activity related to LPG trading	Activity related to trading fuels
Discount rate	weighted average of equity and foreign capital cost	9,5% - 9,8%	9,0% - 9,1%
Equity cost		10,6%	10,6%
Foreign capital cost		3,80%	3,80%

Basic assumptions used to calculate the fair value as of 31.12.2020:

<i>in %</i>		Activity related to LPG trading	Activity related to trading fuels
Discount rate	weighted average of equity and foreign capital cost	9,1% - 9,4%	7,7% - 7,8%
Equity cost		10,14%	7,94%
Foreign capital cost		3,34%	3,34%

The basis of evaluation were forecasted financial results of the activities associated with trading in fuels and LPG in the form of a balance sheet, profit and loss account and statements of cash flows. These forecasts do not express certainty as to their implementation but were drawn up in accordance with the best knowledge of the Management Board, based on all available information, therefore, it is assumed that they are sufficiently accurate and complete, so that it is possible to draw up a credible analysis and evaluation.

The basic assumptions of the financial results forecasts for the years 2021-2026 which are the basis for valuating the activities associated with trading in fuels, LPG, natural gas:

- 1) it has been assumed that tax rates will remain at the previous level and the fiscal policy and the policy of international trade and also other conditions of Company's business activity will not change;
- 2) legal acts that regulate the fuel market, among others, Energy Law will not change significantly;
- 3) there will be no significant fluctuations of the macroeconomic situation of the country and associated with it demand for liquid and gaseous fuels, with relation to the present situation;
- 4) reference rate and margins of banks will not change significantly;
- 5) operations of „black market“ in the fuel industry will be limited or at least it will not expand its operation;
- 6) applied by the Company hedging instruments on currency rates and price of diesel oil will eliminate the exchange rate risk and prices of diesel oil.

The basic assumptions of the financial forecasts for the years 2021-2026 and also after the forecasted period, being the basis for valuating the activity related to LPG trading:

- 1) maintaining the sales volumes of all groups of LPG products at a similar level as in 2020;
- 2) maintaining an average margin on sales of all LPG products at a similar level as in 2020;
- 3 change of transportations costs and foreign services costs proportionally to the change in the number of sold T of LPG;
- 4) amount of other cost by type maintained at the level of their average level in 2020;
- 5) change of financial revenues and financial costs excluding leasing proportionally to turnover change;
- 6) maintaining financial costs due to leasing at the level of average level of these costs in 2020;
- 7) maintaining investment expenditures in the amount of amortisation.

The basic assumptions of the financial forecasts for the years 2021-2026 and also after the forecasted period, being the basis for valuating the activity related to liquid fuels trading:

- 1) maintaining the sales volumes of liquid fuels at a similar level as in 2020;
- 2) maintaining an average margin on sales of all liquid fuels at a similar level as in 2020;
- 3 change of transportations costs and foreign services costs proportionally to the change in the number of sold T of liquid fuels;
- 4) amount of other cost by type maintained at the level of their average level in 2020;
- 5) change of financial revenues and financial costs excluding leasing proportionally to turnover change;
- 6) maintaining financial costs due to leasing at the level of average level of these costs in 2020.

As of 31.12.2020 and 31.12.2019 no goodwill impairment with relation to activity connected with trading fuels and LPG gas was observed.

4.12 INVESTMENTS INTO SUBSIDIARIES

<i>in PLN thousand</i>	31.12.2020	31.12.2019
As of 1st January	43 481	25 437
Purchase, acquisition of shares or stocks	7 166	19 511
Revaluating write-offs - creation	(2 302)	(1 467)
Revaluating write-offs - dissolution	-	3 533
Disposal of shares or stocks	(7)	(3 533)
As of 31st December	48 338	43 481

Investments into subsidiaries (direct participation):

Name of subsidiary and indication of legal status	The Seat	Date of obtaining control	Value of shares / stocks according to the purchase price	Book value of shares / stocks	Percentage of held share capital	Share in total votes at the General Meeting / Meeting of Shareholders
1. Unimot System Sp. z o.o.	Warsaw	20.01.2014	23 811	23 811	100,00%	100,00%
2. Unimot Paliwa Sp. z o.o.*	Czestochowa	16.11.2015	1 547	1 547	100,00%	100,00%
3. Unimot Energia i Gaz Sp. z o.o.	Warsaw	30.12.2015	14 490	14 490	100,00%	100,00%
4. Tradea Sp. z o.o.	Czestochowa	23.05.2016	10 037	10 037	100,00%	100,00%
5. Unimot Ukraine LLC*	Kiev	19.04.2018	886	886	100,00%	100,00%
6. Unimot Asia LLC*	Shanghai	04.09.2018	920	920	100,00%	100,00%
7. 3 Seas Energy*	Tulsa (Oklahoma)	21.05.2020	416	416	75,00%	75,00%
Total shares				52 107		
<i>* including write-offs of shares</i>				<i>(3 769)</i>		
Total shares				48 338		

4.13 OTHER FINANCIAL ASSETS

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Long-term		
a) in other entities		
Purchase, acquisition of shares or stocks	260	2 785
Loans granted	-	131
	260	2 916
Total	260	2 916
Short-term		
a) in subsidiaries		
Loans granted	2 571	2 221
	2 571	2 221
b) in other entities		
Loans granted	194	3 537
	194	3 537
Total	2 765	5 758

4.14 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Recognised assets and provisions due to deferred income tax

Deferred income tax assets and liabilities have been presented with relation to the following items:

<i>in PLN thousand</i>	Assets		Provisions		Net value	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Tangible fixed assets	87	20	(1 205)	(1 039)	(1 118)	(1 019)
INTANGIBLE ASSETS	-	-	(48)	(65)	(48)	(65)
Investments into subsidiaries	716	104	-	-	716	104
Other financial assets	1 240	-	-	-	1 240	-
Trade and other receivables	1 488	1 083	(132)	(139)	1 356	944
Employee benefits liabilities	12	9	-	-	12	9
Provisions for pensions	151	118	-	-	151	118
Trade and other liabilities	3 760	1 356	-	-	3 760	1 356
Other	120	884	(162)	(4 409)	(42)	(3 525)
Assets and provisions due to deferred income tax	7 554	3 574	(1 547)	(5 652)	6 027	(2 078)
To be used after 12 months	5 775	2 091	(1 253)	(1 104)		
To be used within 12 months	1 799	1 483	(294)	(4 548)		
Compensation	(1 547)	(3 574)	1 547	3 574		
Assets/ provisions due to deferred income tax indicated in the statements of financial condition – total short-term part	6 027	-	-	(2 078)		

Change of temporary differences in the period:

<i>in PLN thousand</i>	01.01.2020	Change recognised in the financial result	31.12.2020
TANGIBLE FIXED ASSETS	(1 019)	(99)	(1 118)
INTANGIBLE ASSETS	(65)	17	(48)
Investments into subsidiaries	104	612	716
Other financial assets	-	1 240	1 240
Trade and other receivables	944	412	1 356
Employee benefits liabilities	9	3	12
Provisions for pensions	118	33	151
Trade and other liabilities	1 356	2 404	3 760
Other	(3 525)	3 483	(42)
Total	(2 078)	8 105	6 027

<i>in PLN thousand</i>	01.01.2019	Change recognised in the financial result	31.12.2019
TANGIBLE FIXED ASSETS	(1 393)	374	(1 019)
INTANGIBLE ASSETS	(51)	(14)	(65)
OTHER INVESTMENTS	-	104	104
Trade and other receivables	194	750	944
Employee benefits liabilities	15	(6)	9
Provisions for pensions	124	(6)	118
Trade and other liabilities	109	1 247	1 356
Other	957	(4 482)	(3 525)
Total	(45)	(2 033)	(2 078)

4.15 INVENTORIES

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Goods - mandatory reserve	132 886	155 923
Goods - operating reserve	30 259	82 778
Total	163 145	238 701

Inventories valuation at fair value - level 1

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Cost of acquiring operating reserves	17 902	27 045
Cost of acquiring compulsory and operating reserves valuated at fair value	135 360	171 434
Inventories valuation to fair value	9 883	40 222
Total	163 145	238 701

Inventories achievement date

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Of period longer than 12 months since the accounting period end	-	-
Of period up to 12 months since the accounting period end	163 145	238 701
Total	163 145	238 701

4.16 OTHER LONG-TERM RECEIVABLES

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Other long-term liabilities		
a) from other entities		
Other securities receivables	9 899	2 207
Other receivables	-	17
	9 899	2 224
Other long-term receivables in total	9 899	2 224

4.17 TRADE AND OTHER RECEIVABLES

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Short-term receivables		
a) from related entities		
Trade receivables	7 430	5 786
Other receivables	506	506
	7 936	6 292
b) from other entities		
Trade receivables	197 623	191 446
Receivables due to taxes, subsidies, duties, insurance excluding income tax receivables	2 544	3 122
Trade advances	38 506	31 601
Receivables due to excise guarantee	23 061	24 792
Other securities receivables	34 730	5 165
Other receivables	127	1 052
	296 591	257 178
Total receivables	304 527	263 470

As of 31.12.2020 trade and other receivables are presented in the net value less of revaluation write-offs in the amount of PLN 6 343 thousand (31.12.2019: PLN 5 699 thousand).

As of 31.12.2020 receivables of the carrying amount PLN 163 578 thousand (31.12.2019: PLN 161 149 thousand) constituted a security for bank credits, debt limit and factoring agreement.

4.18 CLIENT CONTRACTS ASSETS

Long-term client contracts assets:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Client contracts assets	3 628	4 317
Total	3 628	4 317

Short-term client contracts assets:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Client contracts assets	1 322	1 162
Total	1 322	1 162

Client contracts assets include investment expenditures incurred by the Company for adjusting petrol stations to the AVIA brand in accordance with franchise contracts and commissions. Client contracts assets include investment expenditures incurred for adjusting petrol stations covered by franchise contracts according to the standards of the AVIA brand and recognised in accordance with IFSR 15 as costs related to concluding the contract.

4.19 OTHER CURRENT ASSETS

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Active accruals	4 815	5 175
Total	4 815	5 175

Active accruals include, among others, insurance costs, deferred subscriptions and costs incurred for NIT fulfilment (National Indicative Target – an obligation to introduce to the market transport fuels coming from Renewable Energy Sources) not related to sales of goods in the reported period.

4.20 FINANCIAL RESOURCES AND THEIR EQUIVALENTS

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Financial resources in bank accounts	92 446	26 569
Restricted financial resources in bank accounts	29	41
Cash at hand	42	83
Cash in transit	289	83
Financial resources and their equivalents, value demonstrated in the statements of financial condition	92 806	26 776
Overdrafts	(172 440)	(203 504)
Financial resources and their equivalents, value demonstrated in the statements of cash flows	(79 634)	(176 728)

As of 31.12.2020 and as of 31.12.2019 cash resources and their equivalents did not hedge liabilities.

4.21 EQUITY

Share capital

<i>in PLN</i>	31.12.2020	31.12.2019
Registered number of shares	8 197 818	8 197 818
Face value of one share	PLN 1	PLN 1

As of 31st December 2020 and as of 31st December 2019 the share capital of the Parent's Entity included 7 847 818 ordinary shares and 350 000 preference shares of the face value PLN 1 each.

The ownership structure as of 31st December 2020 has been presented in the table below:

Shareholder	Number of shares	Share in capital %	Number of votes	Share in votes at the General Meeting
Unimot Express Sp. z o.o.	3 593 625	43,84%	3 593 625	42,04%
Zemadon Limited	1 616 661	19,72%	1 966 661	23,01%
Others	2 987 532	36,44%	2 987 532	34,95%
Total	8 197 818	100,00%	8 547 818	100,00%

All shares have been paid for.

Capital reserve

The capital reserve as of 31.12.2020 was increased following the movement of the profit for 2019 in the amount of PLN 37 676 thousand up to a total amount of PLN 218 816 thousand as of 31.12.2020.

Dividend

On 03.06.2020 the Ordinary General Meeting of Unimot S.A. adopted a resolution on distribution of profit for the year 2019, including allocation for dividend payment the amount of PLN 16 149 thousand. The amount of dividend per one share amounted to PLN 1.97. The dividend payment day was established to be 9th July 2020. The dividend was paid on 9th July 2020.

Profit/(loss) per one share

Basic profit/(loss) per one share

Calculation of basic profit per one share as of 31st December 2020 was performed based on net profit attributed to ordinary shareholders of the Company in the amount of PLN 32 279 thousand (31.12.2019: net profit PLN 53 825 thousand) and weighted average of ordinary shares as of 31.12.2020 in the number of 8 198 thousand of shares (31.12.2019: 8 198 thousand of shares).

The weighted average of shares used to calculate diluted results per share as of 31st December 2020 amounts to 8 198 thousand of shares (31.12.2019: 8 198 thousand of shares).

4.22 LIABILITIES DUE TO CREDITS, LOANS AND OTHER DEBT INSTRUMENTS AND OVERDRAFTS

The note presents data on Company's liabilities due to credits, loans, and other debt instruments. Information regarding exchange rate risk and interest rate risk that the Company is exposed to has been presented in note 4.29.

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Long-term liabilities		
a) to other entities		
Lease liabilities	44 284	7 272
	44 284	7 272
Total long-term liabilities	44 284	7 272
Short-term liabilities		
a) to related entities		
Other loans	10 420	-
	10 420	-
b) to other entities		
Short-term part of lease liabilities	7 456	2 866
	7 456	2 866
Total short-term liabilities	17 876	2 866
Overdraft	172 440	203 504
Total	234 600	213 642

Repayment schedule for lease liabilities

<i>in PLN thousand</i>	Payments due to lease	Interests	Share capital	Payments due to lease	Interests	Share capital
	31.12.2020			31.12.2019		
up to a year	9 710	2 254	7 456	3 260	394	2 866
from 1 to 5 years	24 346	7 796	16 550	8 195	923	7 272
Over 5 years	37 278	9 544	27 734	-	-	-
Total	71 334	19 594	51 740	11 455	1 317	10 138

Lease contracts do not foresee the necessity for contingent payments.

4.23 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments - financial assets:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Long-term financial assets		
Futures and FX forward contracts	13 247	-
Total	13 247	-
Short-term financial assets		
Futures, swap, and FX forward contracts	14 885	12 123
Total	14 885	12 123

Derivative financial instruments - financial liabilities:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Long-term financial liabilities		
Futures and FX forward contracts	3 438	5 648
Total	3 438	5 648
Short-term financial liabilities		
Futures, swap, and FX forward contracts	17 700	2 421
Total	17 700	2 421

Maturity schedule/settlement period of derivative financial instruments - financial liabilities as of 31st December 2020:

<i>in PLN thousand</i>	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years
Futures, swap, and FX forward contracts	21 138	17 700	3 438	-	-
Total	21 138	17 700	3 438	-	-

Maturity schedule/settlement period of derivative financial instruments – financial liabilities as of 31st December 2019:

<i>in PLN thousand</i>	Total	Up to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years
Futures, swap, and FX forward contracts	8 069	2 421	5 648	-	-
Total	8 069	2 421	5 648	-	-

Futures contracts purchases -and sales of contracts ICE Gas Oil.

Swap contracts – simultaneous sales and purchases of contracts ICE Gas Oil.

FX forward contracts – purchases and sales of contracts FX forward.

Face value of concluded futures contracts

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Futures contracts - sale of ICE Gas Oil	19 802	38 333
Swap contracts – purchases and sales of ICE Gas Oil	118 361	162 551
FX forward contracts – sales	61 891	61 493
Total	200 054	262 377

4.24 CREDIT AND LOAN AGREEMENT ANALYSIS

Credit and loan agreement analysis as of 31.12.2020:

Name of financing company	Long-term-part	Short-term-part	Liability type	Date of granting	Repayment day	Securities
Bank Millenium S.A.	-	482	Overdraft Umbrella	2012-09-20	2021-10-20	declaration of submission to enforcement, pledge on cash resources, cumulative mortgage up to the amount of PLN 3 450 000 on property of Unimot Express Sp. z.o.o. and cession of insurance policy, cumulative mortgage up to PLN 8 500 000 on property of Unimot Express Sp. z.o.o and cession of insurance policy, declaration of Unimot Express Sp. z.o.o o on submission to enforcement from real estate (property) up to the mounts of PLN 8 500 000 and PLN 3 450 000, registered pledge on receivables, cumulative mortgage with 1 st right to execution up to the amount of PLN 16 000 000,00 on property of: Unimot S.A., located in Zawadzkie, Unimot Express Sp. z o.o., located in Częstochowa, ul. Torowa 3B.
mBank S.A.	-	91 522	overdraft	2016-03-03	2021-10-28	promissory note together with promissory note agreement, registered pledge on stock, cession of receivables, cession of insurance policy of receivables of Atriadus, Hermes, authorization to current account, blocking bank accounts, cession of future compensations from Creditor's receivables insurance agreement in KUKE, registered and financial pledges on receivables from bank accounts.
mBank S.A.	-	-	overdraft	2012-10-01	2021-11-30	a blank promissory note and promissory note agreement, cash deposit in the amount of PLN 1 100 000, declaration of submission to enforcement.
ING Bank Śląski S.A.	-	80 436	overdraft working capital	2016-03-03	2021-05-31	registered pledge on stock, cession of other receivables, authorization to bank accounts, declaration of submission to enforcement, tripartite agreement, order to block specific accounts, bank collateral agreement.
BNP Paribas Bank Polska S.A.	-	-	payment guarantee	2011-08-11	2022-02-28	Registered pledge up to the top security amount of EUR 1.800.000,00, open unconfirmed cession of receivables, silent cession of receivables, own blank promissory note, pledge on accounts.
PKO Factoring S.A.	-	-	factoring limit	2020-06-22	for an indefinite period	tripartite agreement to the policy No 802002781 concluded by the Client, Factor and Compagnie Francaise D'Assurance Pour Le Commerce Exterieur S.A. Oddział w Polsce.
Tradea Sp. z o.o.	-	10 420	loan	2020-06-01	2021-03-31	None
Total	-	182 860				

Lease agreement analysis as of 31.12.2020:

Type of agreement	Long-term-part	Short-term-part	Liability type	Date of granting	Repayment day	Securities
Lease agreements pertaining to means of transport	2 662	1 982	lease	2013-08-01	2025-01-05	Promissory note declaration
Lease agreements pertaining to rental agreements	41 622	5 474	Lease	2014-11-24	2040-12-30	No agreements
Total	44 284	7 456				

Margin on liabilities from credits, loans and other debt instruments depends on variable interest rate to which it refers. Interval analysis of margin is presented below:

- WIBOR 1M – margin in the range 0.9% - 1.1%,
- LIBOR 1M – margin in the range 1.35% - 2.0%,
- EURIBOR 1M – margin in the range 1.35%.

For the purpose of the cash flows statements overdrafts at call that constitute an integral part of managing the Company's financial resources are recognised as an element of cash resources and their equivalents for the purpose of the statements of cash flows.

4.25 CHANGE OF LIABILITIES STATUS RESULTING FROM FINANCIAL ACTIVITY

<i>in PLN thousand</i>	As of 01.01.2020	Incurrences	Payments	Interests paid	Exchange rate differences achieved	Unachieved exchange rate differences	As of 31.12.2020
Overdrafts	203 504	168 488	(203 504)	(4 063)	11 299	(3 284)	172 440
Short-term loans from related entities	-	10 688	-	(268)	-	-	10 420
Short-term loans from other entities	-	307	-	(307)	-	-	-
Lease liabilities	10 138	47 584	(4 938)	(1 044)	-	-	51 740
Total	213 642	227 067	(208 442)	(5 682)	11 299	(3 284)	234 600

<i>in PLN thousand</i>	As of 01.01.2019	Incurrences	Payments	Interests paid	Exchange rate differences achieved	Unachieved exchange rate differences	As of 31.12.2019
Overdrafts	214 346	211 234	(214 346)	(7 913)	56	127	203 504
Short-term loans from related entities	-	34	-	(34)	-	-	-
Lease liabilities	9 918	3 687	(3 110)	(357)	-	-	10 138
Total	224 264	214 955	(217 456)	(8 304)	56	127	213 642

4.26 EMPLOYEE BENEFITS LIABILITIES

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Long-term liabilities due to retirement compensation and other	256	185
Short-term liabilities due to retirement compensation and other	539	435
Total	795	620

Employee benefits

Retirement benefits liabilities have been calculated by an independent actuary based on the assumptions:

<i>in %</i>	31.12.2020	31.12.2019
Discount rate	2.0%	2.0%
Future wage growth	4.0%	4.0%
Inflation	2.0%	2.0%

Changes of liabilities due to particular benefits within the year:

<i>in PLN thousand</i>	Retirement allowances	Pension allowances	Equivalent for unused holiday leave, write-off to ZFŚS, death in service benefits	Total
As of 1st January 2019	59	6	587	652
Current employment cost	13	1	23	37
Interest costs	2	-	3	5
Actuarial profit/(loss) from change in assumptions	(5)	(1)	(9)	(15)
Benefits paid	-	-	(59)	(59)
As of 31st December 2019	69	6	545	620

<i>in PLN thousand</i>	Retirement allowances	Pension allowances	Equivalent for unused holiday leave, write-off to ZFŚS, death in service benefits	Total
As of 1st January 2020	69	6	545	620
Current employment cost	19	2	140	161
Interest costs	1	-	3	4
Actuarial profit/(loss) from change in assumptions	32	-	(4)	28
Benefits paid	(18)	-	-	(18)
As of 31st December 2020	103	8	684	795

Sensitivity of liabilities due to employee benefits to changes in basic assumptions:

<i>as of 31.12.2020</i>	Change in assumptions		Influence on benefits	
	Decrease	Increase	Increase/(decrease)	Increase/(decrease)
Discount rate	0,5%	0,5%	7 thousand PLN	(23) thousand PLN
Future wage growth	0,5%	0,5%	(22) thousand PLN	25 thousand PLN
Inflation	0,5%	0,5%	10 thousand PLN	(10) thousand PLN

Costs regarding changes of reserves are recognised in the financial result as overheads and other costs.

4.27 CLIENT CONTRACTS LIABILITIES

Short-term:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
a) to other entities		
Client contracts liabilities	1 981	2 613
Total	1 981	2 613

Liabilities due to client contracts cover the advanced payment of remuneration for services that have not been provided by the Company yet, e.g. contracts related to purchases of liquid and gaseous fuels.

4.28 TRADE AND OTHER LIABILITIES

Short-term:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
a) to related entities		
Trade liabilities	321	463
Liabilities due to purchase of shares	416	746
Other liabilities	1	2 913
	738	4 122
b) to other entities		
Trade liabilities	65 214	66 744
Liabilities due to taxes, subsidies, duties, insurance excluding the income tax liabilities	139 731	90 725
Remuneration liabilities	591	549
Passive accruals	15 871	7 561
Other liabilities	520	149
	221 927	165 728
Total	222 665	169 850

The amount of PLN 139 731 thousand as of 31.12.2020 (PLN 90 725 thousand as of 31.12.2019) covers primarily liabilities due to excise, backup charged, emission fee, personal and corporate income tax, and VAT.

4.29 FINANCIAL INSTRUMENTS

Financial instruments classification

<i>in PLN thousand</i>	Financial assets valuated according to amortised costs	Financial assets valuated at fair value through financial result	Total
Assets according to the statements of financial condition as of 31.12.2020			
a) Fixed assets			
Derivative financial instruments	-	13 247	13 247
Other long-term liabilities	9 899	-	9 899
Client contracts assets	3 628	-	3 628
b) Current assets			
Receivables (except advances and receivables due to taxes)	263 477	-	263 477
Client contracts assets	1 322	-	1 322
Other financial assets	2 765	-	2 765
Derivative financial instruments	-	14 885	14 885
Financial resources and their equivalents (excluding cash at hand)	92 764	-	92 764
Total	373 885	28 132	401 987

<i>in PLN thousand</i>	Financial assets valuated according to amortised costs	Financial assets valuated at fair value through financial result	Total
Assets according to the statements of financial condition as of 31.12.2019			
a) Fixed assets			
Other financial assets	131	-	131
Other long-term liabilities	2 224	-	2 224
Client contracts assets	4 317	-	4 317
b) Current assets			
Receivables (except advances and receivables due to taxes)	228 747	-	228 747
Client contracts assets	1 162	-	1 162
Other financial assets	5 758	-	5 758
Derivative financial instruments	-	12 123	12 123
Financial resources and their equivalents (excluding cash at hand)	26 693	-	26 693
Total	269 032	12 123	281 155

<i>in PLN thousand</i>	Financial liabilities valued according to amortised costs	Financial liabilities valued at fair value through financial result	Total
Liabilities according to the statements of financial condition as of 31.12.2020			
a) Long-term liabilities			
Derivative financial instruments	-	3 438	3 438
b) Short-term liabilities			
Overdraft	172 440	-	172 440
Liabilities due to credits, loans and other debt instruments (excluding lease liabilities)	10 420	-	10 420
Derivative financial instruments	-	17 700	17 700
Trade and other liabilities (excluding public and legal liabilities and remunerations))	82 343	-	82 343
Total	265 203	21 138	286 342

<i>in PLN thousand</i>	Financial liabilities valued according to amortised costs	Financial liabilities valued at fair value through financial result	Total
Liabilities according to the statements of financial condition as of 31.12.2019			
a) Long-term liabilities			
Derivative financial instruments	-	5 648	5 648
b) Short-term liabilities			
Overdraft	203 504	-	203 504
Derivative financial instruments	-	2 421	2 421
Trade and other liabilities (excluding public and legal liabilities and remunerations))	78 576	-	78 576
Total	282 080	8 069	290 149

Financial assets valued according to depreciated cost include loans and receivables include loans granted, trade and other receivables (net of taxes and advances) and cash and cash equivalents.

Financial liabilities valued by depreciated cost method include overdrafts, liabilities from credits, loans, and other debt instruments, trade, and other liabilities (excluding tax liabilities).

Financial instruments valued at fair value

Fair value

Details of fair value of financial instruments for which it can be estimated are as follows:

- Cash and cash equivalents, short-term bank deposits, short-term bank credits and overdrafts: the carrying amount of the aforementioned instruments is close to their fair value due to the rapid maturity of these instruments.
- Trade receivables and other receivables, trade creditors and other liabilities, and prepayments and accruals: the book value of the aforementioned instruments is close to their fair value due to their short-term nature.
- Long-term liabilities from credits, loans, and other debt instruments: the book value of the aforementioned instruments is close to their fair value due their versatile nature of interest.
- Liabilities towards related entities due to fixed interest rate instruments: the book value of the aforementioned instruments is close to their fair value due to the fact that the interest rate is close to market interest rate of similar risk.
- Derivatives: fair value is based on the market price resulting from listing if it is available. If the market price resulting from the current quotation is not available for the instrument, then the fair value is determined by discounting the difference between the contract price and the current price of the instrument, taking into account the maturity of the contract. As of 31.12.2020 and 31.12.2019 derivatives applied by the Company (foreign currency FX Forward transactions and commodities Futures transactions) are estimated at fair value of Level 1, i.e. based on data coming from active market.

Financial risk

Financial risks the Company is exposed to within the conducted activity include:

- market risks that comprise:
 - currency exchange rate risk,
 - price risk,
 - interest rate risk .
- credit risk,
- liquidity loss risk.

Understanding the threats originating from the exposure of the Company to risks, proper organizational structure and procedures allow for better task accomplishment. The Company identifies and values financial risks on an ongoing basis and also takes actions aimed at minimizing them and their impact on the financial condition.

Market risk

By the market risk to which the Company is exposed, the possibility of negative impact on the results of the Company resulting from changes in exchange rates, market prices of goods and interest rates, is understood.

The Company actively manages the market the risk to which it is exposed. The main objectives of the risk management process are: to limit the volatility of the financial result, to increase the likelihood of implementation of the budget assumptions, to reduce the likelihood of loss of liquidity.

All the market risk management objectives should be dealt with together, and their performance is dependent primarily on the domestic situation of the Company and market conditions.

The main technique of market risk management is hedging strategies using derivatives (contracts forward, futures). Also, natural hedging is applied. The Company applies an integrated approach to the market risk management to which it is exposed. An example are hedging transactions on commodity and currency markets that are strongly associated with the contracts concluded on the market and are implemented by an existing Hedging Department of the Company. Since 2017 the Company has not been applying hedge accounting.

Risk of exchange rate change

With regard to the risk of changes in the exchange rate the following types of exposure are identified:

- transactional exposure on volatility of the value of cash flows in the functional currency. The source of the transactional exposure to foreign exchange risk are contracts resulting in cash flows of which the functional currency is dependent on future levels of exchange rates of foreign currencies against the functional currency. The key source of transactional exposures to foreign exchange risk is the revenue from the sale of goods.
- the balance sheet exposure related to the variation of the values of selected items of the statements of financial condition in the functional currency. The source of the balance sheet exposure to currency risk are the items of the statements of financial condition in foreign currencies which under applicable accounting principles are subject to conversion on the basis of the current exchange rate of a foreign currency relative to the functional currency in connection with the settlement or periodic measurement. The balance sheet exposure applies in particular to: receivables and liabilities denominated in foreign currencies, financial liabilities from debts in foreign currencies, cash in foreign currencies.

The Company applies the procedure for exchange rate hedging for calculated prices and margins of goods bought and sold in different currencies. The Company uses forward contracts and SWAPs for all asset and liability items in full subject to the exchange rate change risk. These are the simplest, but also the most effective tools allowing for the minimisation of the risk of exchange rate fluctuations since the purchase of goods until their sale for transactions in different currencies.

Company's exposure to foreign exchange risk

Data concerning the balance of assets and liabilities in foreign currencies against remaining units:

As of 31.12.2020:

<i>in PLN thousand</i>	in EUR	in USD	Other currencies	Total
Trade and other receivables	12 124	35 953	26 799	74 876
Cash resources	2 469	844	675	3 988
Liabilities due to credits, loans, and other debt instruments	-	(172 440)	-	(172 440)
Derivative financial instruments - financial assets and liabilities	-	6 994	-	6 994
Trade and other liabilities	-	(594)	-	(594)
Exposure to exchange rate risk of foreign currency balances	14 593	(129 243)	27 474	(87 176)

As of 31.12.2019:

<i>in PLN thousand</i>	in EUR	in USD	Other currencies	Total
Trade and other receivables	3 391	13 423	3	16 817
Cash resources	515	6 774	2	7 291
Liabilities due to credits, loans, and other debt instruments	(7 852)	(194 211)	-	(202 063)
Derivative financial instruments - financial assets and liabilities	-	4 054	-	4 054
Trade and other liabilities	(3 169)	(23 939)	(4)	(27 112)
Exposure to exchange rate risk of foreign currency balances	(7 115)	(193 899)	1	(201 013)

The drop in the Company's exposure to currency risk as of 31.12.2020 results primarily from the decreased exposure of trade and other receivables, liabilities due to credits, loans and other debt instruments and trade and other liabilities.

Analysis of financial instruments sensitivity denominated in foreign currencies to exchange rate change

The influence of foreign currencies exchange rate on the financial result as of 31.12.2020 by 15% has been presented below. The analysis was conducted at the assumption that all remaining variables, and interest rates in particular, remain at the same level. The analysis for the year 2019 was conducted in the same manner.

Impact of exchange rate differences on the Company's financial result due to change of exchange rate:

<i>in PLN thousand</i>	Gross profit/(loss)	
	Growth of exchange rate by 15 %	Decrease of exchange rate by 15 %
31.12.2020	(13 076)	13 076
31.12.2019	(30 152)	30 152

The foreign currency exposure indicated above is to a large extent neutralised through the valuation of inventories – primarily diesel oil. This asset is subject to valuation both with regard to prices of resources expressed in a foreign currency (information below) as well as foreign currencies exchange rates – in particular, USD/PLN and USD/EUR. Loan and credit liabilities in a foreign currency are natural hedging.

Price risk

The Company has no equity securities classified as available-for-sale or valued at fair value through the financial result, which are exposed to price risk.

The Company is exposed to the risk of price change regarding the sold fuels, mainly diesel oil, which can consequently influence the results achieved by the Company. Change in prices on the world markets has also influence on the domestic market and, therefore, upon the sale of goods would generate a loss.

The Company secures the risk of price changes of goods with appropriate hedge transactions, securing the price of a product. With this end in view, the Company uses commercially available hedging instruments, i.e. futures contracts.

Applied in the Company procedure of diesel oil price hedging assumes concluding transactions of the denomination corresponding to 100% of diesel oil amount susceptible to price change (purchased and being owned by the Company). Strategies of concluding hedging transactions correspond to price formulas applied in purchase contracts. In the case the duration of the hedging transactions expires before the goods are sold their rollover is applied or commodity swaps are concluded. An analogous approach is also applied to hedge compulsory reserve of diesel oil that is not subject to current trade.

Company's exposure to price risk
Data on balances

<i>as of 31.12.2020</i>	Amount in tonnes	Fair value in PLN thousand
Non-financial assets		
Inventories valued according to fair value net of sales cost	97 862	163 145
Total	97 862	163 145

<i>as of 31.12.2020</i>	Type of instrument	Valuation period for which instruments are concluded	Amount in tonnes	Face value in PLN thousand
Financial				
Futures – sales of contracts	ICE Gas Oil	January 2021-June 2023	(10 300)	(19 802)
Commodity swap – sales and purchases of contracts for various dates	ICE Gas Oil	January 2021-June 2021	(73 500)	(118 361)
Total			(83 800)	(138 163)
Exposure to price risk of derivatives transactions balances			*14 062	**24 982

* amount of inventories in T remaining the property of the Company not covered by transaction hedging the price of product

** value of inventories in PLN thousand remaining the property of the Company not covered by transaction hedging the price of product

<i>As of 31.12.2019</i>	Amount in tonnes	Fair value in PLN thousand
Non-financial assets		
Inventories valued according to fair value net of sales cost	108 847	238 701
Total	108 847	238 701

<i>As of 31.12.2019</i>	Type of instrument	Valuation period for which instruments are concluded	Amount in tonnes	Face value in PLN thousand
Financial				
Futures – sales of contracts	ICE Gas Oil	January 2020-July 2021	(20 300)	(38 333)
Commodity swap – sales and purchases of contracts for various dates	ICE Gas Oil	January 2020-June 2020	(71 200)	(162 551)
Total			(91 500)	(200 884)
Exposure to price risk of derivatives transactions balances			*17 347	**37 817

* amount of inventories in T remaining the property of the Company not covered by transaction hedging the price of product

** value of inventories in PLN thousand remaining the property of the Company not covered by transaction hedging the price of product

Exposure level to price risk results primarily from the level of natural gas and LPG provisions, the value of which is not hedged with derivative transactions. Provisions of diesel oil are hedged with the abovementioned transactions.

Sensitivity analysis of financial instruments to fuel price change

The analysis considers the existent future contracts hedging. Strengthening/weakening the quotations of the base product (influencing the growth/drop of the fair value of inventories and growth/drop of the fair value of derivatives) by 15% as of 31st December 2020 would cause (drop)/growth of the financial result by the values presented below. The analysis was conducted on the assumption that all remaining variables remain at the same level. The analysis for the year 2019 was conducted in the same manner.

Impact of price differences on the Company's financial result:

<i>in PLN thousand</i>	Gross profit/(loss)	
	Price growth by 15 %	Price decrease by 15 %
31.12.2020	3 747	(3 747)
31.12.2019	5 673	(5 673)

Interest rate risk

The interest rate risk is a possibility of adverse influence of changes in interest rates on the Company's results. The Company in 2020 was exposed to this type of risk in connection granting of loans and use of external sources of financing.

Working with a number of financial institutions, the Company constantly monitors the level of interest rates always negotiating the margin level of a bank or other financial institution for included products subject to the interest rate. The Company acts similarly with the interest rates on loans granted by the Company.

Company's exposure to interest rate change:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Fixed interest rare instruments		
Financial assets	2 571	2 221
Financial	10 420	-
Total	12 991	2 221
Variable interest rare instruments		
Financial liabilities due to credits and lease	(224 180)	(213 642)
Total	(224 180)	(213 642)

Amounts of instruments of fixed and variable interest rate comprise the items detailed in Note 4.22.

Interest rate change risk on fair values and cash flow

The Company has no significant interest-bearing financial assets, therefore the Company's revenue and cash flow from operating activities are largely independent of changes in market interest rates. The Company is more vulnerable to the risk of interest rates from loans and credits. The loans granted with variable interest rate expose the Company to the risk of interest rates from cash flow.

Sensitivity analysis of financial instruments with variable interest rate on changes in market interest rates

(Decrease)/increase in interest rate by 150 bp at the reporting date would increase (reduce) equity and financial result by the amount presented in the following table. The analysis was carried out on the assumption that all other variables, in particular currency exchanges, remain unchanged. The analysis for 2019 was carried out in the same manner.

Impact of interest rate change on the Company's financial result:

<i>in PLN thousand</i>	Gross profit/(loss)	
	Growth by 1,5 %	Decrease by 1,5 %
31.12.2020	(3 363)	3 363
31.12.2019	(3 205)	3 205

Credit risk

The credit risk is the possibility of incurring by the Company financial loss as a result of failure to comply with the obligations by debtors of the Company.

The credit risk is mainly associated with the following areas:

- the credit reliability of the customers with whom physical transactions for the sale of goods,
- the reliability of the credit financial institutions (banks/brokers) with which hedge transactions are concluded or who mediate in the conclusion of such transactions, as well as those in which free cash is invested,
- financial condition of the borrowers.

The credit risk is associated in particular with the following balance sheet items:

- trade receivables,
- derivative instruments,
- cash and bank deposits,
- granted loans,
- granted guarantees and warranties.

Maximum exposure to credit risk:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Loans	2 765	5 889
Receivables	273 376	230 971
Financial assets valued at fair value through financial result	28 132	12 123
Financial resources and their equivalents (excluding cash at hand)	92 764	26 693
Total	397 037	275 676

As of the balance sheet date there was no significant risk concentration present. The book value of each financial asset presents a maximum exposure to credit risk.

Loans granted – estimated asset impairment

The Company has granted several educational loans for university students. The amount of the estimated impairment of these loans is negligible from the perspective of the results achieved by the Company as of 31st December 2020.

Trade receivables - asset impairment estimation

The Company has been cooperating for many years with a large number of customers, which influences the geographical

distribution of trade receivables.

The Company conducts a restrictive policy of granting trade limits, which has been continued for years. Through its internal departments the Company conducts constant monitoring of balances and supervision over utilisation of trade limits. Receivables enforcement regulations are applied to due receivables.

Hedging of receivables are insurances as well as other forms, e.g. bank guarantees, mortgages, holds on funds deposited on bank accounts, registered pledges on property, declaration of submission to enforcement pursuant to article 777 of the Civil Code.

The Company cooperates with leading insurers of receivables: Atradius, Euler Hermes, Coface, KUKE. These entities demonstrate a significant financial potential and make use of hedges in reinsures treaties as to which there is no information of changes following the coronavirus pandemic. The standing of the Insurers is stable and balanced, we do not observe significant fluctuations with respect to limit coverage and open processes of negotiating the conditions of insurance are stable, shifts in the scope of limit coverage, and open processes of negotiating insurance conditions are not disturbed. Capacity of insurance policies of receivables oscillates at the level of 87.2% of the level of receivables. The main insurer – Atradius – has not been increasing its involvement in the petrochemical industry, maintaining only long-term contracts.

As of 31st December 2020 72.1% of receivables were covered by insurance, 4.4% acquired from customers other forms of insurance, uninsured remained 23.5% of receivables. The last group includes renowned entities (fuel concerns) receivables from related entities and entities not subject to insurance, such as public administration bodies or physical persons (risk diversification due to large fragmentation of receivables).

Age structure of trade receivables from related entities

Gross value

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Not overdue	4 715	4 912
Overdue, in this:	3 296	1 216
1-30 days	79	68
31-60 days	1 653	885
60-180 days	987	263
181-365 days	296	-
Over 365 days	281	-
Total	8 011	6 128

Depreciation:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Not overdue	(20)	(327)
Overdue, in this:	(561)	(15)
1-30 days	(13)	-
31-60 days	(48)	-
60-180 days	(68)	(15)
181-365 days	(151)	-
Over 365 days	(281)	-
Total	(581)	(342)

Net value:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Not overdue	4 695	4 585
Overdue, in this:	2 735	1 201
1-30 days	66	68
31-60 days	1 605	885
60-180 days	919	248
181-365 days	145	-
Over 365 days	-	-
Total	7 430	5 786

Increases and decreases of write-offs revaluating trade receivables from related entities:

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Opening balance as of 1st January	(342)	(170)
Establishing	(581)	(327)
Dissolution	342	155
Closing balance as of 31st December	(581)	(342)

Age structure of trade receivables from the remaining entities
Gross value

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Not overdue	171 297	149 967
Overdue, in this:	32 088	46 836
1-30 days	21 891	37 181
31-60 days	1 837	2 530
60-180 days	826	1 097
181-365 days	2 362	993
Over 365 days	5 172	5 035
Total	203 385	196 803

Depreciation:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Not overdue	(290)	(276)
Overdue, in this:	(5 472)	(5 081)
1-30 days	(27)	(81)
31-60 days	(12)	(282)
60-180 days	(320)	(228)
181-365 days	(952)	(217)
Over 365 days	(4 161)	(4 273)
Total	(5 762)	(5 357)

Net value:

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Not overdue	171 007	149 691
Overdue, in this:	26 616	41 755
1-30 days	21 864	37 100
31-60 days	1 825	2 248
60-180 days	506	869
181-365 days	1 410	776
Over 365 days	1 011	762
Total	197 623	191 446

Increases and decreases of write-offs revaluating trade receivables from the remaining entities:

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Opening balance as of 1st January	(5 357)	(1 620)
Establishing	(3 264)	(5 742)
Utilization	276	247
Dissolution	2 583	1 758
Closing balance as of 31st December	(5 762)	(5 357)

As of 31.12.2020 trade receivables in the amount of PLN 171 007 thousand were not overdue nor impaired (31.12.2019: PLN 149 691 thousand).

As of 31.12.2020 trade receivables in the amount of PLN 26 616 thousand (31.12.2019: PLN 41 755 thousand) were overdue, but not impaired.

These receivables concern to a large extent customers with whom the Company cooperates for many years, are insured, or secured on the property of customers.

As of 31.12.2020 trade receivables in the amount of PLN 5 762 thousand (31.12.2019: PLN 5 357 thousand) were not overdue, but their impairment was recognised, for which reason in 2020 they were covered by a write-off in the amount of PLN 5 762 thousand (2019: PLN 5 357 thousand). As of 31.12.2020 trade receivables in the amount of PLN 290 thousand were not overdue, but their impairment was recognised as they concern so called financial sanctions (31.12.2019: PLN 276 thousand).

The Company expects that contractors will settle the overdue trade receivables not later than within twelve months since the end of the accounting period.

The event of default the Company recognises as an occurrence of a failure to settle the liability by the contractor after the period of 180 days starting on the day of receivables maturity. The receivables of recognised impairment include also receivables issued for the delays in making the payment by contractors (so called financial sanctions).

The receivables recognised as impaired receivables are subject to a full write-off, while for the non-insured receivables the basis for calculating the write-off is 100% of the receivables. For the insured receivables or covered by other form of security the basis for calculating write-offs is the own share of unpaid balance (amount of in-kind contribution of insurance/security).

For the remaining receivables, that is non-impaired receivables, the Company calculates the loss ratio based on weighted average percentage of unpaid receivables within 12 months in breakdown into groups of receivables and delays in payments, considering a three-year period in the analysis.

In accordance with the experience of the calculations performed for the first period of IFRS 15 the coefficients of impairment were calculated in total for the receivables which were secured, unsecured and related in delay intervals:

- Non-overdue,
- Overdue 1 – 14 days,
- Overdue 15 – 28 days,
- Overdue 29 – 60 days,
- Overdue 61 – 180 days,
- Overdue more than 180 days.

and similarly to previous years based on actual portfolio as of the balance sheet day the receivables were qualified to basket 3 as the ones of recognised impairment and to basket 2 as the ones of unrecognised impairment.

<i>in PLN thousand</i>	31.12.2020	31.12.2019
Gross receivables in basket 2	198 233	192 177
Receivables impairment write-off in basket 2	(609)	(731)
Net receivables in basket 2	197 623	191 446
Gross receivables in basket 3	5 153	4 626
Receivables impairment write-off in basket 3	(5 153)	(4 626)
Net receivables in basket 3	-	-

The Company estimates that the risk of failure to settle the trade receivables by the contractor in the scope of non-overdue receivables and overdue receivables subject to a write-off is low, due to effective management of merchant credits and debt collection. The Company, among others, defines limits for particular contractors and establishes hedges and is able to compensate mutual liabilities.

Cash resources – estimated asset impairment

The Company deposits its free cash resources and their equivalents exclusively in entities operating in the financial sector. The analysis of the exposure to this type of risk, conducted as of 31st December 2020 for the amount of PLN 92 475 thousand, which constitutes 99.64% of Company's total cash resources in the amount of PLN 92 806 thousand (included in note 4.20), the remaining ones are cash resources on the way and cash in hand, demonstrated that in the prevailing part these are banks and brokers of the highest, upper medium and medium ratings, and also possessing large equities and a leading and stable market position in Poland. This credit risk is being monitored on an ongoing basis through analysis of credit ratings and limiting the concentration level of resources at particular financial institution.

Concentration level of cash resources and deposits considering the credit evaluation of financial institutions:

<i>in PLN thousand</i>	31.12.2020	Rating Moody's	Rating Fitch	Rating S&P	31.12.2020	31.12.2019
Bank1	66 976,4	A3	BBB-	BBB	72,4%	64,8%
Bank2	9 345,5	Aa3	A+	A+	10,1%	18,3%
Bank3	4 819,5	A2	-	-	5,2%	-
Bank4	4 800,8	A2	A+	-	5,2%	1,5%
Bank5	4 667,1	Baa1	BBB-	-	5,0%	5,1%
Other banks	1 865,7	-	-	-	2,1%	10,3%
Total	92 475,0	-	-	-	100,0%	100,0%

Despite concentration of credit risk connected with cash resources and deposits at one main bank and also lack of ratings for brokers, the Company estimates that due to the cooperation exclusively with renowned financial institutions as well as current monitoring of their financial results, it is not significantly susceptible to credit risk resulting from depositing financial resources in these institutions.

The value of the estimated impairment of cash resources is insignificant from the perspective of the results achieved by the Company as of 31st December 2020.

Derivatives transactions – estimated asset impairment

The Company concludes derivatives transactions in entities operating in the financial sector. The analysis of the exposure to this type of risk, conducted as of 31st December 2020 for the amount of PLN 9 226 thousand, demonstrated that in the prevailing part these are banks and brokers of the highest, upper medium and medium ratings, and also possessing large equities and a leading and stable market position in Poland. This credit risk is being monitored on an ongoing basis through analysis of credit ratings and limiting the concentration level of resources at particular financial institutions.

In order to limit cash flows and simultaneously limit credit risk the Company conducts net settlements to the level of a positive balance valuation of transactions in derivatives concluded with the given entity.

Concentration level of fair value and derivatives considering the credit evaluation of financial institutions:

<i>in PLN thousand</i>	31.12.2020	Rating Moody's	Rating Fitch	Rating S&P	31.12.2020	31.12.2019
Broker1	24 294	-	-	-	263,3%	113,4%
Bank1	(10)	A2	A+	-	-0,1%	-55,6%
Bank2	(15 058)	A3	BBB-	BBB	-163,2%	42,2%
Total	9 226				100,0%	100,0%

Despite concentration of credit risk connected with revaluation of transactions in derivatives at one main broker, and also lack of ratings for this broker, the Company estimates that due to the previous good cooperation with this broker, and also monitoring their financial results and other market and non-market information that demonstrate its financial condition, it is not susceptible to credit risk resulting from valuation of transactions in derivatives.

Liquidity risk

The liquidity risk is a risk of occurrence of lack of repayment possibility by the Company of its financial liabilities at their maturity. The Company takes measures to ensure a stable and effective financing of activities.

In managing the liquidity, the Company adheres to the following principles

- ensuring stable and diversified financing from external institutions,
- allocating financial surpluses to repay interest debt or investing them in secure instruments,
- credit limits for trade partners,
- collection of receivables according to their payment date, possibly issuing interest notes in case they are overdue,
- effective management of the remaining working capital components.

Analysis of financial liabilities maturity together with interest payments:

a) to related entities as of 31.12.2020

<i>in PLN thousand</i>	Balance value	Contracted value of flows	up to 1 month	from 1 m to 3 m	from 3 m to 1 year	from 1 year to 5 years
Financial						
Other interest-bearing liabilities	10 420	10 420	-	10 420	-	-
Trade and other liabilities (excluding public and legal liabilities and remunerations)	738	738	322	-	416	-
Total	11 158	11 158	322	10 420	416	-

b) to related entities as of 31.12.2019

<i>in PLN thousand</i>	Balance value	Contracted value of flows	up to 1 month	from 1 m to 3 m	from 3 m to 1 year	from 1 year to 5 years
Financial						
Trade and other liabilities (excluding public and legal liabilities and remunerations)	4 122	4 122	463	2 913	-	746
Total	4 122	4 122	463	2 913	-	746

c) to remaining entities as of 31.12.2020

<i>in PLN thousand</i>	Balance value	Contracted value of flows	up to 1 month	from 1 m to 3 m	from 3 m to 1 year	from 1 year to 5 years	over 5 years
Financial							
Lease liabilities	51 740	71 334	968	1 905	6 837	24 346	37 278
Overdrafts	172 440	172 440	172 440	-	-	-	-
Derivative financial instruments	21 138	21 138	2 574	-	15 126	3 438	-
Trade and other liabilities and other liabilities (excluding public and legal liabilities and remunerations)	81 605	81 605	81 605	-	-	-	-
Total	326 923	346 517	257 587	1 905	21 963	27 784	37 278

d) to remaining entities as of 31.12.2019

<i>in PLN thousand</i>	Balance value	Contracted value of flows	up to 1 month	from 1 m to 3 m	from 3 m to 1 year	from 1 year to 5 years	over 5 years
Financial							
Lease liabilities	10 138	11 455	277	552	2 431	8 195	-
Overdrafts	203 504	203 504	203 504	-	-	-	-
Derivative financial instruments	8 069	8 069	2 186	235	-	5 648	-
Trade and other liabilities and other liabilities (excluding public and legal liabilities and remunerations)	74 454	74 454	74 454	-	-	-	-
Total	296 165	297 482	280 421	787	2 431	13 843	-

Capital management

In order to maintain the ability to continue its business activities, taking into account implementation of the planned investments, the Company manages the capital in the way that ensures its future development and simultaneously maximises return on equity for the shareholders. The level of return on equity is monitored by the Company with the use of ROE ratio (net profit/equity). The level of this ratio as of 31st December 2020 amounted to 12.8% (respectively as of 31st December 2019, 22.1%).

Additionally, in the process of liquidity and capital management the Company also pays attention to the following ratios:

- asset coverage ratio (equity/total assets), the level of this ratio as of 31st December 2020 amounts to 34.9% (respectively as of 31st December 2019, 38.0%),
- current liquidity ratio current assets/short-term liabilities, the level of this ratio as of 31st December 2020 amounts to 1.3 (respectively as of 31st December 2019, 1.5).

In order to manage optimally its capital, maintain the liquidity and creditworthiness that allow to obtain and maintain external financing the Company in the long term strives at maintaining the asset coverage ratio at the level not lower than 20%, and current liquidity ratio at the level not lower than 1.1.

4.30 CONTINGENT LIABILITIES

The amount of guarantees of Unimot S.A. towards third parties, issued in the course of current activity as of 31st December 2020 and 31st December 2019 amounted to respectively PLN 32 million and EUR 6.8 million and PLN 30.52 million and EUR 1.7 million. These concerned mainly: civil and law guarantees connected with securing proper execution of contracts, and public and law guarantees resulting from the valid law regulations securing the correctness of conducting licensed activities in the liquid fuels sector and resulting from this activity receivables of tax, customs nature, etc.

The value of standby letters of credit issued on request of Unimot S.A. as of 31st December 2020 and as of 31st December 2019 amounted respectively USD 0 million and USD 19.4 million.

The Company granted a civil surety for the liabilities of a related nonconsolidated entity in the amounts as of 31st December 2020 and as of 31st December 2019 respectively PLN 2.5 million and PLN 2.5 million.

Unimot S.A. issued guarantees, civil sureties and avals for the liabilities of consolidated related entities in the amounts as of 31st December 2020 and as of 31st December 2019 respectively PLN 38.4 million and PLN 36.7 million.

The amount of guarantees concerning liabilities of subsidiaries towards third parties issued in the course of the current activity as of 31st December 2020 and as of 31st December 2019 amounted to respectively PLN 21.9 million and PLN 21.74 million.

The Company receives remuneration for issuing sureties. The risk of payment related to these liabilities has been included in the price. As of the balance sheet date 31.12.2020 the Company did not identify increased credit risk with reference to issued guarantees and sureties and a potential reserve due to expected loss is insignificant.

4.31 TRANSACTIONS WITH RELATED ENTITIES

Balance of settlements as of 31.12.2020

<i>in PLN thousand</i>	Receivables	Liabilities	Loans received	Loans granted
Unimot Express Sp. z o.o. - Parent Entity	32	282	-	-
Unimot System Sp. z o.o. - subsidiary	415	1	-	-
Blue LNG Sp. z o.o. - subsidiary	514	-	-	519
Unimot Paliwa Sp. z o.o. - subsidiary	208	-	-	-
Unimot Energia i Gaz Sp. z o.o. - subsidiary	2 181	39	-	2 052
Tradea Sp. z o.o. - subsidiary	1 252	-	10 420	-
Unimot Ukraine LLC - subsidiary	-	-	-	-
Unimot Energy LLC - subsidiary	-	-	-	-
Unimot Asia LLC - subsidiary	944	416	-	-
3 Seas Energy LLC - subsidiary	1 530	-	-	-
Naturalna Energia Sp. z o.o. - subsidiary	-	-	-	-
Nasze Czyste Powietrze Sp. z o.o. - subsidiary	-	-	-	-
PV Energy Sp. z o.o. - subsidiary	-	-	-	-
PZL Sędziszów S.A. (affiliate of Unimot Express Sp. z o.o.)	853	-	-	-
Unimot Truck S.A. (related entity of Unimot Express Sp. z o.o.)	7	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	7 936	738	10 420	2 571

Balance of settlements as of 31.12.2019

<i>in PLN thousand</i>	Receivables	Liabilities	Loans received	Loans granted
Unimot Express Sp. z o.o. - Parent Entity	34	274	-	-
Unimot System Sp. z o.o. - subsidiary	451	2 913	-	-
Blue LNG Sp. z o.o. - subsidiary	812	-	-	2 221
Unimot Paliwa Sp. z o.o. - subsidiary	209	47	-	-
Unimot Energia i Gaz Sp. z o.o. - subsidiary	3 856	142	-	-
Unimot Energia i Gaz Sp. z o.o. SK.A. - subsidiary	-	-	-	-
Tradea Sp. z o.o. - subsidiary	79	-	-	-
Unimot Ukraine LLC - subsidiary	-	-	-	-
Unimot Energy LLC - subsidiary	-	-	-	-
Unimot Asia LLC - subsidiary	818	746	-	-
PZL Sędziszów S.A. (affiliate of Unimot Express Sp. z o.o.)	33	-	-	-
Unimot Truck S.A. (related entity of Unimot Express Sp. z o.o.)	-	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	6 292	4 122	-	2 221

Revenues from mutual transactions for the period of 01.01.2020 - 31.12.2020

<i>in PLN thousand</i>	Revenues on sales of goods	Revenues on services sale	Financial revenues
Unimot Express Sp. z o.o. - Parent Entity	82	6	-
Unimot System Sp. z o.o. - subsidiary	2 963	56	56
Blue LNG Sp. z o.o. - subsidiary	6	10	43
Unimot Paliwa Sp. z o.o. - subsidiary	5	18	204
Unimot Energia i Gaz Sp. z o.o. - subsidiary	8 023	91	70
Tradea Sp. z o.o. - subsidiary	47	4 099	65
Unimot Ukraine LLC - subsidiary	764	-	-
Unimot Energy LLC - subsidiary	-	-	-
Unimot Asia LLC - subsidiary	-	-	-
3 Seas Energy LLC - subsidiary	-	-	-
Naturalna Energia Sp. z o.o. - subsidiary	-	-	-
Nasze Czyste Powietrze Sp. z o.o. - subsidiary	-	-	-
PV Energy Sp. z o.o. - subsidiary	-	-	-
PZL Sędziszów S.A. (affiliate of Unimot Express Sp. z o.o.)	7	-	25
Unimot Truck S.A. (related entity of Unimot Express Sp. z o.o.)	5	6	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-
Total	11 902	4 286	463

Revenues from mutual transactions for the period 01.01.2019 - 31.12.2019

<i>in PLN thousand</i>	Revenues on sales of goods	Revenues on services sale	Recharged	Other operating revenues	Financial revenues
Unimot Express Sp. z o.o. - Parent Entity	95	1	15	-	-
Unimot System Sp. z o.o. - subsidiary	3 980	68	44	-	204
Blue LNG Sp. z o.o. - subsidiary	-	10	7	-	124
Blue Cold Sp. z o.o.	-	6	9	-	-
Unimot Paliwa Sp. z o.o. - subsidiary	7	28	7	-	203
Unimot Energia i Gaz Sp. z o.o. - subsidiary	6 200	30	502	-	44
Unimot Energia i Gaz Sp. z o.o. SK.A. - subsidiary	-	-	-	-	-
Tradea Sp. z o.o. - subsidiary	-	24	83	36	61
Unimot Ukraine LLC - subsidiary	-	-	-	-	-
Unimot Energy LLC - subsidiary	-	-	-	-	-
Unimot Asia LLC - subsidiary	975	-	8	-	-
PZL Sędziszów S.A. (affiliate of Unimot Express Sp. z o.o.)	-	-	4	-	30
Unimot Truck S.A. (related entity of Unimot Express Sp. z o.o.)	-	6	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-	-
Total	11 257	173	679	36	666

Costs from mutual transactions for the period of 01.01.2020 - 31.12.2020

<i>in PLN thousand</i>	Purchases of goods and materials	Purchases of services	Other operating costs	Financial costs
Unimot Express Sp. z o.o. - Parent Entity	28	620	-	240
Unimot System Sp. z o.o. - subsidiary	-	-	-	-
Blue LNG Sp. z o.o. - subsidiary	-	-	-	-
Unimot Paliwa Sp. z o.o. - subsidiary	77	-	-	-
Unimot Energia i Gaz Sp. z o.o. - subsidiary	962	1	-	-
Tradea Sp. z o.o. - subsidiary	-	26	-	420
Unimot Ukraine LLC - subsidiary	-	-	-	-
Unimot Energy LLC - subsidiary	-	34	-	-
Unimot Asia LLC - subsidiary	-	-	-	-
3 Seas Energy LLC - subsidiary	87 438	-	-	-
Naturalna Energia Sp. z o.o. - subsidiary	-	-	-	-
Nasze Czyste Powietrze Sp. z o.o. - subsidiary	-	-	-	-
PV Energy Sp. z o.o. - subsidiary	-	-	-	-
PZL Sędziszów S.A. (affiliate of Unimot Express Sp. z o.o.)	33	-	150	-
Unimot Truck S.A. (related entity of Unimot Express Sp. z o.o.)	-	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	88 538	681	150	660

Costs from mutual transactions for the period of 01.01.2019 - 31.12.2019

<i>in PLN thousand</i>	Purchases of goods and materials	Purchases of services	Recharged	Financial costs
Unimot Express Sp. z o.o. - Parent Entity	27	588	4	268
Unimot System Sp. z o.o. - subsidiary	-	-	4	-
Blue LNG Sp. z o.o. - subsidiary	-	-	-	-
Blue Cold Sp. z o.o. - subsidiary	-	-	-	-
Unimot Paliwa Sp. z o.o. - subsidiary	381	-	-	-
Unimot Energia i Gaz Sp. z o.o. - subsidiary	554	-	192	-
Unimot Energia i Gaz Sp. z o.o. SK.A. - subsidiary	-	-	-	-
Tradea Sp. z o.o. - subsidiary	-	-	-	34
Unimot Ukraine LLC - subsidiary	-	-	-	-
Unimot Energy LLC - subsidiary	-	155	-	-
Unimot Asia LLC - subsidiary	-	-	-	-
PZL Sędziszów S.A. (affiliate of Unimot Express Sp. z o.o.)	88	504	8	-
Unimot Truck S.A. (related entity of Unimot Express Sp. z o.o.)	-	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	1 050	1 247	208	302

In the current accounting period no individual transactions have been identified conducted between the Company and related entities which would be significant due to their unusual scope and value. Transactions concluded by the Company and related entities belonged to the scope of normal, everyday business operations, conducted on market terms and principles. These transactions concerned mainly purchases of goods and materials for the needs of current operating activity (fuels, energy, rental services).

In the examined period and the comparable period, the Company granted civil sureties, avals sureties and issued guarantees for the liabilities of related entities – details in note 4.30.

In the analysed period the Company granted a loan to a related company Unimot Energia i Gaz Sp. z o.o. in the amount of PLN 2 000 thousand. The remuneration for the granted loans was agreed at the level comparable to interest available on the market of bank loans granted in the same period. In particular, interest was applied depending on market rates (WIBOR). While calculating the margins applied in the loan agreements there were circumstances considered in particular that the loans were granted without material collateral, preparatory commission or any other fees or commissions. Entities that grant unsecured loans on the market consider the fact of lacking strong collateral through requiring higher interests, which reflects a higher level of risk involved.

4.32 EMPLOYMENT

01.01.2020 - 31.12.2020			
<i>in PLN thousand</i>	Women	Men	Total
White-collar workers	64	38	102
Blue-collar workers	2	19	21
Total	66	57	123

01.01.2019 - 31.12.2019			
<i>in PLN thousand</i>	Women	Men	Total
White-collar workers	54	35	89
Blue-collar workers	4	35	39
Total	58	70	128

4.33 EXPLANATORY NOTE TO THE STATEMENTS ON CASH FLOWS

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Status change of receivables resulting from the statements of financial condition	(53 778)	(57 479)
Status change of receivables due to interest receivables	(100)	100
Status change of receivables resulting from the disinvestment agreement - compensation	-	(6 178)
Status change of receivables due to investment receivables	1 236	-
Status change of receivables due to other receivables	(131)	-
Change of receivable status in the statement of cash flows	(52 773)	(63 557)

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Status change of liabilities resulting from the statements of financial condition	55 373	61 152
Status change of liabilities due to purchase of	(416)	-
Status change of interest liabilities	574	(574)
Liabilities status change in the statements of cash flows	55 531	60 578

4.34 REMUNERATION OF STATUTORY BODIES

Remuneration of the Members of the Management Board

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Short-term employee benefits	240	302
Provisions for the bonuses of the Management Board	6 621	6 219
Total	6 861	6 521

Remuneration of the Members of the Supervisory Board

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Short-term employee benefits	280	172
Total	280	172

As of 31st December 2020 and as of 31 December 2019 there were no significant transactions of the related entities with:

- Members of the Management Board and Supervisory Board of the Company and their relatives,
- other key management personnel of the Company and their relatives.

4.35 REMUNERATION OF THE ENTITY AUDITING THE FINANCIAL STATEMENTS AND ITS RELATED ENTITIES

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Due to agreements on auditing the financial statements	155	67,5
Due to agreements on reviewing the financial statements	35	67,5
Due to verification of the statements of the remuneration of the Management Board and Supervisory Board	22	-
Due to verification of financial statements in ESEF format	30	-
Total	242	135

4.36 ESTIMATION OF THE INFLUENCE OF CORONAVIRUS COVID-19 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL CONDITION OF THE COMPANY

Detailed description of the impact of coronavirus COVID-19 pandemic on the operations and financial results of the Company has been included in item 2.5 of the Statements of the Management Board of the Unimot Group for the year 2020.

4.37 EVENTS AFTER THE BALANCE SHEET DATE

On 15.02.2021 Unimot S.A. purchased 6 000 of shares of the face value of PLN 100 each in the company Operator Klastra Energii Sp. z o.o., therefore, it obtained 80% of shares in the share capital of this company.

Zawadzkie, 23rd March 2021

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

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

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

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

.....
Małgorzata Walnik
 Person preparing the report