



UNIMOT S.A.



Standalone Financial Statements for 2021

4th April 2022 r.

SELECTED FINANCIAL DATA

SELECTED STANDALONE DATA FROM THE FINANCIAL STATEMENTS FOR 2021

	In PLN thousand		in EUR thousand	
	31.12.2021	Comparative data*	31.12.2021	Comparative data*
I. Revenues on sales	7 952 200	4 610 557	1 737 236	1 030 472
II. Profit/loss on operating activity	97 107	45 014	21 214	10 061
III. Gross profit/(loss)	89 333	40 060	19 516	8 954
IV. Net profit/(loss)	72 046	32 279	15 739	7 215
V. Net operating cash flows	(141 208)	128 310	(30 848)	28 678
VI. Net investment activity cash flows	(19 043)	(4 394)	(4 160)	(982)
VII. Net financial activity cash flows	(47 580)	(24 563)	(10 394)	(5 490)
VIII. Total net financial flows	(213 866)	97 094	(46 721)	21 701
IX. Total assets	1 144 738	743 474	248 889	161 106
X. Liabilities and provisions for liabilities	829 104	483 737	180 264	104 823
XI. Long-term liabilities	81 303	47 978	17 677	10 397
XII. Short-term liabilities	747 801	435 759	162 587	94 426
XIII. Equity	315 634	259 737	68 625	56 283
XIV. Share capital	8 198	8 198	1 782	1 776
XV. Number of shares (in thousands of shares).	8 198	8 198	-	-
XVI. Profit (loss) per one ordinary share (in PLN/EUR)**	8,79	3,94	1,92	0,88
XVII. Diluted profit (loss) per one ordinary share (in PLN/EUR)**	8,79	3,94	1,92	0,88
XVIII. Book value per one share (in PLN/EUR)***	38,50	31,68	8,37	6,87
XIX. Diluted book value per one share (in PLN/EUR)***	38,50	31,68	8,37	6,87
XX. Declared or paid dividend per one share (in PLN/EUR)	1,97	1,97	0,43	0,44

* Data for items concerning the statements of financial condition is presented as of 31.12.2020 and for the items concerning the statements of total profits and the statements of cash flows for the period from 01.01.2020 until 31.12.2020

** as of 31.12.2021 and 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 31.12.2021 and as of 31.12.2020 the number of shares used to calculate the book value and the diluted book value per one 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 statement of financial position were converted into EUR according to the average exchange rate announced by the National Bank of Poland valid as of 31.12.2021 **PLN/EUR 4.5994** and for the comparative data as of 31.12.2020 **PLN/EUR 4.6148**.

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 4.5775** (2021), **PLN/EUR 4.4742** (2020).

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

CONTENTS

SELECTED FINANCIAL DATA	1
CONTENTS	3
STANDALONE STATEMENTS OF FINANCIAL CONDITION	5
STANDALONE STATEMENTS OF TOTAL REVENUES	7
STANDALONE STATEMENTS OF CASH FLOWS	8
STANDALONE STATEMENTS OF CHANGES IN EQUITY	9
EXPLANATORY INFORMATION TO THE ANNUAL FINANCIAL STATEMENTS	10
1. GENERAL INFORMATION	10
1.1 INFORMATION ABOUT THE COMPANY	10
1.2 COMPOSITION OF MANAGEMENT AND SUPERVISORY BODIES	10
1.3 HELD SHARES AND CAPITAL CHANGES	11
2. BASIS FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS	12
3. DESCRIPTION OF SIGNIFICANT APPLIED ACCOUNTING PRINCIPLES	14
4. DISCLOSURES RESULTING FROM ARTICLE 44 OF ENERGY LAW	26
4.1 STATEMENTS OF TOTAL REVENUES IN BREAKDOWN INTO TYPES OF OPERATION	26
4.2 STATEMENTS OF THE FINANCIAL CONDITION IN BREAKDOWN INTO TYPES OF OPERATIONS	27
4.3 REVENUES ON SALES - GEOGRAPHICAL BREAKDOWN ACCORDING TO LOCATION OF FINAL CUSTOMERS	29
5. ADDITIONAL EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS	30
5.1 REVENUES ON SALES	30
5.2 COST BY TYPE	31
5.3 COST OF SOLD GOODS, PRODUCTS AND MATERIALS	31
5.4 OTHER OPERATING REVENUES	31
5.5 OTHER NET PROFITS/(LOSSES)	31
5.6 OTHER OPERATING COSTS	32
5.7 NET FINANCIAL REVENUES AND COSTS	32
5.8 INCOME TAX	32
5.9 TANGIBLE FIXED ASSETS	33
5.10 RIGHT TO USE ASSETS	34
5.11 INTANGIBLE ASSETS	36
5.12 INVESTMENTS INTO SUBSIDIARIES	40
5.13 OTHER FINANCIAL ASSETS	40
5.14 DEFERRED INCOME TAX ASSETS AND LIABILITIES	42
5.15 INVENTORIES	43
5.16 LONG-TERM RECEIVABLES	43
5.17 TRADE AND OTHER RECEIVABLES	43
5.18 CLIENT CONTRACTS ASSETS	44
5.19 OTHER CURRENT ASSETS	44
5.20 FINANCIAL RESOURCES AND THEIR EQUIVALENTS	44
5.21 EQUITY	45
5.22 LIABILITIES DUE TO CREDITS, LOANS AND OTHER DEBT INSTRUMENTS AND OVERDRAFTS	45

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

5.23	DERIVATIVE FINANCIAL INSTRUMENTS	46
5.24	CREDIT AND LOAN AGREEMENT ANALYSIS	47
5.25	CHANGE OF LIABILITIES STATUS RESULTING FROM FINANCIAL ACTIVITY	49
5.26	EMPLOYEE BENEFITS LIABILITIES	50
5.27	CLIENT CONTRACTS LIABILITIES	51
5.28	TRADE AND OTHER LIABILITIES	51
5.29	FINANCIAL INSTRUMENTS.....	51
5.29.1	FINANCIAL RISK MANAGEMENT.....	53
5.29.2	RISK OF EXCHANGE RATE CHANGE.....	54
5.29.3	PRICE RISK.....	55
5.29.4	INTEREST RATE RISK	57
5.29.5	CREDIT RISK.....	58
5.29.6	LIQUIDITY LOSS RISK.....	66
5.30	CONTINGENT LIABILITIES	69
5.31	TRANSACTIONS WITH RELATED ENTITIES	69
5.32	EMPLOYMENT	73
5.33	EXPLANATORY NOTE TO THE STATEMENTS OF CASH FLOWS	74
5.34	REMUNERATION OF STATUTORY BODIES	74
5.35	REMUNERATION OF THE ENTITY AUDITING THE FINANCIAL STATEMENTS AND ITS RELATED ENTITIES	75
5.36	ESTIMATION OF THE INFLUENCE OF CORONAVIRUS COVID-19 PANDEMIC ON THE OPERATIONS AND THE FINANCIAL CONDITION OF THE COMPANY.....	75
5.37	EVENTS AFTER THE BALANCE SHEET DATE.....	75
5.37.1	CARRIED OUT INVESTMENTS.....	75
5.35.2	IMPLEMENTING ESG STRATEGY	75
5.35.3	SITUATION IN THE EAST AND IT'S IMPACT ON UNIMOT S.A.	75

STANDALONE STATEMENTS OF FINANCIAL CONDITION

<i>in PLN thousand</i>	<i>Note</i>	As of 31.12.2021	As of 31.12.2020
Fixed assets			
TANGIBLE FIXED ASSETS	5.9	22 638	11 036
Right to use assets	5.10	67 243	52 459
INTANGIBLE ASSETS	5.11	14 301	14 315
Investments into subsidiaries	5.12	52 497	48 338
Other financial assets	5.13	260	260
Derivative financial instruments	5.23	-	13 247
Long term receivables	5.16	30 500	9 899
Client contracts assets	5.18	6 639	3 628
Deferred income tax assets	5.14	10 794	6 027
Total fixed assets		204 872	159 209
Current assets			
Inventory	5.15	318 721	163 145
Client contracts assets	5.18	2 128	1 322
Trade and other receivables	5.17	491 441	304 527
Other financial assets	5.13	41 364	2 765
Derivative financial instruments	5.23	27 517	14 885
Income tax receivables	5.8	11 529	-
Financial resources and their equivalents	5.20	40 121	92 806
Other current assets	5.19	7 045	4 815
Total current assets		939 866	584 265
TOTAL ASSETS		1 144 738	743 474

STANDALONE STATEMENTS OF FINANCIAL CONDITION (CONTINUED)

<i>in PLN thousand</i>	<i>Note</i>	As of 31.12.2021	As of 31.12.2020
Equity			
Share capital	5.21	8 198	8 198
Other capitals	5.21	234 946	218 816
Previous years' results and current year result		72 490	32 723
Equity in total		315 634	259 737
Long-term liabilities			
Liabilities due to loans, lease, and other debt instruments	5.22	61 333	44 284
Employee benefits liabilities	5.26	219	256
Derivative financial instruments	5.23	19 751	3 438
Total long-term liabilities		81 303	47 978
Short-term liabilities			
Overdrafts	5.22	333 621	172 440
Liabilities due to credits, loans, lease, and other debt instruments	5.22	6 606	17 876
Derivative financial instruments	5.23	58 685	17 700
Employee benefits liabilities	5.26	753	539
Income tax liabilities		-	2 558
Client contracts liabilities	5.27	9 336	1 981
Trade and other liabilities	5.28	338 800	222 665
Total short-term liabilities		747 801	435 759
Total liabilities		829 104	483 737
TOTAL LIABILITIES		1 144 738	743 474

STANDALONE STATEMENTS OF TOTAL REVENUES

<i>in PLN thousand</i>	<i>Note</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Revenues on sales	5.1	7 937 997	4 660 051
Profits/(losses) on financial instruments pertaining to fuel trade	5.1	14 203	(49 494)
Cost of sold goods and materials	5.3	(7 628 227)	(4 386 249)
Gross profit/(loss) on sales		323 973	224 308
Other operating revenues	5.4	5 359	2 500
Sales costs	5.2	(192 821)	(145 937)
Overheads	5.2	(36 091)	(24 171)
Other net profits/losses	5.5	(189)	189
Other operating costs	5.6	(3 124)	(11 875)
Profit/loss on operating activity		97 107	45 014
Financial revenues	5.7	903	1 117
Financial costs	5.7	(8 677)	(6 071)
Net financial revenues/(costs)	5.7	(7 774)	(4 954)
Profit/(loss) before taxation		89 333	40 060
Income tax	5.8	(17 287)	(7 781)
Net profit/(loss) for the financial year		72 046	32 279
Other total revenues/(losses) for the financial year - which will be reclassified as profits or losses after complying with defined conditions		-	-
Actuarial profit/(loss) due to employee benefits		-	-
Other total revenues/(losses) for the financial year		-	-
Total profits for the financial year		72 046	32 279
Profit/loss per one share in PLN			
Basic		8,79	3,94
Diluted		8,79	3,94

STANDALONE STATEMENTS OF CASH FLOWS

<i>in PLN thousand</i>	<i>Note</i>	01.01.2021-31.12.2021	01.01.2020- 31.12.2020
Operating cash flows			
Profit/(loss) before taxation		89 333	40 060
Adjustments with items:			
Amortisation of tangible fixed assets and the right to use assets	5.9	9 313	6 695
Intangible assets impairment	5.11	301	277
Loss (profit) due to exchange rate differences		6 681	2 259
Profit on sales of other investments		-	7
(Profit)/loss on sales of tangible fixed assets	5.5	189	(189)
Net interests, transactional costs (concerning credits and loans) and dividends		4 026	4 787
Receivables status change	5.33	(224 613)	(52 773)
Inventory status change	5.15	(155 576)	75 556
Client contracts assets status change	5.18	(3 817)	529
Client contracts liabilities status change	5.27	7 355	(632)
Trade and other short-term liabilities status change	5.33	113 823	53 453
Status change of assets/(liabilities) due to hedging instruments	5.23	26 932	(2 940)
Status change of liabilities due to employee benefits	5.26	177	175
Creating/reversing impairment loss		1 955	8 827
Income tax paid/returned	5.8	(17 287)	(7 781)
Net operating cash flows		(141 208)	128 310
Investment activity cash flows			
Revenues on tangible fixed assets sale		376	847
Received interests		273	715
Received dividends		3 747	-
Revenues on loans		44 983	13 108
Tangible fixed assets purchase		(13 683)	(4 995)
Intangible assets purchase		(287)	(210)
Loans granted		(54 452)	(13 859)
Net investment activity cash flows		(19 043)	(4 394)
Financial activity cash flows			
Contracting credits, loans and other debt instruments		56 311	10 000
Acquisition of shares in owned subsidiaries		(4 627)	(6 750)
Repayment of credits, loans and other debt instruments		(66 311)	-
Paid dividends		(16 149)	(16 149)
Payment of liabilities due to financial lease contracts		(7 482)	(5 982)
Paid interests and transactional costs (concerning credits and loans)		(9 322)	(5 682)
Net financial activity cash flows		(47 580)	(24 563)
Financial resources and their equivalents status change		(207 831)	99 353
Influence of exchange rate changes concerning financial resources and their equivalents		(6 035)	(2 259)
Financial resources and their equivalents status change		(213 866)	97 094
Financial resources and their equivalents net of credits in the current account as of 1st January	5.20	(79 634)	(176 728)
Financial resources and their equivalents net of credits in the current account as of 31st December	5.20	(293 500)	(79 634)

STANDALONE 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 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
Equity as of 1st January 2021	8 198	218 816	444	32 279	259 737
Total profits for the financial year	-	-	-	72 046	72 046
- Net profit/(loss) for the period	-	-	-	72 046	72 046
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 transfer	-	16 130	-	(16 130)	-
Equity as of 31st December 2021	8 198	234 946	444	72 046	315 634

EXPLANATORY INFORMATION TO THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 INFORMATION ABOUT THE COMPANY

Unimot Spółka Akcyjna ("Unimot S.A.", "Company") with the registered office in Zawadzkie, 2A Świerkłańska was entered on 29th March 2011 into the Register of Entrepreneurs of the District Court for Opole in Poland, VIII Commercial Division of the National Court Register under KRS number: 0000382244.

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

The core business of the Company is retail and wholesale of liquid and gaseous fuels, and petroleum products.

1.2 COMPOSITION OF MANAGEMENT AND SUPERVISORY BODIES

Composition of the Management Board as of 31st December 2021 and as of the date of these financial statements:

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

Composition of the Supervisory Board as of 31st December 2021 and as at the date of these financial statements:

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

1.3 HELD SHARES AND CAPITAL CHANGES

As of 31st December 2021 Unimot, S.A. held directly and indirectly shares in the following subsidiaries:

Name of subsidiary	The Seat	Scope of unit's basic operations	Held shares and rights to vote	Date of obtaining control
UNIMOT SYSTEM Sp. z o.o.	Poland	distribution of gas fuels through mains	100,00%	20.01.2014
BLUE LNG Sp. z o. o.	Poland	distribution of gas fuels through mains	100,00%	04.07.2014
UNIMOT PALIWA Sp. z o.o.	Poland	liquid fuels distribution	100,00%	16.11.2015
UNIMOT ENERGIA I GAZ Sp. z o.o.	Poland	electricity and gaseous fuels distribution	100,00%	30.12.2015
TRADEA Sp. z o.o.	Poland	electricity distribution	100,00%	23.05.2016
UNIMOT UKRAINE LLC	Ukraine	liquid fuels distribution	100,00%	19.04.2018
UNIMOT ASIA LLC	China	petroleum products distribution	100,00%	04.09.2018
UNIMOT ENERGY LLC	Ukraine	electricity distribution	100,00%	02.04.2019
3 SEAS ENERGY LLC	U.S.A.	petroleum products distribution	75,00%	21.05.2020
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
OPERATOR KLASTRA ENERGII Sp. z o.o.	Poland	photovoltaics	80,00%	15.02.2021
TRADEA Sp. z o.o. Sp. K.	Poland	advisory in the scope of conducting business activity and management	99,99%	08.10.2021
UNIMOT INVESTMENTS Sp. z o.o.	Poland	operations of head offices and holdings, excluding financial holdings	100,00%	20.10.2021
UNIMOT T1 Sp. z o.o.	Poland	rental and management of own or leased property	100,00%	20.10.2021
UNIMOT B1 Sp. z o.o.	Poland	production and processing of refined petroleum products	100,00%	20.10.2021

The following changes occurred in Unimot S.A. in 2021

Investments carried out in 2021:

- On 02.02.2021 Unimot S.A. increased capital in Unimot Ukraina LLC by EUR 100 560. The percentage share of the Parent Entity in UNIMOT Ukraina LLC has not changed and amounts to 100 %.
- On 15.02.2021 Unimot S.A. purchased 6 000 of shares of the face value PLN 100 each in Operator Klastera Energii Sp. z o.o., acquiring in this way 80% of shares in the Company.
- On 31.03.2021 Unimot S.A. increased capital in UNIMOT Energia i Gaz Sp. z o.o. acquiring 3 550 of new shares at PLN 1 000 each. As a result the share capital of this company increased by PLN 3.55 million. The percentage share of the Parent Equity in UNIMOT Energia i Gaz Sp. z o.o. has not changed and amounts to 100 %.
- On 08.10.2021 Unimot S.A. purchased shares of the subsidiary Tradea Sp. z o.o. Sp. K. for the amount of PLN 1 000. Unimot S.A. is a limited partner in this Company with the right to 99.99% profits of this Company.
- On 20.10.2021 Unimot S.A. purchased 100% of shares in a non-operating company for the amount of PLN 7 500. The purchased Company will operate as Unimot Investments Sp. z o.o. and will be used to carry out development investment projects.

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

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- On 20.10.2021 Unimot S.A. purchased 100% of shares in a non-operating company for the amount of PLN 7 500. The purchased Company will operate as Unimot B1 Sp. z o.o. and will be used to carry out development investment projects. Having purchased the shares of the above-mentioned SPV, on 20.10.2021 Unimot S.A. disposed of its 100% share to Unimot Investments Sp. z o.o. The share of Unimot S.A. in the newly purchased company has not changed and amounts to 100% (indirectly).
- On 20.10.2021 Unimot S.A. purchased 100% of shares in a non-operating company for the amount of PLN 7 500. The purchased Company will operate as Unimot T1 Sp. z o.o. and will be used to carry out development investment projects. Having purchased the shares of the above-mentioned SPV, on 20.10.2021 Unimot S.A. disposed of its 100% share to Unimot Investments Sp. z o.o. The share of Unimot S.A. in the newly purchased company has not changed and amounts to 100% (indirectly).

BASIS FOR PREPARING THE ANNUAL FINANCIAL STATEMENTS

2.1 Going concern principle

The financial statements as of the day and financial year ended on 31st December 2021 has 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 preparing the present financial statements the Management Board of Unimot S.A. does not identify the circumstances that may indicate threats to continue the operations in the next reporting period by both the Company and the Unimot Capital Group.

2.2 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 2021.

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 valuation at fair value through financial result.

The Company also prepares 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. Ks. J. Poniatowskiego 1, 03-901 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 2021 have not been considered while preparing the present consolidated financial statements.

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

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 1st January 2021:

- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16, "Leases" - Interest Rate Reference Reform - Stage 2 approved in the EU on 13 January 2021 (effective for annual periods beginning on or after 1 January 2021).
- Amendments to IFRS 16 'Leases' - relief from rental payments in relation to Covid-19 after 30 June 2021 approved in the EU on 30 August 2021 (effective from 1 April 2021 for financial years beginning on or after 1 January 2021).
- Amendments to IFRS 4 "Insurance Contracts" - "Amendments to IFRS 4 "Insurance Contracts". "Extension of the temporary exemption from IFRS 9" has been extended from 1 January 2021 to annual periods beginning on or after 1 January 2023).

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

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

In the present standalone 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:

- Amendments to IAS 16 "Property, plant and equipment" - revenues arising before a non-current asset is placed in service approved in the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).
- Amendments to IAS 1 "Presentation of financial statements", Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets" - Onerous contracts - Cost of fulfilling a contract approved in the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).
- Amendments to IFRS 3 "Business Combinations" - Amendments of references to conceptual assumptions together with amendments to IFRS 3 approved in the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022).
- IFRS 17 "Insurance Contracts" with subsequent amendments to IFRS 17 approved in the EU on 19 November 2021 (effective for annual periods beginning on or after 1 January 2023).
- Amendments to various standards "Improvements to IFRSs (2018 - 2020 cycle)" - Amendments made under the annual improvement procedure to IFRSs (IFRS 1, IFRS 9, IFRS 16 and IAS 41) aimed mainly at resolving inconsistencies and clarifying vocabulary - approved in the EU on 28 June 2021 (amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendments to IFRS 16 relate only to an illustrative example and therefore no effective date is given).
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" - definition of estimates
- Amendments to IAS 12 'Income Taxes' - obligation to recognise deferred tax on transactions i.e. leases.
- IFRS 14 "Regulatory accruals".
- Amendments to IFRS 10 'Consolidated Financial Statements' and to IAS 28 'Investments in Associates on 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.

2.4 Significant estimates and judgements

Preparation of the financial statements in conformity with International Financial Reporting Standards requires the Management Board 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 of the Company with the application of International Financial Reporting Standards (IFRS) have been presented in the notes:

- note 2.2 – going concern principle,
- note 5.11 - test for value loss of cash flow generating centres, to which the value of companies has been allocated,
- note 5.14 – assets and reserves due to deferred tax and utilisation of tax losses,
- note 5.26 – employee benefits liabilities,
- note 5.29 – financial instruments valuation,
- note 5.30 – contingent liabilities.

2.5 Functional and presentation currency

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

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 financial statements.

3.1 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.

3.2 TANGIBLE FIXED ASSETS

Own components of tangible fixed assets

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.

Other borrowing costs are recognised as an expense in the period in which they were incurred.

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

These costs of exchanged elements of the components of tangible fixed asset incurred at a later date are activated that may be reliably estimated, and it is probable that the Company will obtain economic benefits related to the exchanged components of the tangible assets. All the remaining expenditures are recognised in the financial result as costs at the time they are 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.

3.3 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.

3.4 INTANGIBLE ASSETS

Goodwill

The initial goodwill arose from the in-kind contribution of the organised part of the business related to LPG trading and from the in-kind contribution of the organised part of the business related to fuel trading.

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.

The details have been described in note [5.11](#).

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.

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 is 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 |
| | from 2 to 10 |
| ▪ Other intangible fixed assets | years |

3.5 Subsidiaries

Subsidiaries in the Company's financial statements are those entities over which the Company has direct control. In the financial statements, investments in subsidiaries not classified as held for sale are recognised at the purchase cost less of impairment losses, which is not higher than fair value as of the balance sheet date.

3.6 Financial assets and liabilities

Financial instruments

Financial instruments other than derivatives

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.

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 revenues

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.

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

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 considers:

- 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.

3.7 Inventories

The Company's inventories are classified as goods. Inventories of goods consist of operating reserve and compulsory reserve.

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.

3.8 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.

3.9 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.

3.10 Equity

Share capital

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.

3.11 Liabilities due to 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.

3.12 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.

3.13 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.

3.14 Trade and other liabilities

Liabilities, including trade and other liabilities are valued at the date they arise at fair value, and then at amortised cost using the effective interest rate method. The Company uses simplified methods for the valuation of liabilities measured at amortised cost where this does not distort the information in the statements of financial condition, particularly where the period until the liability is settled is not long. Current liabilities are not discounted.

3.15 Revenues

Revenues comprise the fair value of remuneration received or due for the sale of goods and services in the ordinary course of the Company's business. Revenues are presented net of value added tax, after allowing for refunds, 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 content 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 allocates 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.

Sales related to sales of liquid fuels, natural gas mainly include deferred payment sales. Within the Petrol Station segment, there are both cash sales and sales conducted with deferred payment.

Typically, payment is due upon delivery of the good or upon completion of the service. Payment terms not exceeding 30 days are mostly used in contracts with customers.

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.

Client 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.

Client 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 pertaining to the current operation.

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 profits from the foreign exchange gains on financial assets,
- reversal of impairment write-off of held-to-maturity financial assets, available-for-sale financial assets, loans and shares.

3.16 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.

3.17 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.

3.18 Other net profit/loss

Other profit/loss net include:

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

3.19 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 relating 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.

4. DISCLOSURES RESULTING FROM ARTICLE 44 of ENERGY LAW

Due to held concessions Unimot S.A. is a power company and therefore performs obligations under Art. 44 of the Energy Law Act. Within the scope of disclosures, it presents separately the licensed activity connected with the trade of gas fuels. Other activities of the Company include, inter alia, activities related to the sale of liquid fuels, i.e. diesel oil, LPG and biofuels, operation of petrol stations, sale of oils, bitumen, service activities. Unallocated items include activities related to the management and administration of the Company as a whole and cannot be clearly attributed to the results of the relevant business segment. Unallocated items include, in particular, operating costs of the Supervisory Board and Management Board of the Company, together with those divisions whose work contributes to the development of the Company as a whole, e.g. part of the costs of the finance and investor relations units and the internal audit unit.

Principles of preparing the statements of comprehensive income by business segments

The Company maintains accounting records that enable separate calculation of revenues, costs and financial result of individual business segments.

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

The portion of the Company's overheads that pertains to the provision of work to the individual business segments has been allocated proportionally using allocation keys calculated based on estimated labour intensity. Overheads that cannot be allocated to individual business segments because they are incurred within the units working for the development of the Group as a whole have been treated as unallocated. The item unallocated also includes revenues and expenses pertaining to the Company's investment activities, including in particular impairment losses.

Principles of preparing the statement of financial position by business segments

The Company has directly distinguished: property, plant and equipment, inventories, trade receivables and trade payables, other receivables and payables, liabilities due to loans, borrowings, other debt instruments and derivative financial instruments related to particular business segments conducted by the Company, which are directly related to the activities within particular business segments listed in the Company's financial statements.

In the case of assets and liabilities which, as in the case of the components of profit or loss, cannot be directly related to the business segments, a classification into unallocated has been made. Unallocated includes such components as: property, plant and equipment, intangible assets, investments in subsidiaries, other cash assets, receivables, cash, equity except for results from previous years relating to individual business activities, loans and borrowings, tax liabilities, provisions, deferred tax assets.

4.1 STATEMENTS OF TOTAL REVENUES IN BREAKDOWN INTO TYPES OF OPERATION

<i>in PLN thousand</i>				
for the period 01.01.2021 - 31.12.2021	Gaseous fuels trade	Other activity	Unallocated	Total
Revenues from external customers	543 159	7 393 542	1 296	7 937 997
Profits (losses) due to financial instruments pertaining to fuel trade	-	14 203	-	14 203
Total revenues	543 159	7 407 745	1 296	7 952 200
Cost of goods and materials sold to external customers	(533 598)	(7 094 456)	(173)	(7 628 227)
Cost of goods, products and materials, in total	(533 598)	(7 094 456)	(173)	(7 628 227)
Profit on sales	9 561	313 289	1 123	323 973

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

Other operating revenues	-	1 566	3 793	5 359
Sale and overheads costs	(12 415)	(193 656)	(22 841)	(228 912)
Other net profits/losses	-	(189)	-	(189)
Other operating costs	-	(2 572)	(552)	(3 124)
Operating activity result	(2 854)	118 438	(18 477)	97 107
Financial revenues	141	945	(183)	903
Financial costs	(141)	(8 536)	-	(8 677)
Income tax	-	-	-	(17 287)
Profit/(loss) for the period	(2 854)	110 847	(18 660)	72 046

<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)
Profit on sales	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

4.2 STATEMENTS OF THE FINANCIAL CONDITION IN BREAKDOWN INTO TYPES OF OPERATIONS

<i>in PLN thousand</i>				
31.12.2021	Gaseous fuels trade	Other activity	Unallocated	Total
Fixed assets	362	136 820	67 690	204 872
TANGIBLE FIXED ASSETS	70	21 078	1 490	22 638
Right to use assets	54	65 191	1 998	67 243
INTANGIBLE ASSETS	-	13 939	362	14 301
Investments into subsidiaries	-	-	52 497	52 497
Other financial assets	-	-	260	260
Long term receivables	238	29 973	289	30 500

Client contracts assets	-	6 639	-	6 639
Deferred income tax assets	-	-	10 794	10 794
Current assets	97 303	781 235	61 328	939 866
Inventory	14 060	304 661	-	318 721
Client contracts assets	-	2 128	-	2 128
Trade and other receivables	81 863	406 414	3 164	491 441
Other financial assets	460	35 758	5 146	41 364
Derivative financial instruments	-	27 517	-	27 517
Income tax receivables	-	-	11 529	11 529
Financial resources and their equivalents	-	-	40 121	40 121
Other current assets	920	4 757	1 368	7 045
TOTAL ASSETS	97 665	918 055	129 018	1 144 738

in PLN thousand 31.12.2021	Gaseous fuels trade	Other activity	Unallocated	Total
Equity	(689)	374 127	(57 804)	315 634
Long-term liabilities	29	80 184	1 090	81 303
Liabilities due to loans and other debt instruments	29	60 433	871	61 333
Employee benefits liabilities	-	-	219	219
Derivative financial instruments	-	19 751	-	19 751
Short-term liabilities	90 351	632 153	25 297	747 801
Overdrafts	44 172	289 449	-	333 621
Liabilities due to loans and other debt instruments	28	5 635	943	6 606
Derivative financial instruments	-	58 685	-	58 685
Employee benefits liabilities	-	-	753	753
Client contracts liabilities	-	9 336	-	9 336
Trade and other liabilities	46 151	269 048	23 601	338 800
TOTAL LIABILITIES	89 691	1 086 464	(31 417)	1 144 738

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

<i>in PLN thousand</i> 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 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 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

4.3 REVENUES ON SALES - geographical breakdown according to location of final customers

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-1.12.2020
Poland	6 522 730	3 548 341
Czech Republic	391 116	397 642
Switzerland	25 207	2 842
Slovakia	12 719	8 034
Hungary	83 870	26 661
Austria	35 970	35 181
Belgium	52 262	14 473

Great Britain	31 928	273 966
Georgia	122	-
Germany	82 872	186 392
The Netherlands	636 932	19 080
Estonia	-	18 698
Romania	-	123
Cyprus	12	29
India	-	1
Sweden	-	31
Ukraine	20 627	6 407
Serbia	-	1 570
Taiwan	317	665
China	4 108	763
Bulgaria	46 665	63 299
Lithuania	4 743	6 359
Total	7 952 200	4 610 557

Main customers

In the period from 1st January to 31st December 2021 as well as in the comparable period none of the Company's customers exceeded 10% of revenues.

ADDITIONAL EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5.1 REVENUES ON SALES

<i>in PLN thousand</i>	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Client contracts revenues:		
Revenues on services sale	1 596	4 886
Revenues on sales of goods and materials	7 936 401	4 655 165
Client contracts revenues in total	7 937 997	4 660 051
Profits (losses) from financial instruments pertaining to fuel trading	14 203	(49 494)
Total	7 952 200	4 610 557

The Company has no contracted revenues for the period after the balance sheet date.

5.2 COST BY TYPE

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Amortisation of tangible fixed assets and intangible assets	(1 923)	(1 548)
Amortisation due to the right to use assets	(7 691)	(5 424)
Electricity and materials consumption	(3 691)	(2 359)
Foreign services	(173 949)	(128 208)
Taxes and charges	(3 085)	(1 463)
Remunerations	(19 630)	(16 828)
Social security and other benefits	(2 811)	(2 213)
Other cost by type	(16 980)	(8 315)
Costs by type in total	(229 760)	(166 358)
Cost of sold goods, products and materials	(7 628 227)	(4 386 249)
Change in inventories and accruals	4 195	(519)
Other	(3 347)	(3 231)
Cost of sold goods, products and materials and overheads	(7 857 139)	(4 556 357)

5.3 COST OF SOLD GOODS, PRODUCTS AND MATERIALS

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Cost of sold goods and materials	(7 567 212)	(4 430 500)
Inventories valuation to fair value	81 045	(30 340)
Balance sheet valuation of derivatives pertaining to compulsory reserve	(57 930)	3 923
Effect of executing hedging instruments pertaining to compulsory reserve	(61 389)	60 920
Achieved exchange rate differences from credits	(21 038)	11 299
Balance sheet valuation of credits	(5 400)	(3 284)
Achieved exchange rate differences from settlements	2 765	1 019
Balance sheet valuation of settlements	932	714
Total	(7 628 227)	(4 386 249)

5.4 OTHER OPERATING REVENUES

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Received damages and penalties	42	153
Costs of court proceedings subject to return	30	132
Interest revenues concerning trade receivables	1 120	1 353
Dividends	3 747	-
Other	420	862
Total	5 359	2 500

5.5 OTHER NET PROFITS/(LOSSES)

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Net profit on sale of tangible fixed assets	-	189

Net loss on sale of tangible fixed assets	(189)	-
Total	(189)	189

5.6 OTHER OPERATING COSTS

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Interest costs from non-financial liabilities	(250)	(48)
Costs of irrecoverable receivables	-	(311)
Write-off revaluating investments value	(1 955)	(8 827)
Costs of court proceedings	(45)	(116)
Donations	(141)	(1 901)
Accidents	(24)	-
Other	(709)	(672)
Total	(3 124)	(11 875)

5.7 NET FINANCIAL REVENUES AND COSTS

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Financial revenues		
Interest on financial assets and financial commissions	903	1 117
Total financial revenues	903	1 117
Financial costs		
Bank interests and transaction costs on credits and loans	(8 677)	(6 064)
Other	-	(7)
Total financial costs	(8 677)	(6 071)
Net financial costs	(7 774)	(4 954)

5.8 INCOME TAX

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Current income tax		
Income tax for the current year	(22 054)	(15 886)
Deferred tax		
Arising/reversing temporary differences	4 767	8 105
Income tax recognised in the interim condensed statements of total revenues	(17 287)	(7 781)

Effective discount rate

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Profit/(loss) before taxation	89 333	40 060
Tax based on applicable tax rate	(16 973)	(7 611)
Fixed costs not being the cost of obtaining revenues	(1 037)	(297)
Non-taxable fixed revenues	723	127
Total	(17 287)	(7 781)

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

Effective discount rate	19,4%	19,4%
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5.9 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 01.01.2020	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

<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 01.01.2021	1 239	4 814	6 244	2 041	2 065	903	17 306
Increase on:	2 006	4 257	2 766	2 687	1 797	1 900	15 413
- acquisition	2 006	3 874	2 447	8	1 340	3 059	12 734
- call of assets and transfer of rights to use	-	-	-	2 679	-	-	2 679
- transfer from fixed asset under construction	-	383	319	-	457	(1 159)	-
Reduction due to:	-	(115)	(23)	(607)	(99)	(218)	(1 062)
- liquidation	-	-	-	-	-	(218)	(218)
- sale	-	(115)	(23)	(607)	(99)	-	(844)
As of 31.12.2021	3 245	8 956	8 987	4 121	3 763	2 585	31 657

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 01.01.2020	-	(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
As of 01.01.2021	-	(972)	(2 900)	(1 754)	(644)	-	(6 270)
Amortisation for the period	-	(459)	(611)	(253)	(299)	-	(1 622)

Increase due to:	-	-	-	(1 781)	-	-	(1 782)
- call of assets and transfer of rights to use	-	-	-	(1 781)	-	-	(1 782)
Reduction due to:	-	56	23	481	94	-	654
- liquidation	-	-	-	-	-	-	-
- sale	-	56	23	481	94	-	654
As of 31.12.2021	-	(1 375)	(3 488)	(3 307)	(849)	-	(9 019)

<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 01.01.2020	1 239	3 024	2 333	474	444	899	8 413
As of 31.12.2020	1 239	3 842	3 344	287	1 421	903	11 036
Net value							
As of 01.01.2021	1 239	3 842	3 344	287	1 421	903	11 036
As of 31.12.2021	3 245	7 581	5 499	814	2 914	2 585	22 638

Tangible fixed assets:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Land	3 245	1 239
Buildings and structures	7 581	3 842
Machinery and equipment	5 499	3 344
Means of transport	814	287
- Other tangible fixed assets	2 914	1 421
Fixed assets under construction	2 585	903
Total	22 638	11 036

Securities

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Value of tangible fixed assets being security for the liabilities	4 139	6 707
Total	4 139	6 707

As of 31.12.2021 tangible fixed assets of the carrying amount of PLN 4 139 thousand (31.12.2020: PLN 6 707 thousand) constituted a hedge of bank loans, overdrafts.

5.10 RIGHT TO USE ASSETS

The Company has analysed all the contracts that could be of a lease nature. 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 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 of rights to use	-	(1 625)	(1 625)
- sale	-	(313)	(313)
As of 31.12.2020	52 146	8 721	60 867

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Total
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As of 01.01.2021	52 146	8 721	60 867
Increase on:	18 367	5 291	23 658
- new lease agreements, increase of lease remuneration	18 367	5 291	23 658
Reduction due to:	(5 684)	(3 345)	(9 029)
- call of assets and transfer from rights to use	-	(2 679)	(2 679)
- sale	-	(217)	(217)
- liquidation	(5 684)	(449)	(6 133)
As of 31.12.2021	64 829	10 667	75 496

Decommitments and write-offs due to impairment

<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 of 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
As of 01.01.2021	(5 508)	(2 810)	(8 318)
Amortisation	(6 130)	(1 561)	(7 691)
Reduction due to:	5 684	2 072	7 756
- call of assets and transfer from rights to use	-	1 781	1 781
- sale	-	139	139
- liquidation	5 684	152	5 836
As of 31.12.2021	(5 954)	(2 299)	(8 253)

<i>in PLN thousand</i>	Buildings and structures	Means of transport	Total
Net value			
As of 01.01.2020	6 251	4 931	11 182
As of 31.12.2020	46 638	5 911	52 549
Net value			
As of 01.01.2021	46 638	5 911	52 549
As of 31.12.2021	58 875	8 368	67 243

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>	31.12.2021	31.12.2020
Other long-term liabilities	-	-
Other short-term receivables	-	90
Total	-	90

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Due to the above the value of the right to use assets as of 31st December amounts to	67 243	52 459
Total	67 243	52 459

No revenues from sub-rent of asset components covered by a lease contract in 2021.

Revenues from sub-rental of asset components under lease contract in 2020 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 2021 amounted to PLN 7 483 thousand (in 2020: PLN 5 982 thousand).

Maturity analysis of 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 31.12.2021	67 916	93 855	812	1 625	7 319	28 862	55 237
Discount	25 939						

<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						

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

Cost of interests related to lease liabilities in 2021 amounted to PLN 2 774 thousand. (in 2020: PLN 1 044 thousand).

5.11 INTANGIBLE ASSETS

Gross value

<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

<i>in PLN thousand</i>	Goodwill	Acquired rights	Software and other	Total
As of 01.01.2021	13 699	310	1 225	15 234
Increase on:	-	96	191	287
- acquisition	-	96	191	287
Reduction	-	-	-	-
As of 31.12.2021	13 699	406	1 416	15 521

Decommitments and write-offs due to impairment

<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
As of 01.01.2021	-	(138)	(781)	(919)
Amortisation for the year	-	(76)	(225)	(301)
Reduction	-	-	-	-
As of 31.12.2021	-	(214)	(1 006)	(1 220)

<i>in PLN thousand</i>	Goodwill	Acquired rights	Software and other	Total
Net value				
As of 01.01.2020	13 699	148	535	14 382
As of 31.12.2020	13 699	172	444	14 315
Net value				
As of 01.01.2021	13 699	172	444	14 315
As of 31.12.2021	13 699	192	410	14 301

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>	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Overheads	(301)	(277)
Total	(301)	(277)

Impairment tests for cash generating units to which goodwill has been allocated

In accordance with the principles of IAS 36, the Company is required to test assets classified as goodwill for impairment on an annual basis (or more frequently if there are indications of possible impairment). Where the book value of a non-financial non-current asset exceeds its estimated recoverable amount, its book value is impaired up to its recoverable amount. The recoverable amount is the higher of the two amounts: assets' fair value less costs to sell or value in use.

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

The goodwill recognised in the standalone financial statements results from:

- 1) transfer of the organised part of the Unimot Express Sp. z o.o. enterprise in 2011 covering the LPG bottling plant in Zawadzkie together with the wholesale LPG trading business - hereinafter referred to as "LPG trading business",
- 2) transfer of an organised part of the enterprise of Unimot Express Sp. z o.o. in 2014, covering wholesale of liquid fuels - hereinafter referred to as "fuel trading activities".

Below presented is goodwill recognised in the financial statements for the above-mentioned cash flows generating units:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
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 2020 and 2021 and the estimates of results for the years 2022-2027 drawn up by the Management Board of the Parent Entity.

Company's goodwill of **the activity related to LPG trading** and **activity related to fuel trading** resulted from the difference between the values of conducted contribution of the organised part of enterprise and fair value of net assets taken over.

There were no goodwill impairment write-offs in 2021 or 2020.

Activity related to fuel trading

To assess whether goodwill for this cash generating unit (OGPP) was impaired **the method of estimating fair value less costs to sell the OGPP** was used. The value is estimated **based on the discounted cash flow method**. The calculation of the value according to the discounted cash flow method is based on the results achieved for the years 2019 - 2021 and on the estimated results for the years 2022 - 2027 prepared by the Company's Management Board, due to the fact that the assumed economic useful life of a given unit extends beyond 2027 the calculation also includes the residual value of a given OGPP. The adoption of a five-year period of detailed forecast is justified because there is no sufficiently reliable data for subsequent reporting periods to reasonably determine various factors such as: prices, inflation rates, exchange rates, interest rates.

The most important assumptions of the test for a given cash generating unit are presented below:

- The weighted average cost of capital after tax ("WACC") over the projection period ranged from 9.7% in 2022 to 9.4% in 2027 - this is related to the assumption of greater use of external capital in OGPP's operations. In calculating WACC, the Company assumed a risk premium of 6% per annum.
- The average annual level of volumes and costs was assumed on the basis of current financial results; no significant changes in the scope of operations were assumed for subsequent years.
- No change in diesel prices was assumed for the forecast period, due to the difficulty in determining the long-term path of fuel price changes; additionally, in the case of the trading activities that the company conducts, a change in diesel prices over a long period does not result in significant changes to working capital and the ability to generate cash flows.
- A cautious departure from the forecast of EBITDA value y/y was assumed.
- The growth rate after the forecast period is 0%.
- Zero cost of sale of OGPP was estimated in the calculation, due to the small tangible assets allocated to this facility and the lack of reclamation required.
- Working capital was assumed at 2021 level due to reasons described above.

The sensitivity of the value of ZCP to a change in individual parameters has also been presented below (data in PLN thousand).

Volume parameter	-5%	-3%	3%	5%
Recovered value change	(14 100)	(7 275)	7 748	15 996
impairment value	0,00	0,00	0,00	0,00
Discount rate parameter	-2pp	-1pp	+1pp	+2pp
Recovered value change	18 110	7 976	(6 443)	(11 754)
impairment value	0,00	0,00	0,00	0,00
EBITDA parameter	-2pp	-1pp	+1pp	+2pp
Recovered value change	(2 894)	(1 447)	1 447	2 894

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

impairment value	0,00	0,00	0,00	0,00
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Activity related to LPG trading

To assess whether goodwill for this cash generating unit (OGPP) was impaired **the method of estimating fair value less costs to sell the OGPP** was used. The value is estimated **based on the discounted cash flow method**. The calculation of the value according to the discounted cash flow method is based on the results achieved for the years 2019 - 2021 and on the estimated results for the years 2022 - 2027 prepared by the Company's Management Board, due to the fact that the assumed economic useful life of a given unit extends beyond 2027 the calculation also includes the residual value of a given OGPP. The adoption of a five-year period of detailed forecast is justified because there is no sufficiently reliable data for subsequent reporting periods to reasonably determine various factors such as: prices, inflation rates, exchange rates, interest rates.

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

- The weighted average cost of capital after tax ("WACC") over the projection period ranged from 10.7% in 2022 to 11% in 2027 - this relates to the assumption of less use of external capital in the OGPP business. In calculating WACC, the Company assumed a risk premium of 6% per annum.
- The average annual level of volumes and costs was adopted on the basis of current financial results, no significant changes in the scope of operations were assumed for subsequent years.
- No change in LPG prices was assumed for the forecast period, due to the difficulty in determining the long-term path of fuel price changes; additionally, in the case of the company's trading activities, a change in LPG prices over a long period does not result in significant changes to working capital and the ability to generate cash flows.
- The level of EBITDA for the following years is in line with the Group's forecasts.
- The growth rate after the forecast period is 0%.
- The calculation estimated zero cost of sale of OGPP due to the lack of need to reclaim the land and the possibility of further use of tanks located in the bottling plant in Zawadzkie.

The sensitivity of the test to a change in individual parameters has also been shown below (data in PLN thousand).

Volume parameter	-5%	-3%	3%	5%
Recovered value change	(2 812)	(687)	1 687	2 812
impairment value	0,00	0,00	0,00	0,00
Discount rate parameter	-2pp	-1pp	+1pp	+2pp
Recovered value change	11 168	5 329	(3 357)	(6 667)
impairment value	0,00	0,00	0,00	0,00
EBITDA parameter	-2pp	-1pp	+1pp	+2pp
Recovered value change	(843)	(422)	422	843
impairment value	0,00	0,00	0,00	0,00

As of 31.12.2021 and as of 31.12.2020 no goodwill impairment was observed with regard to the activity related to trading fuels and LPG.

5.12 INVESTMENTS INTO SUBSIDIARIES

<i>in PLN thousand</i>	31.12.2021	31.12.2020
As of 1st January	48 338	43 481
Purchase, acquisition of shares or stocks	4 627	7 166
Revaluating write-offs - creation	(453)	(2 302)
Disposal of shares or stocks	(15)	(7)
As of 31st December	52 497	48 338

Investment into subsidiaries (direct share):

Name of subsidiary and indication of legal status	The Seat	Date of obtaining control	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	100,00%	100,00%
2. Unimot Paliwa Sp. z o.o.*	Czestochowa	16.11.2015	1 547	100,00%	100,00%
3. Unimot Energia i Gaz Sp. z o.o.	Warsaw	30.12.2015	18 040	100,00%	100,00%
4. Tradea Sp. z o.o.	Czestochowa	23.05.2016	10 037	100,00%	100,00%
5. Unimot Ukraine LLC*	Kiev	19.04.2018	1 339	100,00%	100,00%
6. Unimot Asia LLC*	Shanghai	04.09.2018	920	100,00%	100,00%
7. 3 Seas Energy*	Tulsa (Oklahoma)	21.05.2020	416	75,00%	75,00%
8. Operator Klastra Energii Sp. z o.o.	Żywiec	15.02.2021	600	80,00%	80,00%
9. Tradea Sp. z o.o. S.K.	Czestochowa	08.10.2021	1	99,99%	99,99%
10. Unimot Investments Sp. z o.o.	Warsaw	20.10.2021	8	100,00%	100,00%
Total shares			56 719		
<i>* including write-offs of shares</i>			<i>(4 222)</i>		
Total shares			52 497		

5.13 OTHER FINANCIAL ASSETS

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Long-term		
a) in other entities	260	260
Purchase, acquisition of shares or stocks	260	260
Total	260	260
Short-term		
a) in subsidiaries	5 236	2 571
Loans granted	5 236	2 571
b) in other entities	36 128	194
Loans granted	5 147	194
Restricted cash resources securing hedging transactions	30 981	-
Total	41 364	2 765

The item of loans granted in the remaining entities comprises:

- the balance of the loan granted to U.C. Energy Ltd. (personally related to the member of the Supervisory Board) – the amount of PLN 5 082 thousand (fully paid as of the date of the statements publication).
- the balance of educational loans to persons studying at universities within the confines of the cooperation with the IVY Poland Foundation – the amount of PLN 65 thousand.

Status change of receivables loans in related entities, resulting from investment activity

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Opening balance as of 1st January	2 571	2 221
Granting	4 781	2 000
Repayment	(2 122)	(1 700)
Received interests	(182)	(36)
Calculated interests	179	86
Non-achieved exchange rate differences	9	-
Closing balance as of 31st December	5 236	2 571

Status change of receivables loans in other entities, resulting from investment activity

<i>in PLN thousand</i>	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Opening balance as of 1st January	194	3 668
Granting	49 671	11 859
Repayment	(43 283)	(11 487)
Received interests	(75)	(47)
Calculated interests	372	122
Revaluating write-off	(1 501)	(4 000)
Achieved exchange rate differences	422	79
Non-achieved exchange rate differences	(653)	-
Closing balance as of 31st December	5 147	194

As of 31st December 2021, an impairment write-off was created revaluating the loan granted to Green Electricity Sp. z o.o. in the amount of PLN 1 501 thousand.

As of 31st December 2020, an impairment write-off was created revaluating the shares of Green Electricity Sp. o.o. in the amount of PLN 4 million.

5.14 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
TANGIBLE FIXED ASSETS	357	87	(1 544)	(1 205)	(1 187)	(1 118)
INTANGIBLE ASSETS	-	-	(56)	(48)	(56)	(48)
Investments into subsidiaries	802	716	-	-	802	716
Other financial assets	1 525	1 240	-	-	1 525	1 240
Valuation of compulsory reserve and derivatives	5 538	120	-	-	5 538	120
Trade and other receivables	1 467	1 488	(327)	(132)	1 140	1 356
Employee benefits liabilities	18	12	-	-	18	12
Provisions for pensions	185	151	-	-	185	151
Trade and other liabilities	3 140	3 760	-	-	3 140	3 760
Other	-	-	(311)	(162)	(311)	(162)
Assets and provisions due to deferred income tax	13 032	7 574	(2 238)	(1 547)	10 794	6 027
To be used after 12 months	4 986	5 775	(1 600)	(1 253)		
To be used within 12 months	8 046	1 799	(638)	(294)		
Compensation	(2 238)	(1 547)	2 238	1 547		
Assets/ provisions due to deferred income tax indicated in the statements of financial condition – total short-term part	10 794	6 027	-	-		

Change of temporary differences in the period:

<i>in PLN thousand</i>	01.01.2021	Change recognised in the financial result	31.12.2020
TANGIBLE FIXED ASSETS	(1 118)	(69)	(1 187)
INTANGIBLE ASSETS	(48)	(8)	(56)
Investments into subsidiaries	716	86	802
Other financial assets	1 240	285	1 525
Valuation of compulsory reserve and derivatives	120	5 418	5 538
Trade and other receivables	1 356	(216)	1 140
Employee benefits liabilities	12	6	18
Provisions for pensions	151	34	185
Trade and other liabilities	3 760	(620)	3 140
Other	(162)	(149)	(311)
Total	6 027	4 767	10 794

<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
Valuation of compulsory reserve and derivatives	-	120	120
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)	3 363	(162)
Total	(2 078)	8 105	6 027

5.15 INVENTORIES

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Goods - compulsory reserve	241 460	132 886
Goods - operating reserve	77 261	30 259
Total	318 721	163 145

Inventories valuation at fair value - level 1

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Cost of acquiring operating reserves	64 581	17 902
Cost of acquiring compulsory and operating reserves valued at fair value	163 212	135 360
Inventories valuation to fair value	90 928	9 883
Total	318 721	163 145

5.16 LONG-TERM RECEIVABLES

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Other long-term liabilities		
a) from other entities		
Receivables due to excise guarantee	5 688	3 459
Receivables due to deposit for proper execution of contract	24 303	3 642
Receivables due to concession	-	2 500
Other securities receivables	509	298
Other long-term receivables in total	30 500	9 899

Performance receivables mainly comprise security deposits for bank guarantees and commercial contracts, deposited in the bank accounts of the banks issuing the guarantees for the duration of the relevant contract. The term and credit risk have been described in note 5.29.6.

5.17 TRADE AND OTHER RECEIVABLES

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Short-term receivables		
a) from related entities	23 501	7 936
Trade receivables	22 981	7 430
Other receivables	520	506
b) from other entities	467 940	296 591
Trade receivables	403 589	197 623
Receivables due to taxes, subsidies, duties, insurance excluding income tax receivables	2 186	2 544
Trade advances	22 677	38 506
Receivables due to excise guarantee	900	3 062
Receivables due to deposit for proper execution of contract	16 034	34 654
Receivables due to concession	22 500	20 000
Other securities receivables	-	75
Other receivables	54	127
Total short-term liabilities	491 441	304 527

As of 31.12.2021 trade and other receivables are presented in the net value less of revaluation write-offs in the amount of PLN 6 996 thousand (31.12.2020: PLN 6 343 thousand).

As of 31.12.2021 receivables of the carrying amount PLN 286 191 thousand (31.12.2020: 163 578 thousand) constituted a security for overdrafts, debt limit and factoring agreement.

5.18 CLIENT CONTRACTS ASSETS

Long-term client contracts assets

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Client contracts assets	6 639	3 628
Total	6 639	3 628

Short-term client contracts assets

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Client contracts assets	2 128	1 322
Total	2 128	1 322

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 IFRS 15 as costs related to concluding the contract.

5.19 OTHER CURRENT ASSETS

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Active accruals	7 045	4 815
Total	7 045	4 815

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.

5.20 FINANCIAL RESOURCES AND THEIR EQUIVALENTS

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Financial resources in bank accounts	38 945	92 446
Restricted financial resources in bank accounts	22	29
Cash at hand	665	42
Cash in transit	489	289
Financial resources and their equivalents, value demonstrated in the statements of financial condition	40 121	92 806
Overdrafts*	(333 621)	(172 440)
Financial resources and their equivalents, value demonstrated in the statements of cash flows	(293 500)	(79 634)

*Bank overdrafts and the reverse factoring facility, which are repayable on demand, have a short maturity and form an integral part of the Company's cash management, are included as a component of cash and cash equivalents for the purposes of the statements of cash flows.

As of 31.12.2021 and 31.12.2020, cash and cash equivalents were not pledged as security for liabilities.

5.21 EQUITY

Share capital:

<i>in PLN</i>	31.12.2021	31.12.2020
Registered number of shares	8 197 818	8 197 818
Nominal value of one share	PLN 1	PLN 1

As of 31st December 2021, and as of 31st December 2020 the share capital of the Company included 7 847 818 ordinary shares and 350 000 preference shares of the face value PLN 1 each.

Ownership structure as of 31st December 2021 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.

Supplementary capital

Supplementary capital as of 31.12.2021 was increased following transfer of profit for 2020 in the amount of PLN 16 130 thousand up to a total of PLN 234 946 thousand as of 31.12.2021.

Dividend

On 20th May 2021 the Ordinary General Meeting of the Shareholders of Unimot S.A. adopted a resolution on allocating the profit for the year 2020, where the amount of PLN 16 149 thousand was decided to be allocated for dividend payment. The amount of dividend per one share amounted to PLN 1.97. The dividend payment day was decided to be 25th June 2021. The dividend was paid on 25th June 2021.

Profit/(loss) per one share

Basic profit/(loss) per one share

Calculation of basic risk per one share as of 31st December 2021 was made based on net profit attributed to ordinary shareholders of the Company in the amount of PLN 72 046 thousand (31.12.2020: net profit of PLN 32 279 thousand) and weighted average number of ordinary shares as of 31.12.2021 in the amount of 8 198 thousand of shares (31.12.2020: 8 198 thousand of shares).

5.22 LIABILITIES DUE TO CREDITS, LOANS, 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 5.29.5

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Long-term liabilities		
a) to other entities	61 333	44 284
Lease liabilities	61 333	44 284
Total long-term liabilities	61 333	44 284
Short-term liabilities		
a) to related entities	23	10 420
Other loans	23	10 420
b) to other entities	6 583	7 456
Short-term part of lease liabilities	6 583	7 456
Total short-term liabilities	6 606	17 876
Overdraft	333 621	172 440
Total	401 560	234 600

Repayment schedule for lease liabilities:

<i>in PLN thousand</i>	Payments due to lease	Interests	Share capital	Payments due to lease	Interests	Share capital
	31.12.2021			31.12.2020		
up to 1 year	9 756	3 173	6 583	9 710	2 254	7 456
from 1 to 5 years	28 862	10 177	18 685	24 346	7 796	16 550
Over 5 years	55 237	12 589	42 648	37 278	9 544	27 734
Total	93 855	25 939	67 916	71 334	19 594	51 740

Lease contracts do not foresee the necessity for contingent payments.

5.23 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments – financial assets

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Long-term financial assets		
Futures and FX forward contracts	-	13 247
Total	-	13 247

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Short-term financial assets		
Futures, swap and FX forward contracts	27 517	14 885
Total	27 517	14 885

Derivative financial instruments – financial liabilities

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Long-term financial liabilities		
Futures and FX forward contracts	19 751	3 438
Total	19 751	3 438

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Short-term financial liabilities		
Futures, swap and FX forward contracts	58 685	17 700
Total	58 685	17 700

Maturity schedule/settlement period of derivative financial instruments – financial liabilities as of 31st December 2021:

<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	78 436	58 685	19 751	-	-
Total	78 436	58 685	19 751	-	-

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	-	-

Futures contracts - buying and selling ICE Gas Oil contracts.

Swap contracts - selling and buying of ICE Gas Oil contracts simultaneously.

FX forward contracts - buying and selling FX forward contracts.

Face value of concluded futures contracts as of 31st December

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Futures contracts - buying and selling ICE Gas Oil	(6 068)	19 802
Swap contracts – buying and selling ICE Gas Oil	232 783	118 361
FX forward contracts – buying and selling	66 756	61 891
Total	293 471	200 054

5.24 CREDIT AND LOAN AGREEMENT ANALYSIS
Credit and loan agreement analysis as of 31st December 2021

<i>in PLN thousand</i>						
Name of financing company	Long-term part	Short-term part	Liability type	Date of granting	Repayment day	Securities

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

Bank Millenium S.A.	-	4 888	overdraft Umbrella	2020-10-21	2022-11-19	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.	-	94 587	revolving credit	2016-03-03	2022-12-13	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 KUKI, registered and financial pledges on receivables from bank accounts.
mBank S.A.	-	-	overdraft	2021-12-29	2022-12-23	cash deposit in the amount of PLN 1,1 million, declaration of submission to enforcement.
ING Bank Śląski S.A.	-	86 891	working capital credit	2016-03-03	2022-04-08	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	2022-03-15	own blank promissory note, taking over as a security the amount of 100% each time issued guarantee from the resources on the account held with the Bank
PKO Factoring S.A.	-	-	factoring limit with and without recourse	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.
BOŚ Bank S.A.	-	88 345	revolving credit	2021-06-29	2023-06-28 *	power of attorney for accounts, financial pledge on cash resources, promissory note and declaration, guarantee PLG FGP BGK 88 million, declaration of submission to enforcement
BOŚ Faktoring	-	58 910	Reverse factoring line agreement	2021-11-16	2023-11-13*	own promissory note with a declaration, authorisation to cash resources, financial pledge on cash, guarantee of LGF FGP BGK PLN 29,5 million
TRADEA Sp. z o.o.	-	-	Loan agreement within the limit	2021-06-25	for an indefinite period	No securities
U.C. Energy Ltd	-	-	Loan agreement within the limit	2015-03-01	for an indefinite period	No securities
Total	-	333 621				

*the repayment date for the aforementioned loans indicates the credit limit validity date as of 31st December 2021. The loan granted under the reverse factoring agreement was considered for presentation purposes as an overdraft facility due to the fact that it does not differ from other overdraft facilities in terms of its availability and short rotation period (repayment of a given drawdown takes place 90 days after the date of payment to the supplier).

Lease agreement analysis as of 31.12.2021

Type of agreement	Long-term part	Short-term part	Liability type	Date of granting	Repayment day	Securities
Lease agreements pertaining to means of transport	4 545	2 616	lease	2013-08-01	2025-01-05	Promissory note declaration
Lease agreements pertaining to rental agreements	56 788	3 967	Lease	2014-11-24	2042-01-31	No
Total	61 333	6 583				

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 at the level of 1,0% - 1,2%,
- ✓ WIBOR 3M – margin at the level of 1,4%,
- ✓ USD LIBOR 1M – margin in the range 1,35% - 2,2%,
- ✓ EURIBOR 1M – margin in the range 1,3% - 1,5%
- ✓ USD LIBOR 3M – margin at the level of 5%

5.25 CHANGE OF LIABILITIES STATUS RESULTING FROM FINANCIAL ACTIVITY

<i>in PLN thousand</i>	As of 01.01.2021	Incurrences	Repayments	Interests paid	Exchange rate differences achieved	Unrealised exchange rate differences	As of 31.12.2021
Overdrafts	172 440	365 469	(172 440)	(5 410)	(21 038)	(5 400)	333 621
Short-term loans from related entities	10 000	40 500	(50 500)	-	-	-	-
Calculated interests on short-term loans from related entities	420	443	-	(840)	-	-	23
Short-term loans from other entities	-	15 811	(15 978)	-	167	-	-
Calculated interests on short-term loans from unrelated entities	-	298	-	(298)	-	-	-
Lease liabilities	51 740	23 658	(4 708)	(2 774)	-	-	67 916
Total	234 600	446 179	(243 626)	(9 322)	(20 871)	(5 400)	401 560

<i>in PLN thousand</i>	As of 01.01.2020	Incurrences	Repayments	Interests paid	Exchange rate differences achieved	Unrealised 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	-	10 000	-	-	-	-	10 000
Calculated interests on short-term loans from related entities	-	688	-	(268)	-	-	420
Calculated interests on short-term loans from unrelated 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

5.26 EMPLOYEE BENEFITS LIABILITIES

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Long-term liabilities due to retirement compensation and other	219	256
Short-term liabilities due to retirement compensation and other	753	539
Total	972	795

Employee benefits

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

<i>in %</i>	31.12.2021	31.12.2020
Discount rate	3,6%	2,0%
Future nominal wage growth considering inflation	5,0%	4,0%

Status change of defined benefit liability over 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 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

<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 2021	103	8	684	795
Current employment cost	17	2	230	249
Interest costs	1	-	2	3
Actuarial profit/(loss) from change in assumptions	(21)	(1)	(53)	(75)
Benefits paid	-	-	-	-
As of 31st December 2021	100	9	863	972

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

As of 31.12.2021	Change in assumptions		Influence on benefits	
	Decrease	Increase	Increase/(decrease)	Increase/(decrease)
Discount rate	0,5%	0,5%	18 thousand PLN	(16) thousand PLN
Future wage growth considering inflation	0,5%	0,5%	(16) thousand PLN	18 thousand PLN

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

5.27 CLIENT CONTRACTS LIABILITIES

Short-term:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
a) to other entities		
Client contracts liabilities	9 336	1 981
Total	9 336	1 981

The Company recognises in the statements of the financial condition liabilities due to client contracts being the Company's obligation to transfer for the client goods or services, in return for which the Company has received remuneration (or remuneration is due) from the client. This item of the statements of financial condition presents advance payments for supplies related to current activity.

5.28 TRADE AND OTHER LIABILITIES

Short-term:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
a) to related entities	2 417	738
Trade liabilities	2 000	321
Liabilities due to purchase of shares	416	416
Other liabilities	1	1
b) to other entities	336 383	221 927
Trade liabilities	182 236	65 214
Excise liabilities	80 871	56 057
Liabilities due to the supplementary levy	3 298	3 471
Liabilities due to the issuance levy	6 652	6 206
Liabilities due to the fuel levy	26 760	22 882
VAT liabilities	7 492	43 841
Liabilities due to the NIT supplementary levy	6 895	4 744
Energy efficiency liabilities	2 959	-
Personal income tax liabilities	338	247
Other levy and tax liabilities	3 835	2 283
Remuneration liabilities	800	591
Passive accruals	13 756	15 871
Other liabilities	491	520
Total	338 800	222 665

5.29 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 31.12.2021			
a) Fixed assets			
Long term receivables	30 500	-	30 500

Client contracts assets	6 639	-	6 639
b) Current assets			
Receivables (except advances and receivables due to taxes)	466 578	-	466 578
Client contracts assets	2 128	-	2 128
Other financial assets	41 364	-	41 364
Derivative financial instruments	-	27 517	27 517
Financial resources and their equivalents (excluding cash at hand)	39 456	-	39 456
Total	586 665	27 517	614 182

<i>in PLN thousand</i>	Financial assets valued according to amortised costs	Financial assets valued 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
Long term receivables	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	373 855	28 132	401 987

<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 31.12.2021			
a) Long-term liabilities			
Derivative financial instruments	-	19 751	19 751
b) Short-term liabilities			
Overdraft	333 621	-	333 621
Liabilities due to credits, loans and other debt instruments (excluding lease liabilities)	23	-	23
Derivative financial instruments	-	58 685	58 685
Trade and other liabilities (excluding public and legal liabilities and remunerations))	198 900	-	198 900
Total	532 544	78 436	610 980

<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	286 341
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Financial assets valued according to depreciated cost 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, considering the maturity of the contract. As of 31.12.2021 and 31.12.2020 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.

5.29.1 FINANCIAL RISK MANAGEMENT

Financial risks that 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 driven by 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 in 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 closely 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.

5.29.2 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 relating 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 on the balance of assets and liabilities in foreign currencies against remaining entities:

As of 31.12.2021

<i>in PLN thousand</i>	in EUR	in USD	Other currencies	Total
Trade and other receivables	32 352	11 531	4 274	48 157
Cash resources	2 277	12 561	4 551	19 389
Liabilities due to credits, loans and other debt instruments	(4 893)	(182 199)	-	(187 092)
Derivative financial instruments - financial assets and liabilities	-	(50 919)	-	(50 919)
Trade and other liabilities	-	(29 635)	-	(29 635)
Exposure to exchange rate risk of foreign currency balances	29 736	(238 661)	8 825	(200 100)

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)

Increased exposure of the Company to the currency risk as of 31.12.2021 is primarily driven by the increased exposure of liabilities due to credits, loans and other debt instruments, derivative financial instruments, and trade and other liabilities.

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

The impact of foreign currencies exchange rate on the financial result as of 31.12.2021 by 10% 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 2020 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 10%	Decrease of exchange rate by 10%
31.12.2021	(20 010)	20 010
31.12.2020	(8 718)	8 718

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.

5.29.3 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 for 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). The strategies of concluding hedging transactions correspond to price formulas applied in purchase contracts. In 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.

Apart from natural gas (from 2021) and diesel oil, the Company does not use price hedging instruments. For other products (e.g. LPG and OILS) the Company applies natural hedging through back-to-back price formulas directly on current sales and purchase contracts. Short-term currency orders for both purchases and sales - FX Forward contracts - help to mitigate potential price risks arising from currency fluctuations. At the same time, value mismatches at the level of turnover of 1-2 days are natural with a high turnover of products in stock and various forms of payment (term or prepayment).

Company's exposure to price risk

Data on balances of inventories

<i>As of 31.12.2021</i>	amount in MWh /natural gas/	Amount in tonnes /excluding natural gas/	Fair value in PLN thousand
Non-financial assets			
Inventories valued according to fair value net of sales cost	30 429	93 819	318 721
Total	30 429	93 819	318 721

<i>As of 31.12.2021</i>	Type of instrument	Valuation period for which instruments are concluded	Amount in tonnes	Face value in PLN thousand
Financial liabilities and assets				
Futures – sales of contracts	ICE Gas Oil	January 2022-June 2023	700	6 068
Commodity swap – sales and purchases of contracts for various dates	ICE Gas Oil	January 2022-June 2022	(86 900)	(232 783)
Total			(86 200)	(226 715)
Exposure to price risk of derivatives transactions balances		*30 429 MWh	*6 219	**92 006

* 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 31.12.2020</i>	amount in MWh /natural gas/	Amount in tonnes	Fair value in PLN thousand
Non-financial assets			
Inventories valued according to fair value net of sales cost	227 693	97 862	163 145
Total	*227 693	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 2021	(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		*227 693 MWh	*14 062	**(24 982)

* amount of inventories in T and MWh 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 and goods at AVIA stations the value of which is not hedged with derivative transactions. The majority of inventories not hedged against price volatility are characterised by a minimum level of loss due to:

- very short dates of sale,
- high rotation
- or/and concluded sales contracts back to back with regard to purchase contracts and
- disproportionate cost or lack of an adequate hedging instrument.

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

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 10% as of 31st December 2021 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 2020 was conducted in the same manner.

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

in PLN thousand	Gross profit/(loss)	
	price growth by 10%	Price decrease by 10%
31.12.2021	9 201	(9 201)
31.12.2020	2 498	(2 498)

5.29.4 INTEREST RATE RISK

The interest rate risk is a possibility of adverse influence of interest rates on the Company's result. In 2021 the Company was exposed to this type of risk in connection with granting 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

in PLN thousand	31.12.2021	31.12.2020
Fixed interest rare instruments		
Financial assets - loans granted	5 236	2 571
Financial assets - other concession receivables	22 500	22 500
Financial assets - other receivables due to deposit for proper execution of contract	38 837	38 296
Financial	(23)	(10 420)
Total	66 550	52 947
Variable interest rare instruments		
Financial assets - loans granted	5 147	-
Financial assets - other receivables due to deposit for proper execution of contract	1 500	-
Financial liabilities due to credits and lease	(401 537)	(224 180)
Total	(394 890)	(224 180)

Amounts of instruments of fixed and variable interest rate comprise the items detailed in notes: [5.13](#); [5.22](#); [5.16](#); [5.17](#).

Security deposits for bank guarantees and insurance guarantees bear interest at a fixed rate negotiated for longer or shorter terms depending on the volatility of bank interest rates.

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 2020 was carried out in the same manner.

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

in PLN thousand	Gross profit/(loss)	
	Growth by 1,5 %	Decrease by 1,5 %
31.12.2021	(5 923)	5 923
31.12.2020	(3 363)	3 363

Company's exposure to the risk of interest rates changes related to IBOR

In response to the expected reform of reference rates (IBOR reform), the Company has analysed instruments, based on LIBOR, to see if and to what extent it bears the risk of the transition to the new interest rates. The amendments have introduced a number of guidelines and exemptions, in particular a practical simplification in the case of contract modifications required by the reform, which are recognised by updating the effective interest rate, an exemption from the obligation to complete hedge accounting, temporary exemptions from the need to identify the risk component, and the obligation to include additional disclosures.

Exposure of the Company's liabilities due to credits and loans to specific interest rates as at 31.12.2021:

Name of financing company	liability amount in PLN thousand	liability currency	reference rate
Bank Millennium S.A.	4 888	EUR	1M EURIBOR + margin
mBank S.A.	94 587	USD	1M LIBOR + margin
ING Bank Śląski S.A.	86 891	USD	1M LIBOR + margin
BOŚ Bank S.A.	88 345	PLN	3M WIBOR + margin
BOŚ Faktoring	53 008	PLN	1M WIBOR + margin
BOŚ Faktoring	5 902	USD	1M LIBOR + margin
Total	333 621		

As of the preparation day of the present financial statements the Company assesses that this standard has no impact on the financial condition or results of the Company.

5.29.5 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>	<i>Note</i>	31.12.2021	31.12.2020
Loans granted	5.13	10 383	2 765
Restricted cash resources securing hedging transactions	5.13	30 981	-
Financial assets valued at fair value through financial result	5.23	27 517	28 132
Trade and other receivables	5.17	426 570	205 053
Long-term receivables /bails, deposits/	5.16	30 500	9 899
Short-term receivables securing granted guarantees and sureties	5.17	40 008	58 424
Client contracts assets	5.18	8 767	4 950
Financial resources and their equivalents (excluding cash at hand)	5.20	39 456	92 764
Total		614 182	401 987

The book value of each financial asset represents the maximum exposure to credit risk. There was no significant concentration of credit risk as of the reporting date. The noticeable increase in the receivables item is related to both the increase in the Company's turnover and increased operating scale y/y. Particular items in the above-mentioned notes.

Loans granted – estimated asset impairment

The Company has granted several loans to related companies, to a personally related company and also several educational loans to students in higher education. As of 31st December 2021, the outstanding balance includes:

- loan granted to U.C. Energy Limited (related to the Issuer due to a personal relationship with a member of the SB of Unimot S.A.), under the loan facility agreement. As of 31st December 2021, the amount of EUR 1.160 thousand was outstanding. The loan has been repaid in full on time and is zero as of the report publication date. In terms of impairment risk, the transaction was included in basket 1.
- loans granted to related consolidated companies (note 5.31).
- As part of the cooperation with the IVY Poland Foundation, several educational loans for university students were granted. As of the balance sheet date, the outstanding amount is PLN 65 thousand.

The Company analyses and evaluates on an ongoing basis:

- whether loans are repaid on time,
- whether there have been legislative or macroeconomic changes with a significant impact on the debtor,
- information in its possession about the debtor's condition.

In the case of information on a significant adverse event relating to a loan, appropriate decisions are made to renegotiate the terms due to financial difficulties, write off or write down.

The amount of estimated impairment on these loans as of 31st December 2021 is assessed by the Company to be immaterial in relation to the Company's results for 2021.

Trade receivables – estimated asset impairment

For many years, the Company has been working with a large number of customers from different economic sectors, which influences the geographical and product diversification of trade receivables. The customer portfolio is subject to changes resulting from the high activity of the Company's Commercial Services in the market. Thanks to its constant presence at all levels of a given market sector and the high commitment of its employees, the Company has current information on current needs and can quickly respond to them by flexibly adjusting its offer. The wide range of products offered by the Group's various entities is also important.

The Company controls the credit risk arising from trade transactions in accordance with uniform credit risk management principles applied in all significant entities of the Group. Exposure to credit risk related to trade receivables is mitigated by assessing and monitoring the financial condition of contractors and applying a system of granting trade limits in accordance with the procedure adopted by the Company. The procedure assumes verification of contractors' creditworthiness before commencing commercial cooperation. Customers without an allocated merchant's limit benefit from the sales offer on prepayment terms. Credit exposure in relation to granted limits is subject to constant monitoring. The Company's receivables are constantly monitored by a dedicated department operating within the Company's structures.

The close cooperation and ongoing exchange of information between the Company's various units results in a high ability to respond quickly to market volatility, taking advantage of market opportunities or adapting dynamically to new conditions. The Company has a high degree of agility in modifying and adapting its sales and payment patterns in relation to current market conditions. As a result, the periods affected by the Covid-19 pandemic, price turbulence or restrictions on commodity availability do not have a negative impact on trade receivables.

The level of security of the Company's trade receivables is significantly increased by: cooperation with insurance companies, application of various types of collateral, using services of business intelligence agencies and law firms. Collaterals include: blank promissory notes with promissory note declarations, notarised deeds of submission to enforcement pursuant to Art. 777 of the Polish Civil Code, registered pledges (in the case of movables), mortgages (in the case of real estate), cash in bank accounts, bank guarantees. A long history of cooperation with leading insurance companies, high standards of servicing receivables and support from the leader of the brokerage market constitute the strength and negotiating position of the Company and enable the development of non-standard solutions, and thus the acquisition of insurance products maximally adjusted to the Company's needs

The portfolio of Insurance Companies supporting the Company's operations includes: Atradius Crédito y Caucción S.A de Seguros y Reaseguros Spółka Akcyjna Branch in Poland, Towarzystwo Ubezpieczeń Euler Hermes S.A., Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna, Compagnie Francaise D'assurance Pour Le Commerce Exterieur Spółka Akcyjna Branch in Poland. The above-mentioned companies have significant financial potential and benefit from safeguards in reinsurance treaties, as to which there is no information on changes. The attitude of the Insurers in the current year, despite difficult conditions caused, inter alia, by the Covid-19 pandemic, was stable and balanced, we did not record significant fluctuations in limit coverage, and the processes of negotiating insurance conditions were not subject to disruption. The main insurer - Atradius Crédito y Caucción S.A de Seguros y Reaseguros Spółka Akcyjna Oddział w Polsce - has not increased its involvement in the petrochemical industry for several years, maintaining only long-term contracts

The specific nature of trade receivables insurance does not allow for the coverage of receivables from specific groups of customers, such as public administration units, entities related to the policyholder or individuals. The Company pursues a balanced policy of managing receivables insurance and excludes from the protection receivables from renowned entities, such as oil companies, which affects the optimisation of risks and costs. The volume of receivables insurance policies at the Company oscillates at 83.8% of the covered receivables. As of 31st December 2021, 52.8% of the receivables of the Company were covered by insurance, 2.5% by other forms of collateral obtained from customers, 44.7% remained unsecured. The last group comprised mainly receivables from oil companies excluded from insurance policies, whose share in sales increased y/y, receivables not covered by insurance, such as receivables from related parties, public administration units or individuals, while significant risk diversification maintained in this respect due to the high fragmentation of receivables.

Age structure of trade receivables from related entities

Gross value

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Not overdue	19 736	4 715
Overdue, in this:	3 787	3 296
1-30 days	256	79
31-60 days	869	1 653
60-180 days	2 137	987
181-365 days	94	296
Over 365 days	431	281
Total	23 523	8 011

Depreciation:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Not overdue	-	(20)
Overdue, in this:	(542)	(561)
1-30 days	(2)	(13)
31-60 days	-	(48)
60-180 days	(15)	(68)
181-365 days	(94)	(151)
Over 365 days	(431)	(281)
Total	(542)	(581)

Net value:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Not overdue	19 736	4 695
Overdue, in this:	3 245	2 735
1-30 days	254	66
31-60 days	869	1 605
60-180 days	2 122	919
181-365 days	-	145
Over 365 days	-	-
Total	22 981	7 430

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

<i>in PLN thousand</i>	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Opening balance as of 1st January	(581)	(342)
Establishing	(208)	(581)
Dissolution	247	342
Closing balance as of 31st December	(542)	(581)

Age structure of trade receivables from other entities

Gross value

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Not overdue	358 380	171 297
Overdue, in this:	51 663	32 088
1-30 days	44 893	21 891
31-60 days	648	1 837
60-180 days	775	826
181-365 days	245	2 362
Over 365 days	5 102	5 172
Total	410 043	203 385

Depreciation:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Not overdue	(746)	(290)
Overdue, in this:	(5 708)	(5 472)
1-30 days	(70)	(27)
31-60 days	(85)	(12)
60-180 days	(628)	(320)
181-365 days	(136)	(952)
Over 365 days	(4 789)	(4 161)
Total	(6 454)	(5 762)

Net value:

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Not overdue	357 634	171 007
Overdue, in this:	45 955	26 616
1-30 days	44 823	21 864
31-60 days	563	1 825
60-180 days	147	506
181-365 days	109	1 410
Over 365 days	313	1 011
Total	403 589	197 623

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

<i>in PLN thousand</i>	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Opening balance as of 1st January	(5 762)	(5 357)
Establishing	(2 712)	(3 264)
Utilization	145	276
Dissolution	1 875	2 583
Closing balance as of 31st December	(6 454)	(5 762)

As of 31st December 2021, trade receivables in the amount of PLN 357 634 468 thousand were not overdue nor impaired (31.12.2020: PLN 171 007 thousand).

As of 31st December 2021, trade receivables in the amount of PLN 45 955 thousand (31.12.2020: PLN 26 616 thousand) were overdue but not impaired.

These receivables concern mainly customers with whom the Company has been cooperating for many years, whose receivables are insured or secured on customers' assets.

As of 31.12.2021 trade receivables in the amount of PLN 6 454 thousand (31.12.2020: PLN 5 762 thousand) were overdue and impaired, therefore in 2021 they were subject to a write-off in the amount of PLN 6 454 thousand (2020: PLN 5 762 thousand). As of 31.12.2021 trade receivables in the amount of 746 thousand were not overdue, however, they were considered impaired as they pertain to so called financial sanctions (31.12.2020: PLN 290 thousand).

The Company expects that contractors will settle the non-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 line with the conversion experience analysed for the first period of IFRS 15, impairment ratios were calculated for insured, uninsured and related receivables in the delay intervals together:

- Not overdue,
- Overdue 1 – 14 days,
- Overdue 15 – 30 days,
- Overdue 31 – 60 days,
- Overdue 61 – 180 days,
- Overdue over 180 days.

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

<i>in PLN thousand</i>	31.12.2021	31.12.2020
Gross receivables in basket 2	405 005	198 232
Receivables impairment write-off in basket 2	(1 416)	(609)
Net receivables in basket 2	403 589	197 623
Gross receivables in basket 3	5 038	5 153
Receivables impairment write-off in basket 3	(5 038)	(5 153)
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 2021 for the amount of PLN 39 459 thousand, which constitutes 98.3% of Company's total cash resources in the amount of PLN 40 121 thousand (included in note 5.20), has shown that these are predominantly banks with ratings at the highest, medium-high and medium levels, as well as with high equity and a leading and stable market position in Poland. Credit risk on this account is monitored on an ongoing basis through the analysis of credit ratings and by limiting the level of concentration of funds in individual financial institutions.

Concentration level of cash resources and deposits with the consideration of credit assessment of financial institutions:

<i>in PLN thousand</i>	31.12.2021	Rating Moody's	Rating Fitch	Rating S&P	31.12.2021	31.12.2020
Bank1	18 973	A2	BBB	BB-	48,7%	72,4%
Broker1	9 839	-	-	-	25,2%	-
Bank2	3 907	-	BB-	-	8,8%	-
Bank3	3 249	A2	-	-	8,3%	5,2%
Bank4	1 681	Aa3	A+	-	4,3%	10,1%
Bank5	1 370	Baa1	A	-	3,5%	5,0%
Bank6	437	A2	A+	-	1,2%	5,2%
Other banks	-	-	-	-	-	2,1%
Total	39 456	-	-	-	100,0%	100,0%

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

The amount of estimated impairment of cash and cash equivalents is immaterial to the results achieved by the Company as of 31st December 2021.

Other receivables – estimation of asset impairment

To secure current trade agreements, concession liabilities and excise liabilities, the Company mainly uses bank guarantees, insurance guarantees and additional security in the form of bank deposits and bails. The analysis of the exposure of other receivables to this type of risk was performed as at 31 December 2021 for the amount of PLN 39 302 thousand, which constitutes 97.4 % of the amount of total remaining performance receivables (PLN 40 337 thousand) – note 5.16 and 5.17.

Concession or excise bonds and small deposits and deposits relating to the day-to-day operation of leased space or terminals have been excluded due to the marginal level of risk or marginal amount not material to the Company's operations.

Other deposits and deposits securing due contract performance are cash resources deposited, for the most part, with banks with the highest, medium-high and medium ratings and with high equity and a leading and stable market position in Poland. Contractors, on the other hand, are large oil companies. Credit risk on this account is monitored on an ongoing basis through analysis of credit ratings and limiting the level of concentration of funds in individual financial institutions.

Concentration level of cash resources and deposits made to secure due performance of contracts with the consideration of credit assessment of financial institutions:

<i>in PLN thousand</i>	31.12.2021	Rating Moody's	Rating Fitch	Rating S&P	up to 1 year	over 1 year
Bank1	26 919	Baa1	A	0	4 450	22 469
Bank2	1 100	A2	BBB	BBB-	1 100	-
Bank3	9 958	Aa3	A+	0	9 958	-
TU1	29 088	0	0	0	23 400	5 688
Contractor1	1 500	0	0	0	-	1 500
Other	2 449	0	0	0	1 606	843
Total	71 014				40 514	30 500

Long-term and short-term receivables deposited in bank accounts as collateral for due performance of contracts are a necessary element of safe cooperation between entities and institutions. The diversification of deposits made, the reputation of insurers and banks servicing guarantees allows us to estimate the potential impairment of deposited funds as immaterial from the point of view of the results achieved by the Company as of 31st December 2021.

Transactions into derivatives - asset impairment estimation

The Company concludes derivatives transactions in entities operating in the financial sector. As of 31st December 2021, the abovementioned risk on the side of assets was not recognised (nota 5.23).

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

Level of fair value concentration of derivative transactions considering the credit assessment of financial institutions:

<i>in PLN thousand</i>	31.12.2021	Rating Moody's	Rating Fitch	Rating S&P	31.12.2021	31.12.2020
Broker1	(25 776)	-	-	-	56,2%	263,3%
Bank1	(21 712)	A2	A+	-	47,3%	-163,2%
Bank2	1 525	A2	BBB	BBB-	(3,3%)	0,1%
Bank3	62	A2			(0,2%)	-
Total	(45 901)				100%	100%

<i>in PLN thousand</i>	31.12.2021	Rating Moody's	Rating Fitch	Rating S&P	31.12.2021
Broker1	25 362	-	-	-	92,2%
Bank1	1 754	A2	-	-	6,4%
Bank2	400	A2	BBB	BBB-	1,4%
Other	1	-	-	-	0,0%
Total	27 517				100,0%

Diversification of credit risk associated with the valuation of derivative transactions, cooperation with reputable brokers, banks with high capital and high and medium rating positions allows to minimize credit risk resulting from the valuation of derivative transactions.

Level of fair value concentration of restricted cash resources hedging transactions: (nota 5.13)

<i>in PLN thousand</i>	31.12.2021	Rating Moody's	Rating Fitch	Rating S&P	31.12.2021	31.12.2020
Broker1	30 981	-	-	-	100%	-
Total	30 981				100%	-

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

5.29.6 LIQUIDITY LOSS 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,
- ongoing monitoring of debt ratios and bank covenants,
- 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,
- taking steps to optimise costs, in particular storage and logistics costs,
- effective management of the remaining working capital components.

Analysis of financial liabilities maturity together with interest payments

to related entities as of 31.12.2021

<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	23	23	23	-	-	-
Trade and other liabilities (excluding public and legal liabilities and remunerations)	2 417	2 417	2 000	-	417	-
Total	2 440	2 440	2 023	-	417	-

<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	-

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

to other entities as of 31.12.2021

<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	67 916	93 855	812	1 625	7 319	28 862	55 237
Overdrafts	333 621	333 621	333 621	-	-	-	-
Derivative financial instruments	78 436	78 436	8 178	21 712	28 795	19 751	-
Trade and other liabilities and other liabilities (excluding public and legal liabilities and remunerations)	196 483	196 483	196 483	-	-	-	-
Total	676 456	702 395	539 094	23 337	36 114	48 613	55 237

to other 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

Maturity analysis of contingent liabilities
For liabilities of subsidiaries as of 31.12.2021

<i>in PLN/EUR thousand</i>	up to 1 year	
	PLN	EUR
Insurance guarantee for the liability of a related entity to Energy Regulatory Office	7 000	-
Promissory note surety for guarantee securing concessions of a related entity	10 000	-
Sureties for credit liabilities of related entities	4 670	-
Promissory note for proper execution of contracts	7 485	-
Guarantees pertaining to securing proper execution of commercial contracts	2 744	2 500
Total	31 899	2 500

For own liabilities as of 31.12.2021

<i>in PLN/EUR thousand</i>	up to 1 year	
	PLN	EUR
Insurance guarantees submitted as excise security	17 350	-
Guarantees pertaining to securing proper execution of commercial contracts	19 909	9 200
Total	37 259	9 200

For liabilities of related entities as of 31.12.2020

<i>in PLN/EUR thousand</i>	up to 1 year	
	PLN	EUR
Insurance guarantee for the liability of a related entity to Energy Regulatory Office	7 000	-
Promissory note surety for guarantee securing concessions of a related entity	10 000	-
Sureties for credit liabilities of related entities	4 670	-
Promissory note for proper execution of contracts	12 380	-
Guarantees pertaining to securing proper execution of commercial contracts	3 245	250
Total	37 295	250

For own liabilities as of 31.12.2020

<i>in PLN/EUR thousand</i>	up to 1 year	
	PLN	EUR
Insurance guarantees submitted as excise security	12 000	-
Guarantees pertaining to securing proper execution of commercial contracts	19 971	6 850
Total	31 971	6 850

Capital management

In order to maintain its ability to continue as a going concern, considering the achievement of planned investments, the Company manages capital in such a way as to ensure future development while maximising the return on capital for shareholders. The Company monitors the level of return on capital using the ROE (net profit/equity) ratio. The level of this ratio as of 31st December 2021 amounted to 22.8% (12.8% as of 31st December 2020, respectively).

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

- asset coverage ratio (equity/total assets), the level of this ratio as of 31st December 2021 amounts to 27,6% (34.9% as of 31st December 2020, respectively),
- current liquidity ratio (current assets/short-term liabilities), the level of this ratio as of 31st December 2021 amounts to 1.3 (1.3 as of 31st December 2020, respectively).

In order to optimally manage the capital, maintain liquidity and creditworthiness to obtain and maintain external financing, the Company strives in the long term to maintain an asset coverage ratio at the level of at least 20% and the current liquidity at the level of at least 1.1.

Summary of currently available credit limits and loan limits as of 31.12.2021

<i>in PLN thousand</i>	unused credit limit
Bank Milenium S.A.	3 456
mBank S.A.	47 512
mBank S.A.	5 500
ING Bank Śląski S.A.	21 795
BOŚ Bank S.A.	21 655
BOŚ Faktoring	90
PKO Faktoring	14 128

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

Trade Sp z o.o.	20 000
U.C. Energy Ltd	32 480
Total	166 616

5.30 CONTINGENT LIABILITIES

in PLN/EUR thousand	As of 31.12.2021		As of 31.12.2020	
	PLN	EUR	PLN	EUR
Own contingent liabilities	37 259	9 200	31 971	6 850
insurance guarantees submitted as excise security	17 350	-	12 000	-
guarantees pertaining to proper execution of contracts	19 909	9 200	19 971	6 850
Contingent liabilities pertaining to Related entities	31 899	2 500	37 295	250
guarantees for obligations to ERO	7 000	-	7 000	-
promissory note surety for guarantee securing concessions	10 000	-	10 000	-
guarantee for loans	4 670	-	4 670	-
promissory note surety for proper execution of contracts	7 485	-	12 380	-
guarantees pertaining to proper execution of contracts	2 744	2 500	3 245	250

Contingent liabilities submitted by Unimot S.A. concern mainly: civil-law guarantees related to securing the proper performance of contracts and public-law guarantees resulting from generally applicable regulations securing the proper conduct of licensed activities in the liquid fuels sector and tax, customs and other dues resulting from such activities.

In addition, Unimot S.A. issued guarantees, civil sureties and bill of exchange sureties for liabilities of consolidated related parties.

The Company receives remuneration for its sureties. The payment risk related to these liabilities was recognised in the price. As of the balance sheet date of 31.12.2021, the Company has not identified any increase in credit risk related to guarantees and sureties granted, and any provision for expected credit loss is immaterial.

5.31 TRANSACTIONS WITH RELATED ENTITIES

Balance of settlements as of 31.12.2021

in PLN thousand	Receivables	Liabilities	Loans received	Loans granted
Unimot Express Sp. z o.o. - Parent Entity	26	307	-	-
Unimot System Sp. z o.o. - subsidiary	4 003	86	-	-
Blue LNG Sp. z o.o. - subsidiary	517	-	-	460
Unimot Paliwa Sp. z o.o. - subsidiary	9 663	401	-	-
Unimot Energia i Gaz Sp. z o.o. - subsidiary	7 157	862	-	4 098
Tradea Sp. z o.o. - subsidiary	21	-	23	-
Unimot Ukraine LLC - subsidiary	4	-	-	-
Unimot Energy LLC - subsidiary	228	-	-	678
Unimot Asia LLC - subsidiary	1 657	-	-	-

3 Seas Energy LLC - subsidiary	-	416	-	-
Naturalna Energia Sp. z o.o. - subsidiary	-	-	-	-
Nasze Czyste Powietrze Sp. z o.o. - subsidiary	-	-	-	-
PV Energy Sp. z o.o. - subsidiary	-	-	-	-
Operator Kłaster Energii Sp. z o.o. - subsidiary	-	50	-	-
Unimot Investments Sp. z o.o. - subsidiary	2	-	-	-
Unimot T1 Sp. z o.o. - subsidiary	10	-	-	-
Unimot T2 Sp. z o.o. - subsidiary	10	-	-	-
Tradea Sp. z o.o. Sp.K. - subsidiary	-	-	-	-
GO & BIOGAS Sp. z o.o. entity related personally to a member of SB of Unimot S.A.)	-	295	-	-
U.C. Energy Ltd. entity related personally to a member of SB of Unimot S.A.)	-	-	-	5 082
PZL Sędziszów S.A. (entity related to Unimot Express Sp. z o.o.)	202	-	-	-
Unimot Truck S.A. (entity related to Unimot Express Sp. z o.o.)	1	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	23 501	2 417	23	10 318

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. (entity related to Unimot Express Sp. z o.o.)	853	-	-	-
Unimot Truck S.A. (entity related to 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

Revenues from mutual transactions for the period 01.01.2021 - 31.12.2021

<i>in PLN thousand</i>	Revenues on sales of goods	Revenues on sales of services and re-invoices	Other operating revenues	Financial revenues
Unimot Express Sp. z o.o. - Parent Entity	81	14	-	-
Unimot System Sp. z o.o. - subsidiary	4 629	113	3	42
Blue LNG Sp. z o.o. - subsidiary	-	52	4	27
Unimot Paliwa Sp. z o.o. - subsidiary	5 604	360	84	271
Unimot Energia i Gaz Sp. z o.o. - subsidiary	17 210	627	41	158
Tradea Sp. z o.o. - subsidiary	-	178	-	3 748
Unimot Ukraine LLC - subsidiary	-	-	-	4
Unimot Energy LLC - subsidiary	338	-	-	11
Unimot Asia LLC - subsidiary	4 108	8	-	-
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	-	-	-	-
Operator Klastra Energii Sp. z o.o. - subsidiary	-	1	-	-
Unimot Investments Sp. z o.o. - subsidiary	-	2	-	-
Unimot T1 Sp. z o.o. - subsidiary	-	2	-	-
Unimot T2 Sp. z o.o. - subsidiary	-	2	-	-
Tradea Sp. z o.o. Sp.K. - subsidiary	-	-	-	-
PZL Sędziszów S.A. (entity related to Unimot Express Sp. z o.o.)	163	5	2	1
Unimot Truck S.A. (entity related to Unimot Express Sp. z o.o.)	-	8	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	32 133	1 372	134	4 262

Revenues from mutual transactions for the period 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. (entity related to Unimot Express Sp. z o.o.)	7	-	25
Unimot Truck S.A. (entity related to 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

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

Costs from mutual transactions for the period 01.01.2021 - 31.12.2021

<i>in PLN thousand</i>	Purchases of goods, materials and fixed assets	Purchases of services and re-invoices	Other operating costs	Financial costs
Unimot Express Sp. z o.o. - Parent Entity	73	754	-	291
Unimot System Sp. z o.o. - subsidiary	69	-	-	-
Blue LNG Sp. z o.o. - subsidiary	-	-	-	-
Unimot Paliwa Sp. z o.o. - subsidiary	135 790	-	-	-
Unimot Energia i Gaz Sp. z o.o. - subsidiary	2 103	223	-	-
Tradea Sp. z o.o. - subsidiary	-	670	-	203
Unimot Ukraine LLC - subsidiary	-	-	-	-
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	-	-	-	-
Operator Klastra Energii Sp. z o.o. - subsidiary	-	46	-	-
Unimot Investments Sp. z o.o. - subsidiary	-	-	-	-
Unimot T1 Sp. z o.o. - subsidiary	-	-	-	-
Unimot T2 Sp. z o.o. - subsidiary	-	-	-	-
Tradea Sp. z o.o. Sp. K. - subsidiary	-	-	-	-
GO & BIOGAS Sp. z o.o. entity related personally to a member of SB of Unimot S.A.)	240	-	-	-
U.C. Energy Ltd. entity related personally to a member of SB of Unimot S.A.)	4 921	-	-	298
PZL Sędziszów S.A. (entity related to Unimot Express Sp. z o.o.)	432	-	-	-
Unimot Truck S.A. (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	143 628	1 693	-	792

Costs from mutual transactions for the period 01.01.2020 - 31.12.2020

<i>in PLN thousand</i>	Purchases of goods, materials and fixed assets	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	-	-	-	-
U.C. Energy Ltd. entity related personally to a member of SB of	-	-	-	306
PZL Sędziszów S.A. (entity related to Unimot Express Sp. z o.o.)	33	-	150	-
Unimot Truck S.A. (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Zemadon Limited (entity related to Unimot Express Sp. z o.o.)	-	-	-	-
Total	88 538	681	150	966

STANDALONE FINANCIAL STATEMENTS OF UNIMOT S.A. FOR 2021

Additional explanatory notes to the standalone financial statements are its integral part

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 with the related entities belong 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 5.30.

Loans granted in 2021:

- Unimot S.A. granted loans to Unimot Energia i Gaz Sp. z o.o. for the total amount of PLN 4 100 thousand. As of the balance sheet date the Borrower repaid the amount of PLN 2 100 thousand, the outstanding amount is PLN 2 000 thousand.
- Unimot S.A. granted a loan to Unimot Ukraina Sp z.o.o. for the total amount of EUR 150 thousand.
- Unimot S.A. granted a loan to U.C. Energy Limited for the total amount of EUR 10 510 thousand. As of the balance sheet date the Borrower repaid the amount of EUR 9 350 thousand, the outstanding amount is EUR 1 160 thousand. The Borrower has undertaken to repay the loan by 11 January 2022. The loan was repaid on time.

Loans granted prior 2021 and still active:

- Unimot S.A. granted loans to Blue LNG Sp. z o.o. for the total amount of PLN 2 106 thousand. The Borrower undertook to repay the granted loans by 31 December 2022. As at the balance sheet date the Borrower repaid the amount of PLN 1 700.0 thousand, the outstanding amount is PLN 406.0 thousand.
- Unimot S.A. granted a loan to Unimot Energia i Gaz Sp. z o.o. for the total amount of PLN 2 000 thousand. The Borrower undertook to repay the loan by 30.06.2022.

The calculation of the margins used in the loan agreements considers, in particular, the fact that the loans were granted without material collateral, without an origination fee or other fees and commissions. Entities in the unsecured lending market consider the absence of hard collateral by requiring a higher interest rate, which reflects the higher degree of risk incurred.

5.32 EMPLOYMETE

01.01.2021 - 31.12.2021			
<i>in PLN thousand</i>	Women	Men	Total
White-collar workers	73	46	119
Blue-collar workers	2	21	23
Total	75	67	142

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

5.33 EXPLANATORY NOTE TO THE REPORT ON CASH FLOWS

<i>in PLN thousand</i>	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Status change of receivables resulting from the statements of financial condition	(226 041)	(53 778)
Status change of receivables due to interest receivables	336	(100)
Status change of receivables due to investment receivables	1 092	1 236
Status change of receivables due to other receivables	-	(131)
Change of receivable status in the statement of cash flows	(224 613)	(52 773)

<i>in PLN thousand</i>	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Status change of liabilities resulting from the statements of financial condition	113 577	55 373
Status change of liabilities due to purchase of	-	(416)
Status change of interest liabilities	246	574
Liabilities status change in the statement on cash flows	113 823	55 531

5.34 REMUNERATION OF STATUTORY BODIES

Remuneration of the Members of the Management Board

<i>in PLN thousand</i>	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Short-term employee benefits	444	240
Provisions for the bonuses of the Management Board	7 486	6 621
Total	7 930	6 861

Remuneration of the Members of the Supervisory Board

<i>in PLN thousand</i>	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Short-term employee benefits	361	280
Total	361	280

As at 31 December 2021 and 31 December 2020, there were no material transactions of entities related parties with:

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

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

<i>in PLN thousand</i>	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Due to agreements on auditing the financial statements	155	155
Due to agreements on conducting review of the financial statements	35	35
Due to verification of the statements of the remuneration of the Management Board and Supervisory Board	22	22
Due to verification of financial statements in ESEF format	30	30
Total	242	242

5.36 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 condition of the Company has been included in item 2.5 of the Statements of the Management Board of the operation of Unimot S.A. and the Unimot Group for the year 2021.

5.37 EVENTS AFTER THE BALANCE SHEET DATE

5.37.1 CARRIED OUT INVESTMENTS

On 07.01.2022 Unimot S.A. acquired 100% of shares in two non-operating SPV Companies, which will be used for development investment projects. The following SPVs were acquired: Unimot B1 Sp. z o.o. and Unimot T1 Sp. z o.o.

5.35.2 IMPLEMENTING ESG STRATEGY

On 23 March 2022, by the resolution of the Management Board, the ESG (Environmental, Social, Governance) Strategy was implemented in the UNIMOT Company, accompanied by a number of policies and regulations. This area, related to conducting business in a sustainable and socially responsible manner, is increasingly important for stakeholders, in particular investors and banks, but also potential employees or contractors. The procedural and organisational measures taken are aimed at implementing the ESG aspect into the entire organisation of Unimot S.A. and all subsidiaries. The approach to managing Firm's sustainable development has been presented in detail in item 3.11 of the Management Board's Statements for 2021. The full content of the Strategy has been published and placed on the website <https://www.unimot.pl/relacje-inwestorskie/>

5.35.3 SITUATION IN THE EAST AND ITS IMPACT ON UNIMOT S.A.

A significant event that occurred after the reporting date and has an impact on the fuel market in Poland is Russia's aggression against Ukraine. Sanctions imposed on Russia have raised concerns about the availability of petrochemical products. As a result of cooperation with international operators in the area of purchasing fuels and high diversification of supply sources, the Company's current trading activities have not been affected.

In 2021, the sales of Unimot S.A. to Ukraine amounted to PLN 20,627 million, which represents only 0.3% of the Company's total revenue in the period under review. No sales to customers based in Belarus or Russia were recorded. The value of purchases from suppliers based in Russia, Ukraine or Belarus accounted for less than 0.01% of purchases made in 2021.

Due to the general uncertainty regarding the stability of business trading in the war situation in Ukraine, internal sales procedures were updated. Historically, the Company has demonstrated a high ability to dynamically adapt to changing market conditions and also in this case there was an immediate response. The terms of sale of goods with deferred payment have been tightened and pre-release payment control patterns have been sealed. There was also a review of merchant limits vs. the financial standing of customers and previous payment experience recorded in cooperation with individual customers. As a result of the actions taken, the Company recorded a significant improvement in the rotation of trade receivables and a decrease in overdue receivables.

The Company cooperates to a small extent with customers in Ukraine using a credit insurance policy with Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna. The Russian invasion of Ukraine resulted in the withdrawal of credit limits by the Insurer and the cessation of insurance coverage for sales after the outbreak of the war. The value of the Company's open trade receivables from Ukrainian customers is negligible and fully covered by insurance. Following the outbreak of the war, the Company stopped standard sales of goods to existing Ukrainian customers.

Unimot does not import liquid fuels from Russia by land, but only directly by sea. Import is conducted outside the territories of Ukraine and Belarus (in line with the extended sanctions imposed on Belarus from 25 June 2021). Ukraine, on the other hand, has been an importer rather than exporter of fuel for many years, so the situation on the territory of Ukraine has no direct impact on fuel supply in the Polish market.

The situation is still dynamic, which may result in broadly understood sanctions being imposed on fuels. Anticipating possible scenarios, the Company's Management Board is taking a number of measures to diversify the directions of supplies, including ensuring permanent access to the deep-water terminal in the Danish Straits, which has the capacity to unload tankers calling at Europe from directions other than Russia. Fuel deliveries by land from Germany take place in parallel.

As of the publication date of the statements, energy products from Russia, imported by Unimot, were not covered by the sanctions package and none of the Company's contractors was on the sanctions list.

LPG is also supplied from both eastern and western directions. Regardless of this, Unimot is looking for further alternative sources of supply in order to be as independent as possible from product imports from the East.

As of the publication date of the statements, the Company has adequate stocks of the products and the contracted fuel deliveries are carried out without major disruptions. Unimot is prepared for various scenarios on the fuel market and will adapt to all domestic and international sanctions.

Zawadzkie, 4th April 2022.

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Adam Sikorski

President of the Management Board of
Unimot S.A.

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Robert Brzozowski

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

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Filip Kuropatwa

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

.....

Małgorzata Walnik

Person preparing the report