



UNIMOT – the biggest Polish independent fuel importer

CONSOLIDATED FINANCIAL RESULTS OF THE UNIMOT CAPITAL GROUP
Q1 2018

05/15/2018



PLN 677m – revenues

PLN 0.8m – EBITDA

PLN 8.4m – Adj. EBITDA

PLN -2.0m – net loss

0.1% – EBITDA margin

1.2% – Adj. EBITDA margin

EBITDA adjusted by diesel oil mandatory reserve lower valuation (driven by a significant change of the spread between spot and forward diesel oil prices)

DIESEL AND BIO-FUELS

Diesel sales growth by 18.8% yoy and lower bio-fuels sales

Acquiring new major network clients

Signing a new attractive purchase contract and expanding the existing ones

Commencing blending at next two depots and sales at a new one

Demanding market environment in January and February – lower level of inland premium

Settlement of National Indicative Target realisation (blending) in the new quarterly system

LPG

Growth in sales volumes by 11.0% yoy

Commencing sales from the terminal at the new location

Shortening the supply chain through reduced participation of intermediaries in purchases

Increased trade activity across Belarus territory and expanding foreign clients portfolio

ENERGY

Sales volumes growth by almost 600% yoy

Acquiring new sales contracts (a record quarter)

AVIA

Connecting 5 petrol stations to the network of AVIA franchise fuel stations

Intensive works on introducing the fleet card (planned: H2 2018)

NATURAL GAS

Growth in sales volumes by 60.0% yoy

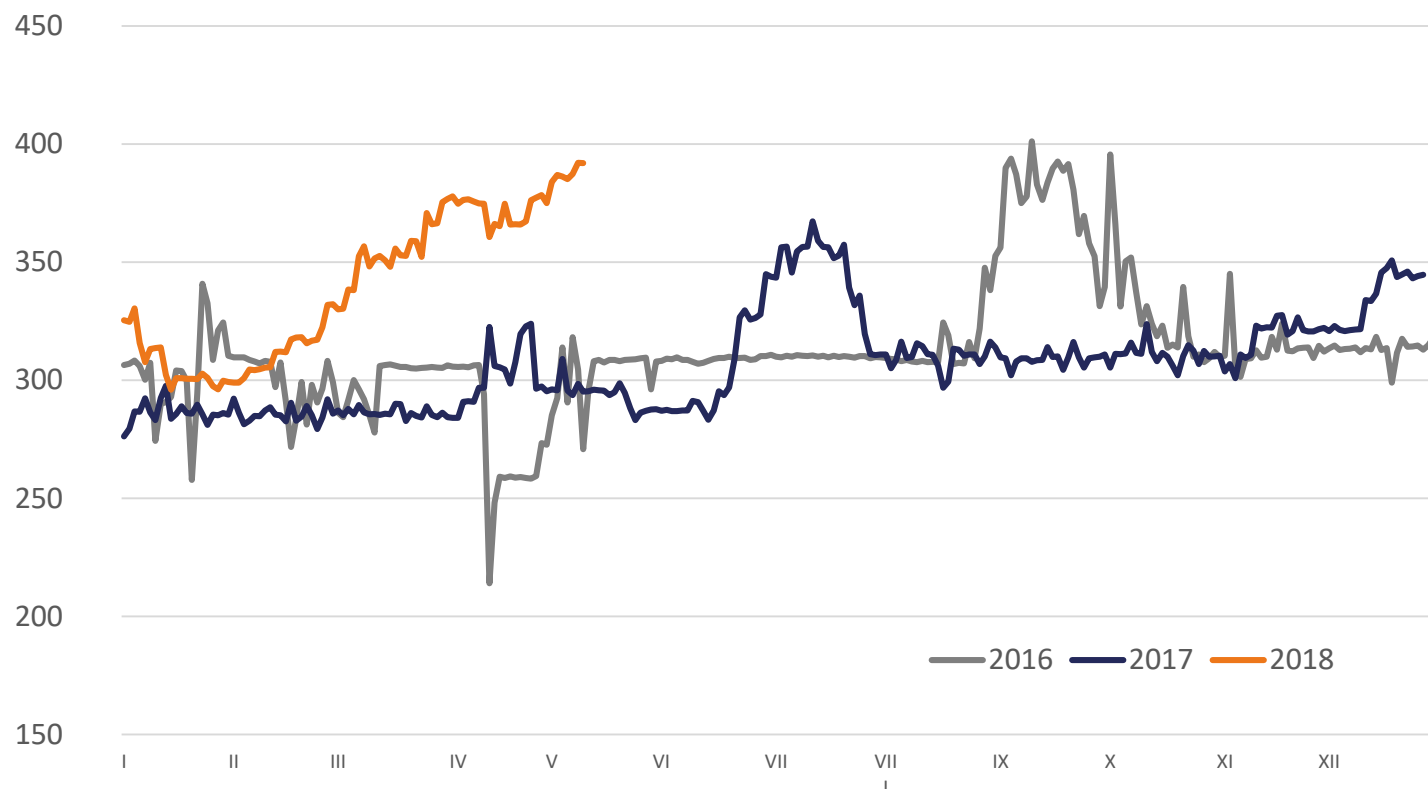
Optimisation actions and analyses

UNIMOT S.A.

Management Board's recommendation to pay the dividend in the amount of PLN 13.9 m (PLN 1.70 per share)

Further diesel consumption growth – by **6%** yoy in Q1 2018 (source: PKN Orlen)

Estimated inland premium of biggest Polish diesel oil producers* [PLN/m³]



Major factors influencing the level of Unimot’s wholesale margins

REVENUE SIDE

- Sales volumes
- Inland premium level
- Dynamics of volatility in diesel market prices (high growth dynamics – negative impact; high fall dynamics – positive impact)

COST SIDE

- Product purchase cost (conditioned by Diesel quotations)
- Logistics cost
- NIT realisation cost** (dependent on NIT and blending levels as well as diesel and bio-components price spread – FAME quotations) – **higher yoy**
- Mandatory reserve cost (“distributed” over sold volumes) – **higher yoy**

* Difference among diesel prices of biggest Polish producers (excluding discounts) and Platts ARA quotations (diesel prices in ARA ports); inland premium ≠ UNIMOT’s margin
 ** Revenues representing these costs will be recorded in the books with a delay

Obligation to realise NIT in 2018: **7.5%**

Possible to decrease to the level of **6.45%** by applying reduction coefficient (0.86), applied by Unimot

NIT REALISATION IN 2018

1. Quarterly obligation and blending settlement*

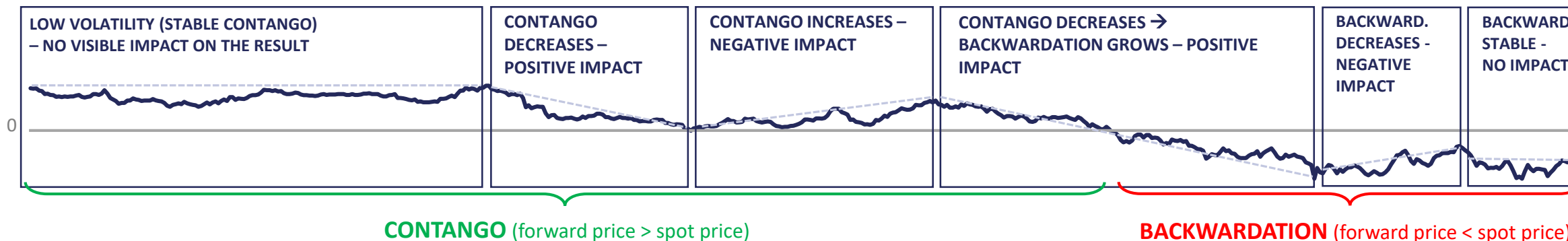
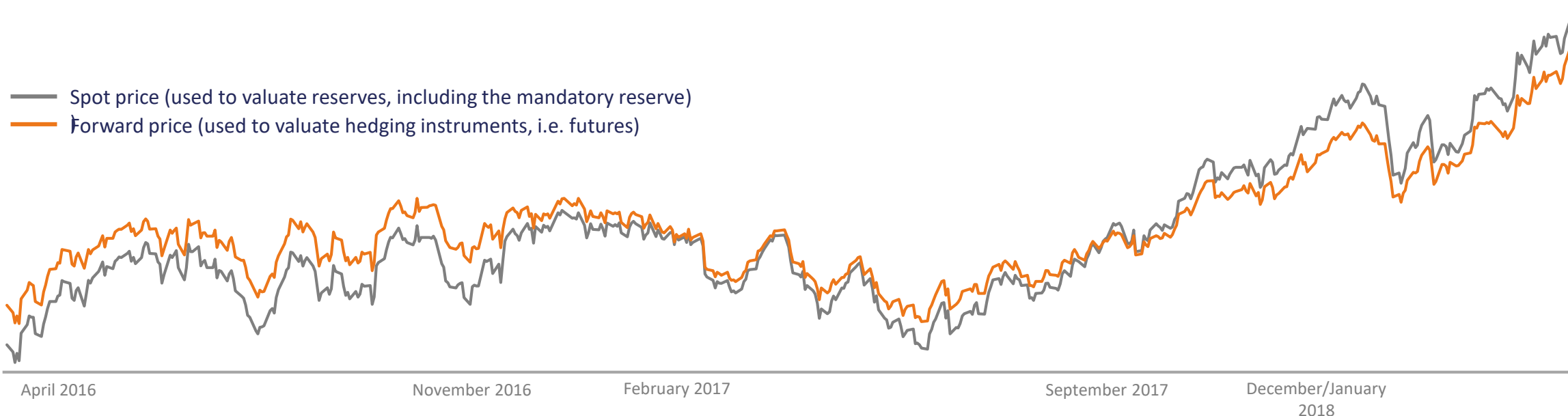
- **Q1: min. 50%** of obligation realised through blending
- **Q2: min. 78%** of obligation realised through blending
- **Q3: min. 78%** of obligation realised through blending
- **Q4: min. 57%** of obligation realised through blending

- ### 2. Optional compensatory payment (made in return for reducing the scope of NIT realisation to the level of 5.48%, i.e. by max. 15% of total required NIT; does not remove the obligatory blending or reduce its scope)

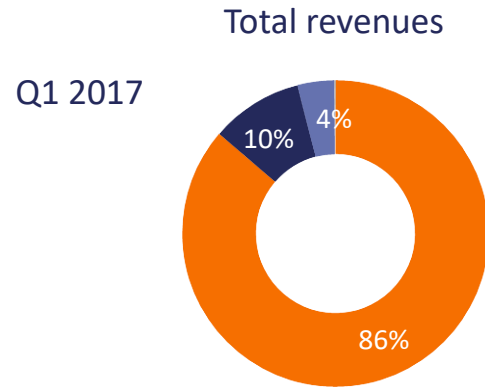


* Levels for diesel at decreased level of NIT realisation: 6,45% (petrols: 50% each quarter)

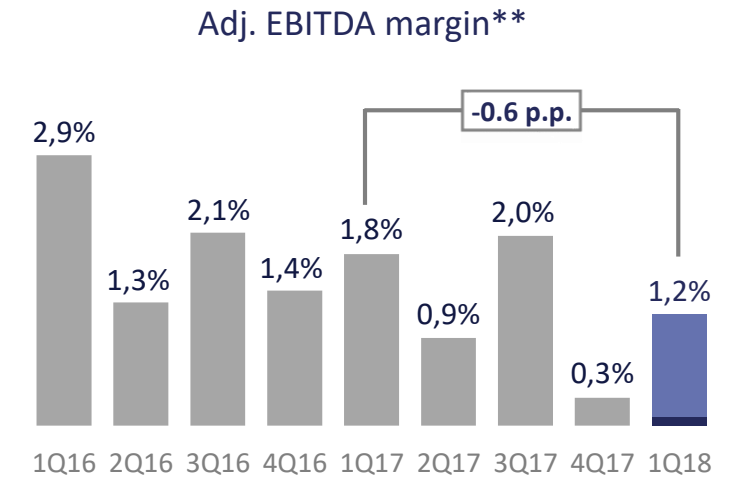
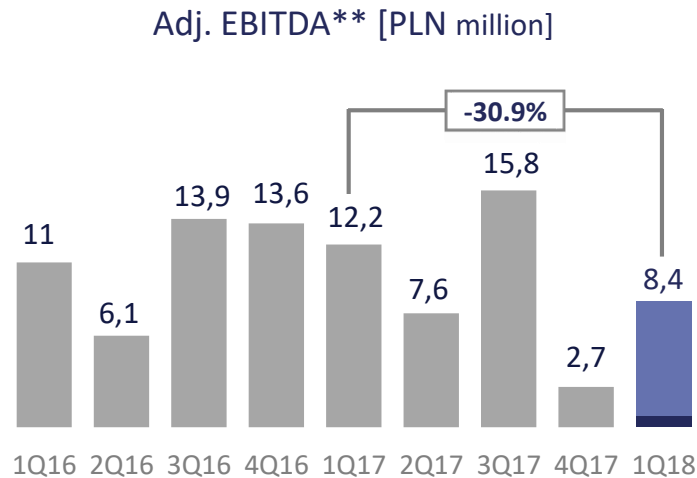
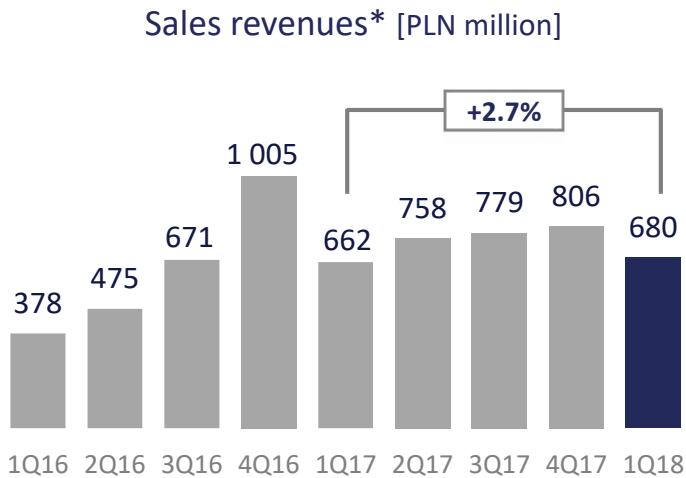
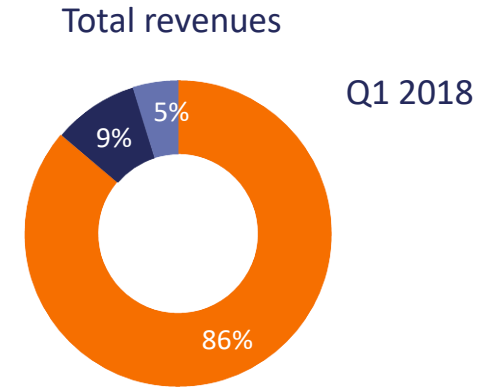
MARKET ENVIRONMENT – CONTANGO VS. BACKWARDATION



Reserve valuation = physical product valuation + hedging transactions against price change valuation (forwards). Due to applied hedging, diesel price changes do not influence mandatory reserve valuation. However, the valuation is influenced by the spread between the spot price (at which the company is obliged to valuate stocks), and the forward price (at which the company is obliged to valuate hedging instruments). When contango decreases and backwardation increases – book profit occurs due to revaluation, when contango increases and backwardation decreases – book loss occurs. The input of valuation result is also influenced by level of mandatory reserves – the higher it is, the higher the influence is. In Unimot, driven by the scale of operation – the reserve grew (2017 > 2016). **Unimot values the reserve at the end of each quarter.**



- Fuels (Diesel, BIO, Others)
- LPG gas
- Natural gas and energy



* Before considering the item "Profits (losses) on financial instruments hedging sales"

** In Q1 2018 adjusted by diesel mandatory reserve lower valuation (driven by a significant change of the spread between diesel spot and forwards quotations)

[PLN thousand]	Q1 2018	Q1 2017****	yoy
Net revenues	677 437***	665 781	1.8%
Gross profit on sales*	20 226	34 326	-41.1%
<i>Gross profit on sales margin*</i>	<i>3.0%</i>	<i>5.2%</i>	<i>-2.2%</i>
Operating profit	-5 486	11 100	-
<i>Operating profit margin</i>	<i>-</i>	<i>1.7%</i>	<i>-</i>
EBITDA	776	12 220	-93.6%
<i>EBITDA margin</i>	<i>0.1%</i>	<i>1.8%</i>	<i>-1.7 p.p.</i>
Adjusted EBITDA**	8 441	12 220	-30.9%
<i>Adjusted EBITDA margin**</i>	<i>1.2%</i>	<i>1.8%</i>	<i>-0.6 p.p.</i>
Net profit	-1 966	7 936	-
<i>Net margin</i>	<i>-</i>	<i>1.2%</i>	<i>-</i>

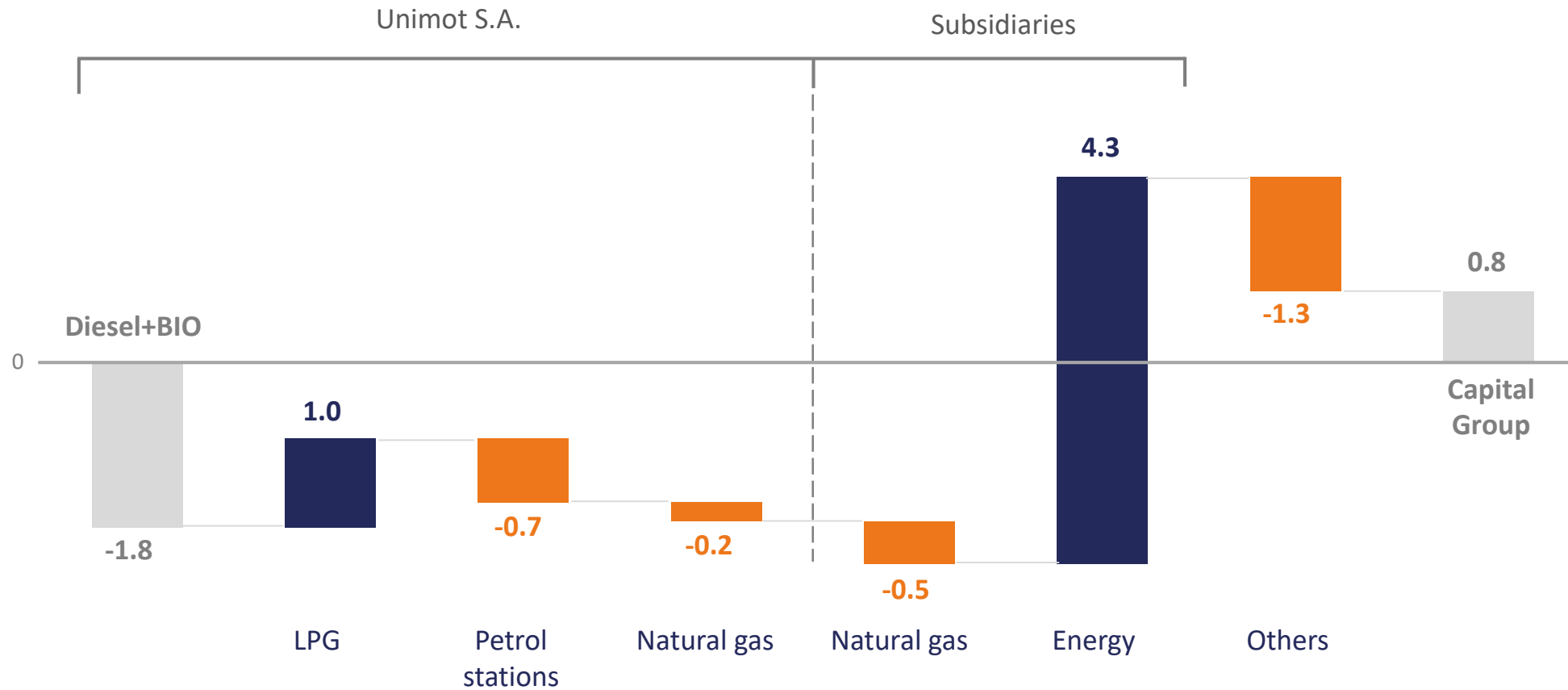
* The item includes realised and unrealised exchange rates and assets and liabilities valuation, in this inventories

** In Q1 2018 adjusted by the lower Diesel mandatory reserve valuation (driven by a significant change of the spread between Diesel spot and forwards prices)

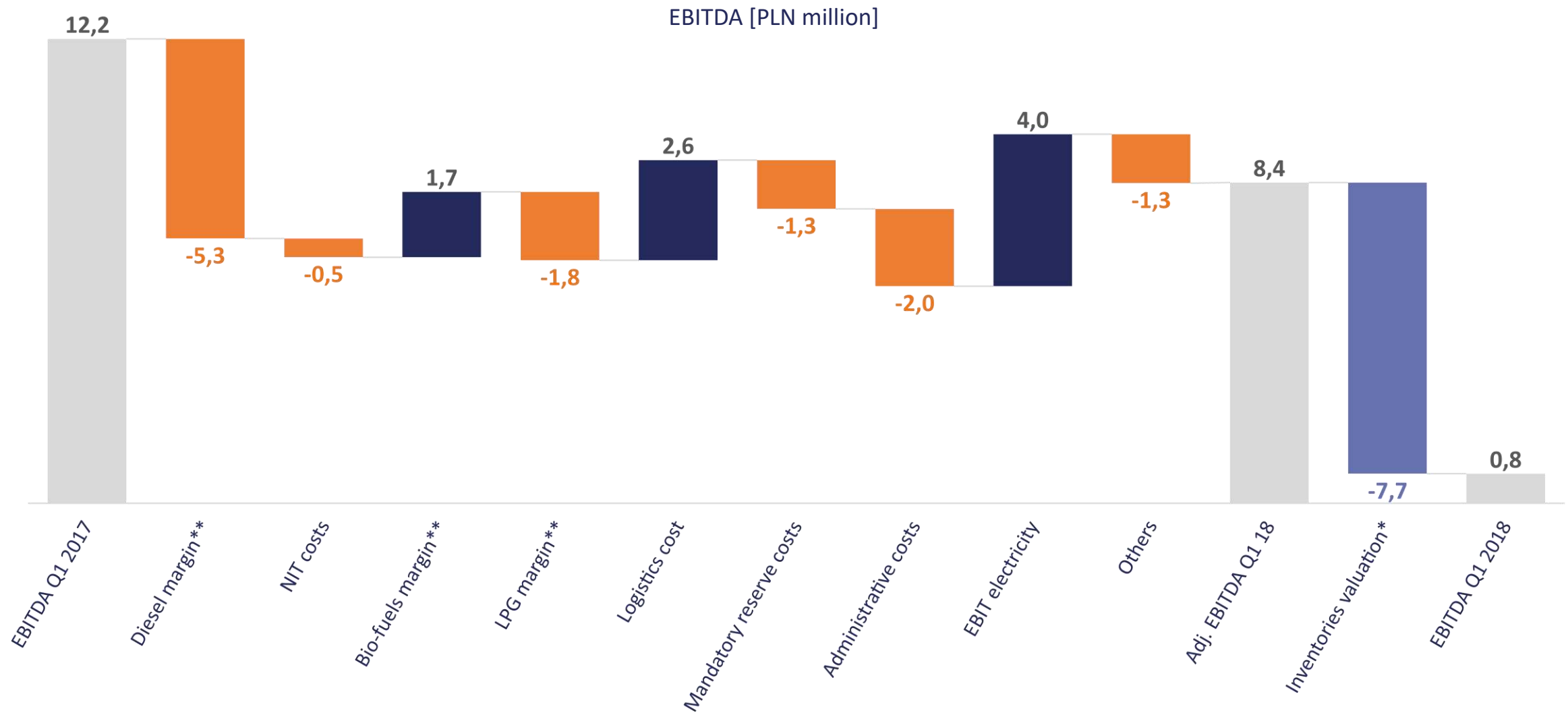
*** Since 2018 r., according to MSSF 15, revenues and costs from wholesale energy trading through exchange and brokerage platforms are included directly into revenues/financial costs, not as previously into the revenues on sales (in Q1 2018 it concerns the amount of PLN 88.7 m of revenues and PLN 83.9m of costs)

**** The Group applied retrospective method with a combined effect of MSSF 9 i MSSF 15 first application in retained earnings since 1st January 2018. According to the applied method corresponding figures are not restated.

EBITDA in Q12018 [PLN million]

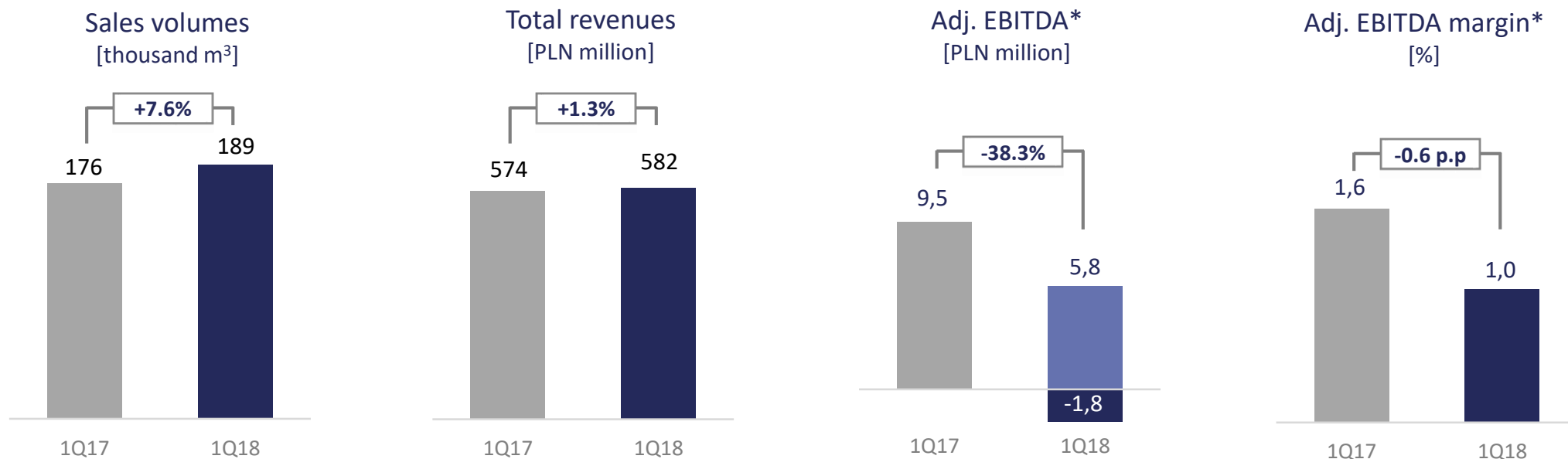


KEY REASONS OF LOWER YOY RESULTS



* including financing sources and hedging transactions

** gross margin on sales by value



- Growth in sales volumes, i.e., through acquiring large network clients
- Lower valuation of diesel mandatory reserve due to a significant change of spread between diesel spot quotations and diesel forwards quotations (book loss, non-financial income) and the impact of hedging operations
- Higher cost of National Indicative Target realisation mainly due to new (quarterly) settlement
- Lower than prior year market margins on Diesel and bio-fuels
- Growth in costs due to new projects (AVIA, Tankuj24.pl), cost of mandatory reserve storing (higher warehousing charges) and administrative cost

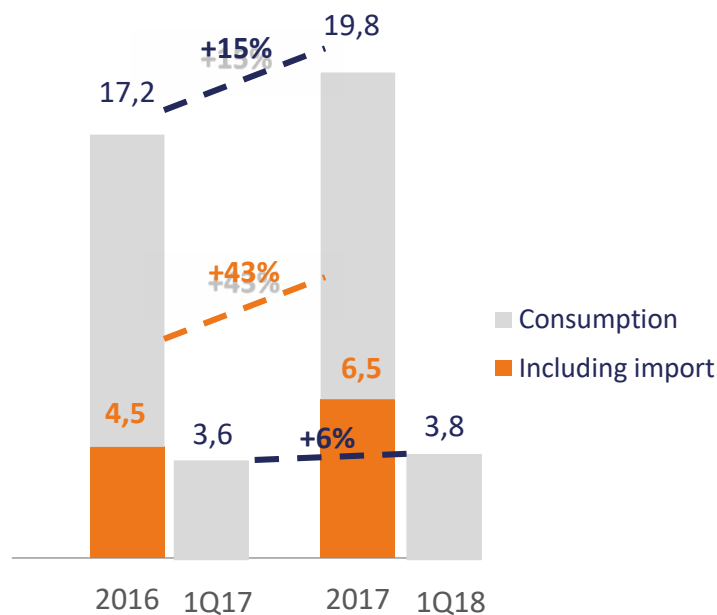
* In Q1 2018 adjusted by Diesel mandatory reserve valuation (driven by a significant change of spread between diesel spot and forwards prices)

Growing demand for diesel in Poland and ever faster growing import

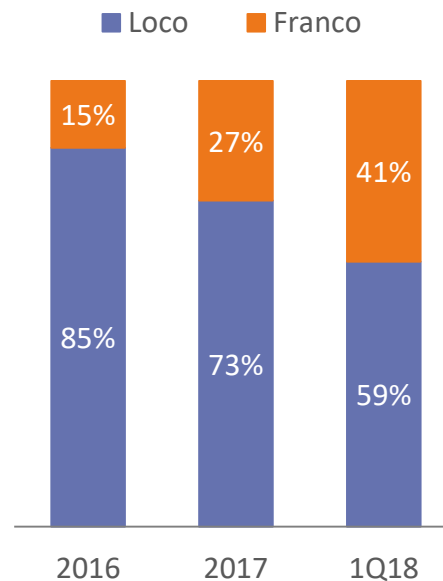
Growing share of franco fuel sales – stabilised supplies

Larger client concentration driven by signing in Q1 2018 two contracts with large clients

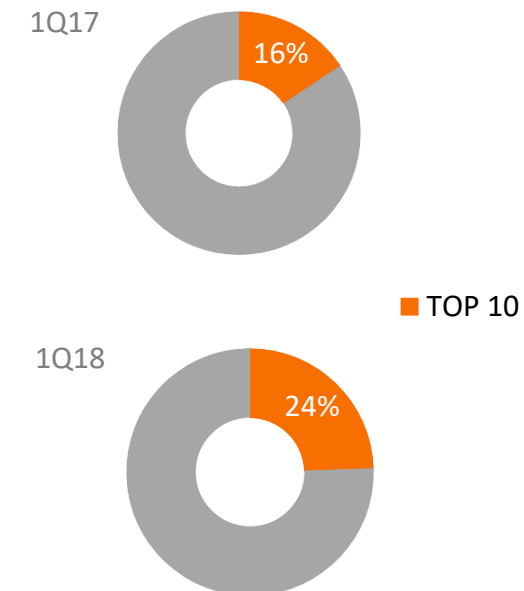
Diesel consumption in Poland [m m³]*



Diesel and petrol – franco vs. loco [m³]



Share of 10 top Diesel customers in revenues



* Source: POPiHN and PKN Orlen estimates

** Franco – the seller makes the goods available to the client at the designated location; Loco - the seller makes the goods available at the seller's warehouse to the carrier designated by the buyer



Development of AVIA franchise petrol stations chain as an additional channel of fuel distribution, in this Diesel

Types of Group's revenues from AVIA chain (most important ones at the top):

- 1. **Wholesale margin** → Revenues booked in the result of **Diesel+BIO segment**
- 2. **Investment charges**
- 3. **Fixed charges** → Revenues booked in the result of **Petrol Stations**
- 4. **Other charges**

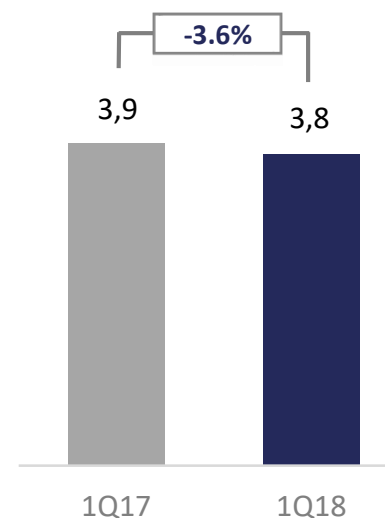
Status

5 AVIA stations launched in Q12018 (end of quarter: 20 stations; currently 22 operating stations). Positive results of franchise for station owners – growth in sales and revenues after rebranding. Introducing local discount cards.

Plan

Launching at least 100 stations under the AVIA brand till the end of 2020
Introducing own fleet card in H2 2018

Petrol Stations total revenues [PLN million]



Revenues from Diesel sales at three **own stations**

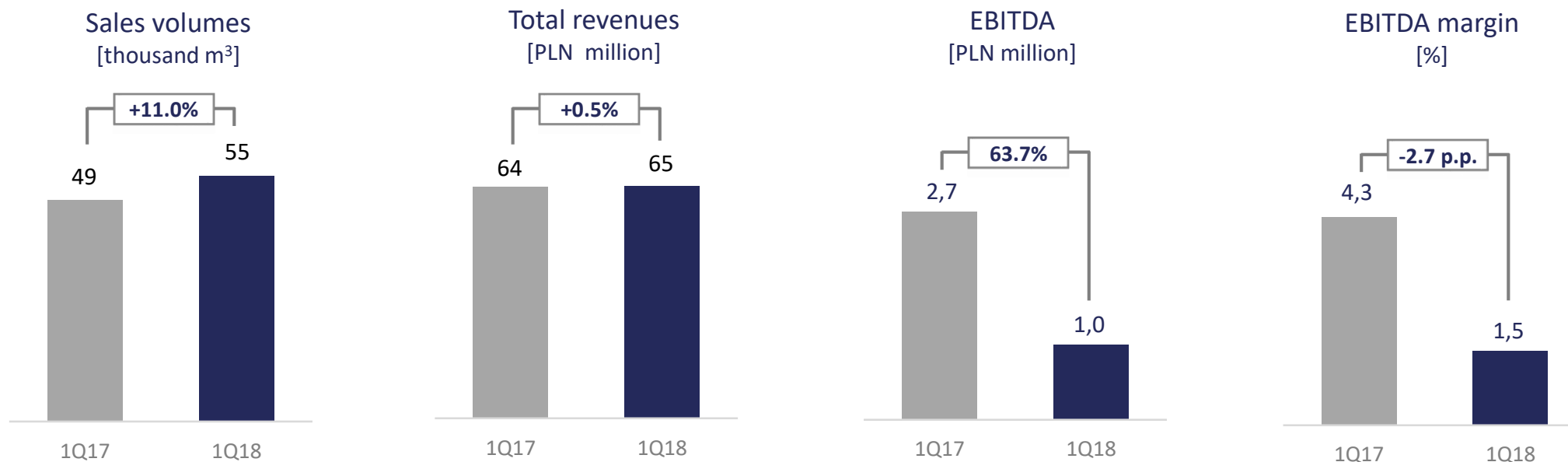
Franchise revenues from AVIA stations (pt. 2-4)

Revenues from **Tankuj24.pl application**

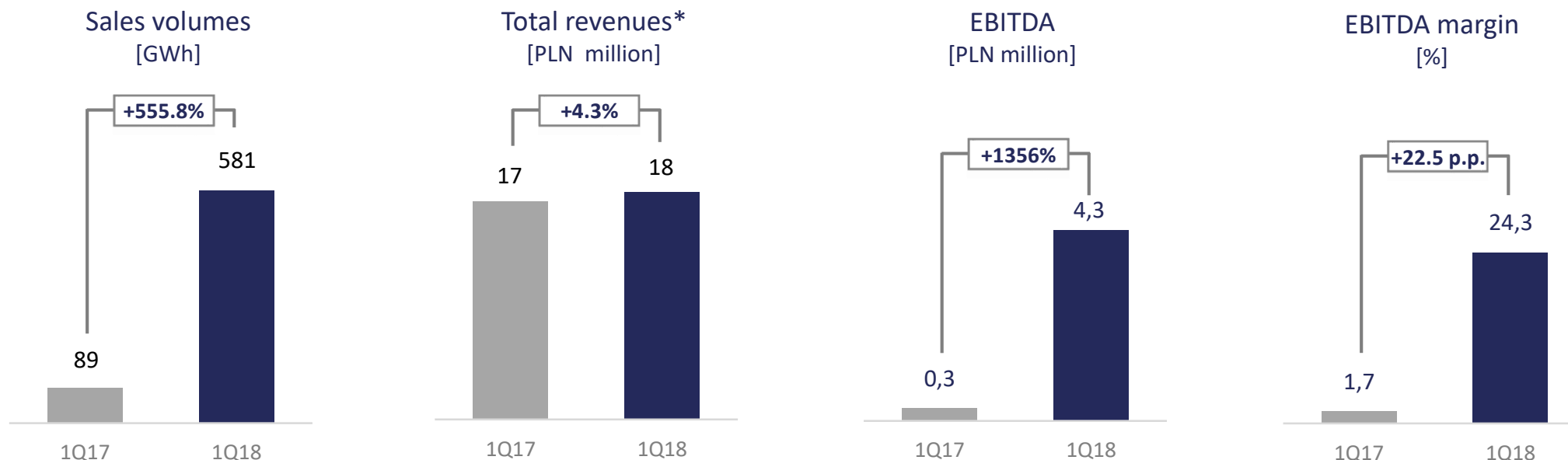
- Lower revenues in Q1 2018 are driven by loss of volumes from a significant client (lost tender and significant drop in transports)



Mobile application allows for fuel prices comparison at stations and online fuel purchase at lower price



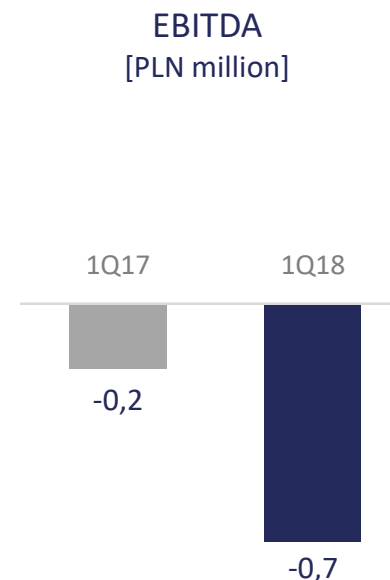
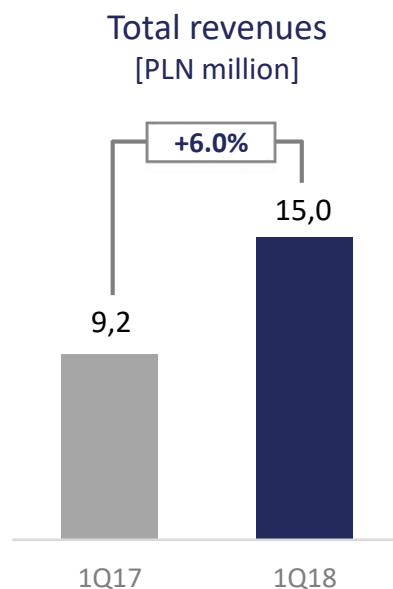
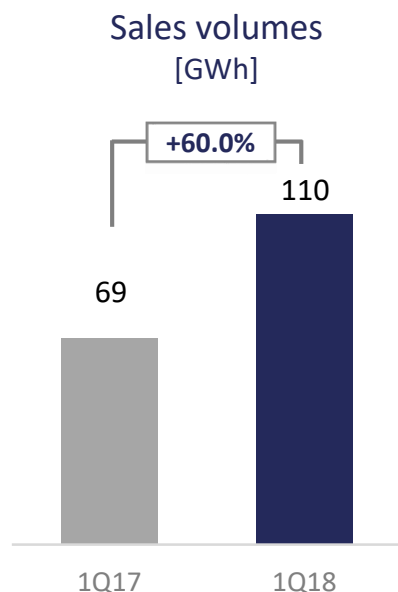
- Further strengthening of the significant position as LPG distributor in Poland and leading position among wholesale importers and suppliers
- Higher sales volumes mainly due to commencing the sales from the terminal at new location, shortening the supply chain through reducing the participation of intermediaries in purchases, development of import activeness across Belarus, expansion of foreign customers portfolio
- Demanding external environment – lower market prices, significant logistic limitations (lower capacity and railway tracks and depot gates blockades) resulting in sales impediments and lower attractiveness of carried out assignments
- Higher cost of LPG transport, transshipment and cost of forced stoppages



- Higher sales results in wholesale energy trading through exchange and brokerage platforms (since present year the result is demonstrated in the item „Revenues/financial costs” according to MSFF 15, but included into EBITDA)
- Intensive sales activities in the sales to final customers segment – a record number of acquired new contracts
- Negative EBITDA result in the segment of electricity sale to final customers due to business functioning model – incurring ongoing costs of segment functioning and the revenues will occur in the future, the moment the signed delivery contracts come into force
- Growth in the number of cooperating energy producers



* Since 2018, according to MSSF 15, revenues and costs from wholesale energy trading through exchange and brokerage platforms are included directly into revenues/financial costs, not as previously into the revenues on sales (in Q1 2018 it concerns the amount of PLN 88.7m of revenues and PLN 83.9m of costs)



- Conducted activity: natural gas trade, sales and distribution (in-house infrastructure and PPE)
- Sales volumes growth volumes due to intensive sales efforts
- Negative financial results caused mainly by: high interest cost of subsidiaries, high prices of natural gas purchases and unfavourable levels of sales and distribution tariffs
- Currently the Group is conducting a number of analyses aimed at optimizing natural gas business



DIESEL AND BIO-FUELS

Further organic growth – actions aimed at growth in sales, including outside the country

Intensive works on margins improvement – search for new, attractive purchasing opportunities

Quarterly NIT realisation

Realising larger single supplies of diesel for Unimot (possible due to resources from prior year share issuance)

Planned stoppages at Orlen refinery (2Q18)

Possible demand slowdown due to growing rapidly diesel prices

Further development of additional diesel sales channels - AVIA chain and Tankuj24.pl application

Unimot S.A. and CG

OGM 05/17/2018 – decision to allocate profit

completing the works on Group's Strategy for oncoming years

Cross-selling actions among particular businesses

LPG

Fuel season – expected growth in demand due to summer period and holidays

Overhaul of terminal in Malaszewicze used by Unimot – necessity to apply alternative solutions

Possible problems with LPG availability in Poland (large demand in Ukraine, Euro 2018 in Russia, challenges of rail capacity)

ENERGY

Further development activities – acquiring new clients and ensuring larger future revenues

NATURAL GAS

Further analysis and taking actions to optimize the gas segment activity

Striving at establishing higher, corresponding with the cost side, sales and distribution tariffs

Actions aimed at ensuring attractive price of natural gas deliveries (termination of unfavourable, presently valid contract)

AVIA

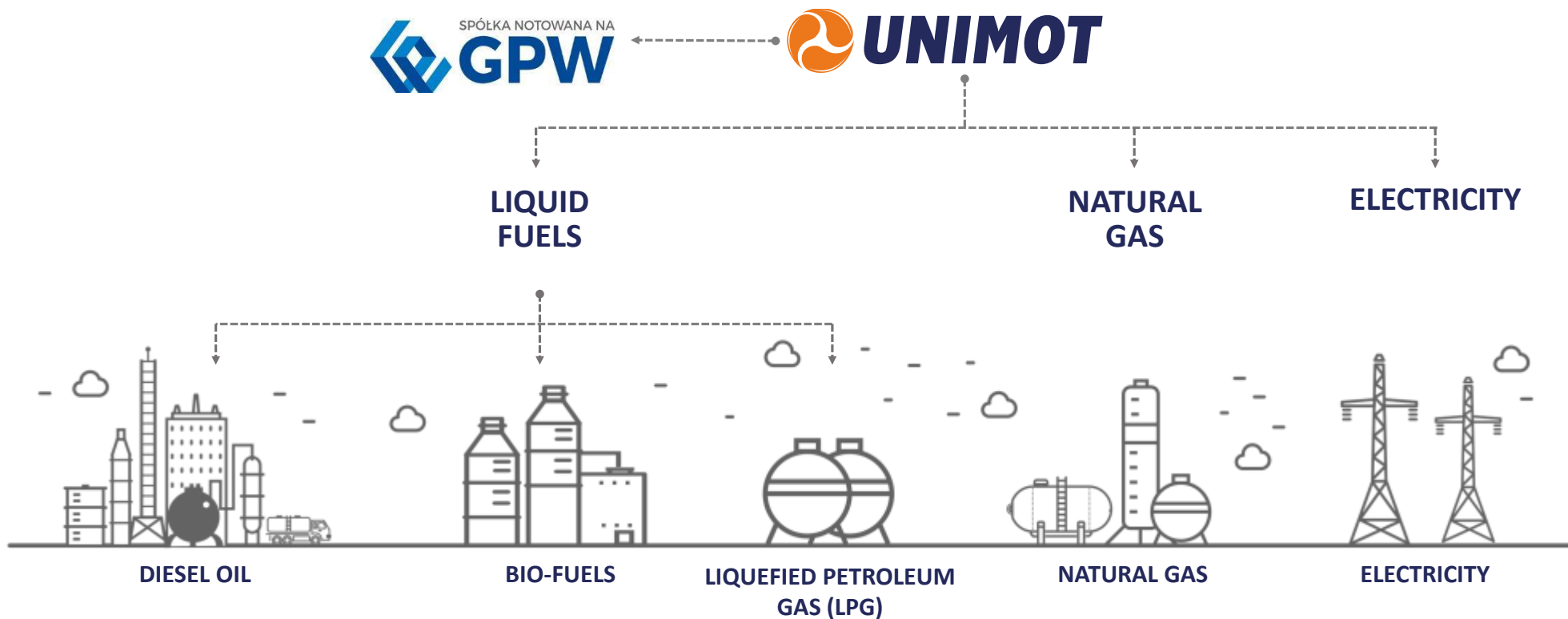
Including new stations into the chain of AVIA franchise – the end-year goal: 45 own stations, end of 2020 year goal: 100 stations

APPENDIX

[PLN thousand]	Q1 2018	Q1 2017
Operating activity cash flows		
Profit before taxation	(2 429)	10 033
Adjustments by items, in this:		
Amortisation	1 375	1 120
Net interests, transactional costs (concerning credits and loans) and dividends	1 836	1 052
Receivables change	(18 491)	9 417
Inventories change	11 874	7 795
Trade payables change	(30 623)	(61 666)
Net operating activity cash flows	(9 151)	(37 715)
Net investment activity cash flows	(1 448)	(391)
Net financial activity cash flows	(3 483)	79 595

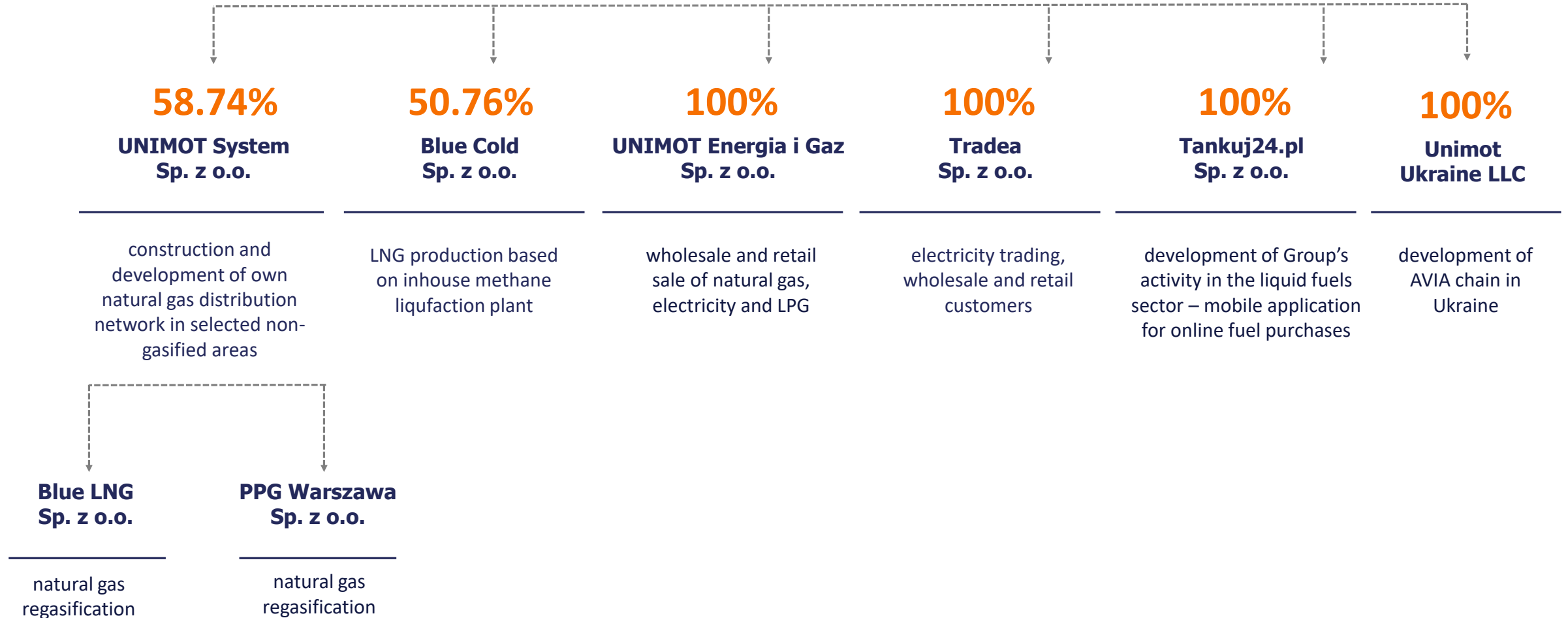
[PLN thousand]	03/31/2018	12/31/2017
Fixed assets, in this:		
Tangible assets	50 870	50 459
Intangible assets	20 465	20 501
Fixed assets in total	83 579	80 508
Current assets, in this:		
Inventories	221 313	233 187
Trade and other receivables	267 422	245 948
Financial derivative instruments	18 839	14 842
Cash and cash equivalents	23 331	36 532
Total current assets	537 767	538 012
Total assets	621 346	618 520

[PLN thousand]	03/31/2018	12/31/2017
Equity, in this:		
Share capital	8 198	8 198
Other capitals	163 100	163 100
Total equity	199 453	201 419
Long-term liabilities, in this:		
loans and other debt instruments	11 546	11 674
Total long-term liabilities	30 412	23 218
Short-term liabilities, in this:		
overdrafts	140 492	140 575
Total short-term liabilities	391 481	393 883
LT and ST Liabilities	421 893	417 101
TOTAL LIABILITIES	621 346	618 520



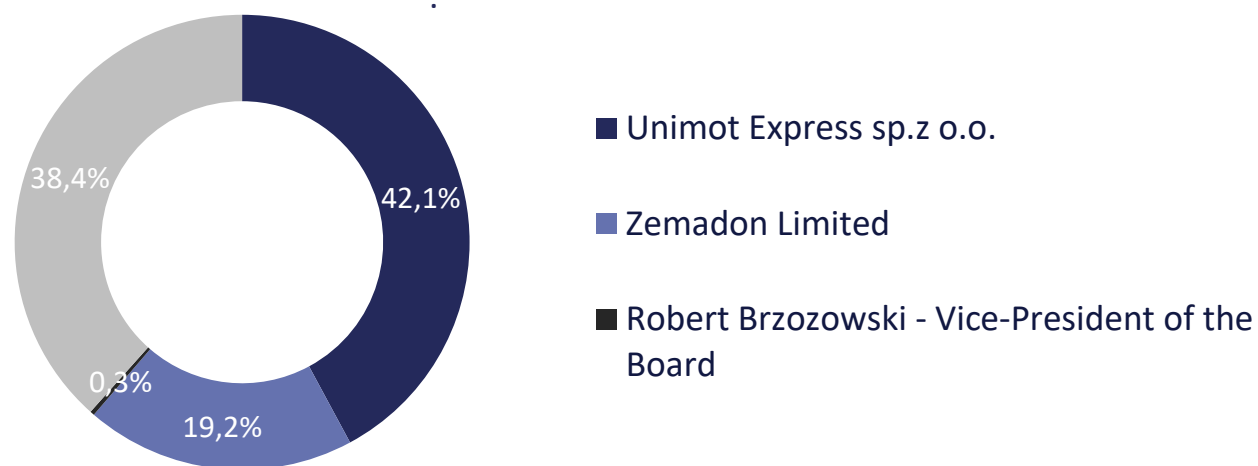
Key strategy elements

Focus on liquid fuels sales growth	Developing franchise of AVIA petrol stations in Poland	Increase in the share of electricity market	Developing infrastructure and sales of gas fuels	Investments into modern technologies (Tankuj24, e-Zamówienia)
------------------------------------	--	---	--	---



Shareholder	No. of shares	Share in capital	No. of votes	Share in votes
Unimot Express Sp. z o.o.	3 454 720	42.14%	3 804 720	42.76%
Zemadon Limited	1 572 411	19.18%	1 922 411	21.61%
Robert Brzozowski – Vice-President of the Board	25 730	0.31%	25 730	0.29%
Others	3 144 957	38.4%	3 144 957	35.3%
Total	8 197 818	100.00%	8 897 818	100.00%

Share in capital of Unimot S.A.





INVESTOR RELATIONS Unimot S.A.

Joanna Siedlaczek
Investor Relations Director
mob.: +48 517 169 792
e-mail: gielda@unimot.pl

This presentation has been prepared by Unimot S.A. ("Company") for its shareholders, analysts, and other contractors. This presentation has been prepared solely for information and is not an offer to buy or sell or a solicitation of an offer to buy or sell any securities or instruments. This presentation is not an investment recommendation or an offer to provide any services. All efforts have been made to present the data in this presentation; however, some data are derived from external sources and have not been independently verified. No warranty or representation can be given that information in this presentation is exhaustive or true. The company holds no liability for any decisions made on the basis of any information or opinion in this presentation. Unimot S.A. informs that in order to obtain information about the Company reference should be made to periodic and current reports published in compliance with applicable provisions of Polish legislation.

