Geton Energy spółka z ograniczoną odpowiedzialnością

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KRS 0000681577
NIP 5252714003

Financial Statement
for the year ended December 31st, 2018

28th February 2019

For shareholders of Geton Energy Sp. z o.o

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Geton Energy spółka z ograniczoną odpowiedzialnością

STATEMENT OF FINANCIAL POSITION

(All amounts are stated in PLN)	Note	As at 31 December 2018	As at 31 December 2017
ASSETS			
Fixed Assets		**977 146,02**	**130 619,65**
Tangible assets	5.2.1.	13 717,00	20 134,00
Long-term receivables		19 941,40	19 941,40
Deferred income tax assets	20.2	943 487,62	90 544,25
Current assets		**8 146 258,94**	**9 667 218,39**
Receivables from supplies and services and other receivables	7.	5 357 385,03	2 029 949,19
Receivables from VAT tax		200 644,53	46 366,01
Loans granted		-	-
Short-term investments	6.	397 814,95	58 551,29
Cash and cash equivalents	8.	2 190 414,43	7 532 351,90
TOTAL ASSETS		**9 123 404,96**	**9 797 838,04**
EQUITY			
Share capital	10	10 000 000,00	10 000 000,00
Profits (losses) retained	11	(4 095 470,80)	(432 244,05)
Total equity		**5 904 529,20**	**9 567 755,95**
LIABILITIES AND PROVISIONS FOR LIABILITIES			
Long - term liabilities		**2 150 000,00**	**-**
Credits and loans	12.	2 150 000,00	-
Short-term liabilities		**1 068 875,76**	**230 082,09**
Trade and other payables	14.	757 741,32	110 083,29
Credits and loans		9 401,45	-
Deferred revenue	13.	301 732,99	119 998,80
Total Liabilities and provisions for liabilities		**3 218 875,76**	**230 082,09**
TOTAL EQUITY AND LIABILITIES		**9 123 404,96**	**9 797 838,04**

The accompanying notes are an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are stated in PLN)	Note	Year ended 31th December 2018	Period ended 31th December 2017
Sales revenues	15.	**154 481 519,47**	**62 513,00**
Sales of energy		154 481 519,47	62 513,00
Other operating income	16.	**4,33**	**1,17**
Other operating income		4,33	1,17
Operating expenses	17.1	**(159 333 345,67)**	**(636 633,64)**
Depreciation		(38 799,26)	(17 580,79)
Materials and energy		(75 843,13)	(5 069,27)
Bought-in supplies and services		(415 233,65)	(217 511,20)
Taxes and charges		(103 251,45)	(60 500,51)
Salaries		(1 078 018,73)	(230 840,64)
Social security and other benefits		(147 694,40)	(13 236,38)
Other costs		(94 778,37)	(23 248,54)
The value of sold goods and materials		(157 376 723,63)	(68 644,48)
Other operating expenses	17.2	(3 003,05)	(1,83)
Operating profit (loss) before tax		**(4 851 821,87)**	**(574 119,47)**
Financial costs net	18.	**346 776,50**	**51 331,17**
Financial income		371 448,60	59 811,55
Financial costs		(24 672,10)	(8 480,38)
Profit (loss) before tax		**(4 505 045,37)**	**(522 788,30)**
Income tax	20.	**841 818,62**	**90 544,25**
Net profit (loss)		**(3 663 226,75)**	**(432 244,05)**
Other comprehensive income		**-**	**-**
Total comprehensive income		**(3 663 226,75)**	**(432 244,05)**

STATEMENT OF CHANGES IN EQUITY

(All amounts are stated in PLN)	Share capital	Retained earnings	Total equity
As at 10 May 2017	**10 000 000,00**	**-**	**10 000 000,00**
Profit (loss) for the period	**-**	**(432 244,05)**	**(432 244,05)**
Revaluation reserve	**-**	**-**	**-**
Total supplementary capital	**-**	**-**	**-**
Capital from previous years	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**
Total transactions with shareholders	**-**	**-**	**-**
As at 31 December 2017	**10 000 000,00**	**(432 244,05)**	**9 567 755,95**
Profit (loss) for the period	**-**	**(3 663 226,75)**	**(3 663 226,75)**
Total revaluation capital	**-**	**-**	**-**
Total supplementary capital	**-**	**-**	**-**
Total profit (loss) brought forward	**-**	**(432 244,05)**	**(432 244,05)**
Total comprehensive income	**-**	**-**	**-**
Total transactions with shareholders	**-**	**-**	**-**
As at 31 December 2018	**10 000 000,00**	**(4 095 470,80)**	**5 904 529,20**

The accompanying notes are an integral part of the financial statements

STATEMENT OF CASH FLOWS

(All amounts are stated in PLN)	**Year ended 31th December 2018**	**Period ended 31th December 2017**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	**(4 505 045,37)**	**(522 788,30)**
Non - cash adjustments		
Depreciation	38 799,26	17 580,79
Short-term investment update	(339 263,66)	(58 551,29)
Foreign exchange gains (profit)	(3 614,81)	-
Change in working capital:		
Trade and other receivables	(3 481 714,36)	(2 096 256,60)
Trade and other liabilities	657 059,48	110 083,29
Deferred income	-	-
Other adjustments	170 609,44	119 998,80
Income tax payments	**-**	**-**
Net cash flow from operating activities	**(7 463 170,02)**	**(2 429 933,31)**
CASH FLOWS FROM INVESTING ACTIVITIES		
expenditure on the purchase of fixed assets	**(32 382,26)**	**(37 714,79)**
Net cash flows from investing activities	**(32 382,26)**	**(37 714,79)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Credits and loans	7 507 950,00	-
Share capital		10 000 000,00
Repayment of bank credits and loans	(5 352 795,31)	-
Net cash flow from financing activities	**2 155 154,69**	**10 000 000,00**
Movement in cash and cash equivalents	**(5 340 397,59)**	**7 532 351,90**
Foreign exchange differences on cash and cash equivalents	**(1 539,88)**	**-**
Cash and cash equivalents at the beginning of the year	**7 532 351,90**	**-**
Cash and cash equivalents at the end of the year	**2 190 414,43**	**7 532 351,90**

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

(All amounts are stated in PLN)

1. General information

1.1 Information about the Company

Geton Energy Sp. z o.o. ("Spółka") was established on the basis of a notary deed dated 5th June 2017 and entered in the National Court Register conducted by District Court in Warsaw, XIII Commercial Department under the number 0000681577.

The seat of the Company is located in Warsaw 02-556 at Puławska 2 bud B Street.

The basic business of the Company is:
* trade in electricity,
* trade in gaseous fuels in a network system,

* other financial service activities, not classified elsewhere, excluding insurance and pension funds.
* other business support activities, not classified elsewhere.

The Company's duration is unlimited.

1.2 Members of the Boards of the Parent Company

At the balance sheet date Members of the Boards were:

The company's management

Kazakevič Diana - President of the Management Board of the Company
Marek Musiał - Proxy

2. Basis of preparation and going concern

2.1 Declaration of conformity

The financial statements contain financial data for the financial year from January 1, 2018. until December 31, 2018 and comparative data for the financial year from May 10, 2017. until December 31, 2017

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union as at December 31, 2018.

In accordance with the resolution of the Extraordinary General Meeting of Shareholders of December 21, 2018, the Company's financial statements are prepared in accordance with IFRS. The report for the period from January 1, 2018 to December 31, 2018 was prepared in accordance with the new accounting principles binding at Geton Energy Sp. z o.o .. Data in the comparative periods have been restated and are in line with the new accounting principles, the transformation related mainly to changes in the presentation method and template of the statement. The impact of changes on the statement of financial position and the statement of comprehensive income is presented in the additional information in note 26.

The financial statements of the Company for the year ended 31 December 2018 will be its first annual financial report prepared in accordance with International Financial Reporting Standards, and hence prepared in accordance with the provisions of IFRS 1. International Financial Reporting Standards of the EU take into account all International Accounting Standards, International Standards Financial Reporting and related interpretations other than the Standards and Interpretations that have been approved by the European Union, but have not yet entered into force The Company has not used the possibility of early application of new standards and interpretations that have already been published and adopted by the European Union and which will take effect after the reporting date.
When preparing these financial statements in accordance with IFRS, the Company applied all mandatory exceptions and some optional exemptions from full retrospective application of IFRS.

The financial statements have been prepared taking into account the provisions of the Act of 10 April 1997 Energy Law, as amended. According to art. 44 ust. 2 of the Act, the Company is required to prepare a financial report containing a balance sheet and profit and loss account separately for individual types of business activity. Information on the requirements of art. 44 are presented in detail in note 36.

The company performs one type of economic activity - trading in electricity on the commodity exchange. In addition, there were no significant costs or revenues, profits and losses unrelated to this activity. The statement of financial position presented in the further part of the report is the balance sheet of economic activity in the scope of energy trading, while the statement of comprehensive income is the profit and loss account of this activity.

The functional currency of the Company and the presentation currency of these financial statements is the Polish zloty (PLN). All amounts presented in these financial statements are expressed in PLN, unless indicated otherwise.

The company also presents the data converted for the previous financial year ended December 31, 2017.

2.2 Assumption of continuing a business

The financial statements were prepared with the assumption of continuing operations.

3. Change to standards or interpretations

Accepted accounting principles and amendments to IFRS

New standards, changes in existing standards and interpretations that have been adopted by the European Union:

• IFRS 9 Financial Instruments (published on 24 July 2014), the Management Board carried out an analysis of the impact of the implementation of the new IFRS 9 Financial Instruments ('IFRS 9') from January 1, 2018. In connection with the analysis, the Management Board assessed that the application of the new standard will not have a material impact on the valuation of receivables, cash and other short-term financial assets of the Company.

• IFRS 15 Revenue from contracts with clients published on May 24, 2014 (and Explanations to IFRS 15 Revenue from contracts with customers published on April 12, 2016)
With regard to amendments regarding IFRS 15 Revenue from contracts with customers, the Management Board carried out an analysis of the impact of the above standard on the financial position, results of the Company's operations and the scope of information presented in the financial statements. The above analysis mainly included the moment of recognizing sales revenue. On the basis of the analyzes carried out, the Management Board did not find any significant changes in relation to the accounting policy applied by the Company in this area.
Standards and Interpretations adopted by the IASB, but not yet approved for use in the EU:

IFRS in the form approved by the EU does not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following standards, amendments to standards and interpretations, which as at June 30, 2018 have not yet been adopted. accepted for use in the EU (the following dates of entry into force refer to the full version):
• IFRS 16 "Leases" (effective for annual periods beginning on January 1, 2019 or after that date),
• IFRIC 22 Transactions in foreign currency and advances (published on December 8, 2016) - until the date of approval of these financial statements not approved by the EU - applicable to annual periods beginning on January 1, 2018,
• IFRS 17 Insurance Contracts (published on May 18, 2017) - applicable to annual periods beginning on January 1, 2021 or after that date,
• IFRIC 23 Uncertainty related to the recognition of income tax (published on 7 June 2017) - until the date of approval of these financial statements not approved by the EU - applicable to annual periods beginning on 1 January 2019 or after that date,
• Amendments to IFRS 9 Contracts with features of prepayments with negative compensation (published on 12 October 2017) - until the date of approval of these financial statements not approved by the EU - applicable to annual periods beginning on 1 January 2019 or after that date,
• Amendments to IAS 28 Long-term Shares in Associates and Joint Ventures (published on October 12, 2017) - until the date of approval of these financial statements not approved by the EU - applicable to annual periods beginning on January 1, 2019 or later.
• Amendments to IAS 19 Employee benefits - until the date of approval of these financial statements not approved by the EU - applicable to annual periods beginning on January 1, 2019 or after that date.
• Amendments to IFRS 10 and IAS 28 Transactions of sale or contribution of assets between an investor and its affiliate or joint venture (published on 11 September 2014) - works leading to the approval of these amendments were postponed by the EU for an indefinite period - the date of entry into force was postponed by IASB for an indefinite period.

The company decided that it would not take advantage of the possibility of earlier application of the above-mentioned changes to existing standards and the above new standards. The Management Board verified the impact of the above standards on the financial position of the Company. The application of the above standards has no material impact on the financial statements.

4. Accounting principles (policy)

The principles applied in the preparation of these financial statements are consistent with the general principles applied in the preparation of financial statements for the year ended 31 December 2018.
The date of transition to IFRS is May 10, 2017.

4.1 Tangible fixed assets

In the financial year there were no changes in the recognition and presentation of non-current assets that change accounting policy.

In accordance with the accounting policy of the company, fixed assets from the group land, buildings, buildings and machinery are valued at revalued amount less amortization charges, as well as write-downs for permanent impairment in accordance with IAS 16.

Fixed assets are amortized on a straight-line basis over the period corresponding to the estimated period of their economic usefulness, which is as follows:

Technical devices and machines	30%

Depreciation starts in the month in which the fixed asset is available for use.
Fixed assets with a low unit initial value are recognized as one-time costs of operations.

4.2 Impairment of property, plant and equipment

With respect to property, plant and equipment, an annual assessment is made as to whether there were any indications that their value may be lost. If there are any events or circumstances that may indicate a difficulty in recovering the carrying amount of a given asset, an impairment test is performed.

For the purposes of the impairment test, assets are grouped at the lowest level at which they generate cash flows independently of other assets or groups of assets ("cash-generating units"). Assets that generate cash flow are tested individually.

If the carrying amount exceeds the estimated recoverable amount of assets or cash-generating units to which these assets belong, then the carrying amount is reduced to the level of the recoverable amount. The recoverable amount is the higher of the following two values: fair value less costs to sell or value in use. When determining the value in use, the estimated future cash flows are discounted to the present value using a discount rate reflecting current market assessments of the time value of money and the risk associated with the given asset component.

The amount of the write-off reduces proportionally the carrying amount of assets entering the cash-generating unit. Impairment write-offs are recognized in the profit and loss account as other operating costs.

On the next balance sheet dates, premises indicating the possibility of reversing impairment losses are assessed. Reversal of the write-down is recognized in the profit and loss account as other operating income.

4.3 Financial assets

Financial assets are recognized if and only if the Company becomes a party to the contract.

A financial asset is excluded if and only when contractual rights expire to the cash flows it generates, or if an asset together with substantially all the risk and all benefits associated with its ownership are transferred to another entity. If the Company retains control over the transferred asset, it continues to recognize it to the extent that it maintains its involvement and recognizes related liabilities.

Financial assets are divided into the following categories:
- assets at fair value evaluated by the financial result,
- loans and own receivables,
- held-to-maturity investments,
- financial assets available for sale.

A component of financial assets at fair value through profit or loss is a financial asset classified as held for trading when:
- it has been acquired or incurred principally for the purpose of sale or redemption at short notice, or
- is part of the portfolio of specific financial instruments that are managed jointly and for which there is confirmation of the current actual formula for generating short-term profits, or
- it is a derivative (except for derivatives that are effective hedging instruments);
- was designated by the Company on initial recognition as measured at fair value through profit or loss, as this leads to more reliable information.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and 12 fixed maturity dates with which the Company has the positive intention and ability to hold them until maturity.

Loans granted and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The Company includes loans and financing granted to loans and receivables.

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. The Company classifies the other acquired receivables as financial assets available for sale under purchase contracts, receivables arising under contracts for joint financing of economic projects and receivables resulting from factoring agreements. Available-for-sale financial assets are measured at cost. The purchase price corresponds to the fair value of these assets.

4.3.1. Valuation of financial assets at fair value

The Company measures financial assets at fair value through profit or loss, including derivatives that are assets, without deducting any transaction costs that may be incurred when selling or otherwise disposing of assets.
The fair value of financial assets is determined by:
- for instruments listed on an active market based on the latest quotations available as at the reporting date;
- for debt instruments not quoted in an active market based on the analysis of discounted cash flows;
- for forward derivatives and swap contracts based on discounted cash flow analysis.
Investments in equity instruments (shares and stocks) that do not have quoted market prices from an active market and whose fair value can not be reliably measured, are measured at cost, i.e. at the purchase price less any impairment losses.
Financial assets designated as hedged items are subject to valuation in accordance with the principles of hedge accounting.
Gains or losses resulting from the valuation of a financial asset or financial liability classified as measured at fair value through profit or loss are recognized directly in revenue or expenses.
In the case of debt financial instruments, interest calculated using the effective interest rate method is recognized in the profit and loss account.
Gains or losses arising from the valuation of a financial asset classified as available for sale are recognized directly in equity through a statement of changes in equity, except for impairment losses and foreign exchange differences, which are recognized directly in the profit and loss account.

4.3.2. Valuation of financial assets at amortized cost

The Company measures loans and receivables, including trade receivables, and held-to-maturity investments at amortized cost using the effective interest method. The company uses simplified methods of valuation of financial assets measured at amortized cost, if it does not distort information contained in the financial statements. Financial assets measured at amortized cost, where the Company applies simplifications, are measured at initial recognition and in the period after the initial recognition (including as at the balance sheet date) in the amount due.

4.3.3. Impairment of financial assets

At each balance sheet date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired." If there are objective indications of impairment of loans and receivables or held-to-maturity investments measured at amortized cost, the company recognizes a revaluation write-down. the amount of the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the original effective interest rate of the financial instrument The Company applies simplified impairment rules for trade receivables - in particular, an impairment loss is recognized in the amount equal to the carrying amount if the due date expired at least 6 months before the balance sheet date impairment loss decreased, and this decrease can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and recognized in the income statement as revenue. If there are objective indications of impairment of an unquoted equity instrument that is not measured at fair value because its fair value can not be reliably determined, the amount of the impairment loss is determined as the difference between the carrying amount of the financial asset and the present value estimated future cash flows, discounted using the current market rate of return for similar financial assets. Such impairment losses are not reversed.
If there are objective indications of impairment of an available-for-sale financial asset, the accumulated losses resulting from the negative valuation previously recognized directly in equity, in accordance with the principles of financial assets valuation, are deducted from equity and recognized in the profit and loss account. precipitate. An impairment loss for an investment in an equity instrument classified as available for sale is not reversed through the profit and loss account. If, in the subsequent period, the fair value of a debt instrument available for sale increases and this increase can be objectively combined with an event occurring after the impairment loss is recognized in the income statement, the amount of the reversed write-off is recognized in the profit and loss account.

4.3.4. Loans and receivables

Loans granted and other receivables with fixed or negotiated payment terms, which are not traded on an active market, are classified in the "loans and receivables" category in accordance with IAS 39.

At the moment of initial recognition of a loan and receivables, they are measured at fair value increased by transaction costs. After the initial recognition of loans and receivables, they are measured at amortized cost using the effective interest rate method, less any impairment losses. Interest income is recognized in financial income using the effective interest rate, with the exception of receivables and short-term receivables for which disclosure of interest would be immaterial.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term highly liquid investments with a fixed maturity of up to 3 months.

4.5 Equity capital

Share capital is recognized in the amount specified in the Company's agreement and entered in the court register and is disclosed at the nominal value of shares.

Retained earnings include profits and losses from previous years and the financial result of the current financial year.

4.6 Financial liabilities

Financial liabilities, including loans received, are recognized if and only if the Company becomes a party to the contract.

The financial liability component is included if and only if the obligation specified in the contract has been fulfilled, canceled or expired.

At the moment of initial recognition, liabilities are measured at fair value increased by transaction costs. After the initial recognition, the liabilities are measured at amortized cost using the effective interest rate method. Interest expenses are recognized in financial costs using the effective interest rate, with the exception of short-term liabilities for which disclosure of interest would be immaterial.

Liabilities are classified as short-term, unless the Company has an unconditional right to postpone the maturity date of the liability at least by a period of 12 months from the end of the reporting period.

4.7. Income

Revenues are recognized in the amount in which it is probable that the Company will obtain economic benefits that can be measured reliably.

Revenues from the sale of electricity are recognized in the period in which it was generated.

Interest income is recognized using the effective interest rate.

4.8. Operation costs

Operating costs are recognized in the profit and loss account in accordance with the principle of matching revenues and costs. Other operating costs include donations, indemnities and impairment losses on non-financial assets.

4.9. Transactions in foreign currencies

The business operations expressed in foreign currencies are recognized in Polish zloty accounting books at the rate prevailing at the transaction date, i.e. according to the exchange rate actually applied on that day, resulting from the nature of the operation, or at the average exchange rate announced for a given currency by the National Bank of Poland on preceding the transaction day. The outflow of cash and other investment components is valued at average prices, that is, determined at the weighted average price of a given asset.

As at the balance sheet date, assets and liabilities expressed in foreign currencies are converted into Polish zlotys using the average exchange rate for the given currency at the National Bank of Poland for that day. The following exchange rates were used:

	31 December 2018	30 December 2017
EUR	4,3000	4,1709

4.10. Operating lease at the lessee

Payments under operating lease agreements under which the Company is the lessee are recognized in the profit and loss account on a straight-line basis over the lease term, except for situations where another systematic method is more adequate to reflect the economic benefits provided by the leased asset.

4.11. Current and deferred income tax

Income tax affecting the financial result for the reporting period includes the current and deferred part.

The current income tax liability is calculated in accordance with tax regulations. The deferred part disclosed in the profit and loss account is the difference between the state of reserves and deferred tax assets at the end and beginning of the reporting period.

Deferred tax is recognized in connection with temporary differences between the tax value of assets and liabilities and their value shown in the financial statements as well as with respect to unsettled tax losses. The amount of deferred tax is determined taking into account the tax rates applicable in the year in which the tax obligation arose, based on tax regulations in force at the end of the reporting period.

The value of assets due to deferred income tax is subject to verification as at the day ending the reporting period. The value of deferred tax assets is reduced to the extent that it is not probable that taxable profit will be sufficient to realize those assets.

Deferred income tax reserve and assets related to operations accounted for with equity are charged to equity.

Deferred income tax assets are determined in the amount anticipated to be deducted from income tax in the future, due to negative temporary differences and tax loss possible to deduct, determined in accordance with the prudence principle.

Provision for deferred income tax is created in the amount of income tax, requiring future payment, in connection with the occurrence of positive temporary differences, i.e. differences that will increase the basis for calculating income tax in the future.

The amount of the deferred income tax reserve and assets is determined taking into account the income tax rates in force in the year when the tax obligation arose, taking into account the tax regulations in force at the balance sheet date.

The reserve and assets due to deferred income tax are compensated for the purposes of presentation in the financial statements.

4.12. Subjective assessments of the Company's Management Board and uncertainty of estimates and assumptions

When preparing the financial statements in accordance with IFRS, the Company's Management Board makes subjective assessments, estimates and assumptions that may affect the adopted accounting principles (policy), as well as the value of assets and liabilities, recognized in the financial statements. When preparing these financial statements, the Management Board of the Company made subjective assessments, estimates and assumptions regarding potential events that would risk causing significant adjustments to the carrying amounts of assets and liabilities during the next reporting period. Information on the estimates and assumptions made, which are significant for the financial statements, are presented in the next items of the financial statements.

4.13. Comparability of financial data for the preceding year with the financial statements

The financial year is the first financial year in which the Company applies IFRS. Note 26 presents comparative data from the transformation of the financial statements for the year ended on December 31, 2017.

4.14. The format of the financial statements

Profit and loss account, which is a part of the consolidated statement of comprehensive income, shall be made by nature of expense.

Statements of cash flows is prepared using the indirect method.

4.15. Reserves

Provisions are recognized when the Company has an existing obligation (legal or customary) resulting from past events and when it is certain or highly probable that fulfillment of this obligation will result in the necessity of outflow of resources embodying economic benefits, and when it is possible to reliably estimate the amount of this liability. If the Company expects that the costs covered by the provision will be returned, for example under an insurance contract, then this return is recognized as a separate asset, but only when it is virtually certain that the return will actually take place. The costs related to a given provision are disclosed in the profit and loss account after deduction of all returns. If the effect of the time value of money is material, the amount of the provision is determined by discounting the projected future cash flows to the current value, using the gross discount rate reflecting current market assessments of the time value of money and the potential risk associated with the given liability. If the discounting method was applied, the increase in the provision due to the passage of time is recognized as financial costs.

4.16. Receivables

Trade receivables are disclosed in the amount of the payment due less write-downs. The value of receivables is updated taking into account the probability of their payment by making a revaluation write-down. Write-offs revaluating receivables are included respectively in other operating costs or in financial costs - depending on the type of receivables to which a write-down applies. Redeemed receivables, overdue receivables or uncollectible receivables reduce the previously made revaluation write-offs. Redeemed receivables, overdue receivables or bad debts on which no revaluation write-offs were made, or write-downs made to an incomplete amount are charged to other operating or financial costs. Budget receivables are presented under other short-term receivables, with the exception of corporate income tax receivables, which constitute a separate item in the balance sheet. If the effect of the time value of money is material, the value of receivables is determined by discounting the projected future cash flows to the present value using a gross discount rate reflecting current market assessments of the time value of money. If the discounting method was applied, the increase in receivables due to the passage of time is recognized as financial revenues.

4.17. Loans and loans received

At the moment of initial recognition, all loans are recognized at fair value, less costs associated with obtaining the loan. After initial recognition, interest-bearing loans are measured at amortized cost using the effective interest rate method. When determining the amortized cost, the costs related to obtaining the loan as well as discounts or bonuses obtained in connection with the liability are taken into account. Income and expenses are recognized in the profit and loss account when the liability is derecognised from the balance sheet as well as as a result of the settlement using the effective interest rate method.

4.18. Liabilities

Short-term liabilities for deliveries and services are recognized in the amount due. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities initially classified as those measured at fair value through profit or loss. Financial liabilities are classified as held for trading if they were acquired for the purpose of selling in the near future. Derivative instruments, including separated embedded instruments, are also classified as held for trading, unless they are recognized as effective hedging instruments. Financial liabilities may be initially recognized as measured at fair value through profit or loss if the following criteria are met: (i) such elimination eliminates or significantly reduces incoherence in treatment, where both the valuation and the rules for recognizing losses or profits are subject to other regulations; or (ii) liabilities are part of the financial liabilities of the Company that are managed and assessed based on fair value, in accordance with the documented risk management strategy; or (iii) financial liabilities contain embedded derivatives that should be recognized separately. Other financial liabilities, other than financial instruments at fair value through profit or loss, are measured at amortized cost using the effective interest method.The company excludes a financial liability from its balance sheet when the liability expired - that is, when the obligation specified in the contract has been fulfilled, canceled or expired. Replacement of an existing debt instrument by an instrument with substantially different terms made between the same entities is recognized by the Company as the expiration of the original financial liability and the recognition of a new financial liability. Similarly, significant modifications to the terms of the agreement regarding an existing financial liability are recognized by the Company as the expiration of the original and the recognition of a new financial liability. The differences in respective balance sheet values arising from the conversion are shown in the profit and loss account. Other non-financial liabilities include, in particular, liabilities to the tax office for goods and services tax and liabilities due to advances received, which will be settled through the delivery of goods, services or fixed assets. Other non-financial liabilities are recognized at the amount due.

4.19. Operating segments

The company conducts a homogeneous operating activity and does not distinguish between operating segments due to the type of activity and the criterion of the geographical area in which the Company's clients conduct business. All sales are carried out throughout the country.

5. Fixed assets

5.1. Intangible assets

5.1.1 Year ended 31th December 2017

in PLN	Research and development costs	Goodwill	Other intangible assets	Total
Gross value and revaluation due to revaluation				
State at the beginning of the period	0,00	0,00	0,00	0,00
increase in value	-	0,00	5 089,58	5 089,58
State at the end of the period	**0,00**	**0,00**	**5 089,58**	**5 089,58**
Remission				
State at the beginning of the period		-	-	-
Depreciation for the period		-	(5 089,58)	(5 089,58)
State at the end of the period		**-**	**(5 089,58)**	**(5 089,58)**
Write-downs				
State at the beginning of the period	-	-	-	-
State at the end of the period	**-**	**-**	**-**	**-**
The net value				
State at the beginning of the period	0,00	0,00	0,00	0,00
State at the end of the period	**0,00**	**0,00**	**0,00**	**0,00**

5.1.2 Year ended 31th December 2018

in PLN	Research and development costs	Goodwill	Other intangible assets	Total
Gross value and revaluation due to revaluation				
State at the beginning of the period	0,00	0,00	5 089,58	5 089,58
increase in value	-	0,00	0,00	0,00
State at the end of the period	**0,00**	**0,00**	**5 089,58**	**5 089,58**
Remission				
State at the beginning of the period		-	(5 089,58)	(5 089,58)
Depreciation for the period		-	-	-
State at the end of the period		**-**	**(5 089,58)**	**(5 089,58)**
Write-downs				
State at the beginning of the period	-	-	-	-
State at the end of the period	**-**	**-**	**-**	**-**
The net value				
State at the beginning of the period	0,00	0,00	0,00	0,00
State at the end of the period	**0,00**	**0,00**	**0,00**	**0,00**

5.2 Property equipment

5.2.1. Year ended 31th December 2017

in PLN	Land	Facilities and engineering	Technical devices and machines	Total
State at the beginning of the period	0,00	0,00	0,00	0,00
increase in value	-	0,00	32 625,21	32 625,21
State at the end of the period	**0,00**	**0,00**	**32 625,21**	**32 625,21**
Remission				
State at the beginning of the period		-	-	-
Depreciation for the period		-	(12 491,21)	(12 491,21)
Calculation due to revaluation		-	-	-
State at the end of the period		**-**	**(12 491,21)**	**(12 491,21)**
Write-downs				
State at the beginning of the period	-	-	-	-
State at the end of the period	**0,00**	**0,00**	**20 134,00**	**20 134,00**

5.2.2. Year ended 31th December 2018

in PLN	Land	Facilities and engineering	Technical devices and machines	Total
Gross value				
State at the beginning of the period	0,00	0,00	32 625,21	32 625,21
increase in value	-	0,00	32 382,26	32 382,26
State at the end of the period	**0,00**	**0,00**	**65 007,47**	**65 007,47**
Remission				
State at the beginning of the period		-	(12 491,21)	(12 491,21)
Depreciation for the period	-	-	(38 799,26)	(38 799,26)
State at the end of the period	**-**	**-**	**(51 290,47)**	**(51 290,47)**
The net value				
State at the beginning of the period	0,00	0,00	20 134,00	20 134,00
State at the end of the period	**0,00**	**0,00**	**13 717,00**	**13 717,00**

5.3 Fixed assets not depreciated

The value of fixed assets not disclosed in the Company's assets used by the Company under lease agreements, leases and other agreements, including those under operating lease contracts is PLN 423.8 thousand. PLN (PLN 219.3 thousand). The initial value of these funds results from lease agreements, leases, leases, etc.

6. Short-term investments

	31th December 2018	31th December 2017
Short-term investments	397 814,95	58 551,29

In the financial year, the Company signed forward contracts for the sale of electricity with a delivery date in 2019 and 2020. The total value of the contracts concluded is PLN 3 753 thousand. The company included in the books the market valuation of contracts for the amount of PLN 397 814.95. The place of conclusion and execution of futures contracts is Towarowa Giełda Energii.

7. Receivables due to deliveries and services and other receivables

	31th December 2018	31th December 2017
Receivables from the sale of electricity	5 325 606,47	1 998 800,51
Accrued expenses	31 778,56	31 148,68
Other receivables		
Total	5 357 385,03	2 029 949,19

In the financial statements for the financial year ended on 31 December 2017, the company presented receivables from a deposit paid on the commodity exchange as short-term other investments. As trading in energy on the stock exchange is the company's core business, receivables from the deposit slips have been presented as a trade receivable. For comparative purposes, the deposit was reclassified to receivables for 2017.

The value of receivables from the sale of electric energy consists of, among others the value of funds deposited at the Noble Securyta brokerage house is PLN 3 866 665,75 as at the balance sheet date.

In the financial year, the Company did not make write-downs for receivables.

All receivables presented are in PLN.

7.1 Aging of receivables

specification	not required	0-30 days
trade receivables	926 061,93	532 878,79
deposit	3 866 665,75	

8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include:

	31th December 2018	31th December 2017
Cash at the bank	2 190 414,43	7 532 351,90
Total	2 190 414,43	7 532 351,90

9. Non-monetary transactions

The Company has made the following significant non-cash transactions in investing and financing activities, which are not reflected in the separate cash flow statement:

- Unrealized expenses from exchange rate differences on loans amounted to 5,144.69. PLN (in the previous year, PLN 0.00).

10. Basic capital

The share capital of the Company amounts to PLN 10,000,000 and is divided into 200,000 shares with a value of PLN 50 each. The shares have been fully paid up and give equal voting rights and the right to dividend.

Shareholders	Number of shares	Nominal value (in PLN)
ENERGIJOS TIEKIMAS UAB	200 000	10 000 000,00
Total	**200 000**	**10 000 000,00**

11. Retained earnings and proposal of the Board

Retained earnings include:

(in PLN)	31th December 2018	31th December 2017
Profits (losses) retained	(432 244,05)	-
Profits (losses) retained	(3 663 226,75)	(432 244,05)
Total	(4 095 470,80)	(432 244,05)

The Management Board of the Company proposes to cover the net loss from profits of future years.

12. Financial liabilities

12.1. Loans received

In 2017, the Company concluded a contract with a related party for a loan in the amount of EUR 3,600 thousand. the contract is concluded for a period of 4 years with the possibility of extension by 2 years. As at the balance sheet date, she received loans in the amount of PLN 500,000. EUR. The loan capitals have been shown to be long-term. As loans received are denominated in EUR, the Company is exposed to the risk of fluctuations in the exchange rate of this currency, as explained in Note 23

The loan interest rate is affected by the following factors: variable interbank interest rate EURIBOR for three months and margin of 0.63% for the portion of the loan used and 0.1 in the readiness for the unused part of the loan. In the case of a negative EURIBOR interest rate, the floating rate is assumed as a value of 0.

Year ended 31th December 2017

		up to 1 year	over 1 year
long-term loan		0,00	0,00
Total		0,00	0,00

Year ended 31th December 2018

		up to 1 year	over 1 year
long-term loan		0,00	2 150 000,00
Total	0,00	0,00	2 150 000,00

13. Provision for retirement benefits and similar short-term

	31th December 2018	31th December 2017
bonus reserve	301 732,99	119 998,80
Total	301 732,99	119 998,80

The company provides for annual bonuses from the provisions of employment contracts in the event of achieving the set goals. In the financial year 2018, the company created a provision for a premium in the amount of PLN 301.7 thousand. In the previous financial year, a provision of PLN 120 thousand was attached. it was presented as short-term prepayments.

14. Liabilities for deliveries and services and other liabilities

	31th December 2018	31th December 2017
Other short-term liabilities to related entities	2 312,55	0,00
Liabilities for deliveries and services	603 843,48	51 534,32
Provisions for trade liabilities	56 000,00	27 355,54
Liabilities due to taxes and social insurance	95 585,29	30 293,43
unpaid wages	-	900,00
Total	757 741,32	110 083,29

14.1 Aging of commitments

	not required	0-30 days	31-60 days	up to 61 days
Other short-term liabilities to related entities	-	2 312,55	-	-
Liabilities for deliveries and services	570 187,81	26 860,14	5 628,11	1 167,42
Provisions for trade liabilities	56 000,00	-	-	-
Liabilities due to taxes and social insurance	-	95 585,29	-	-
Total	626 187,81	124 757,98	5 628,11	1 167,42

14.2 Currency structure

	EUR	PLN
Liabilities for deliveries and services	2 090,32	594 831,59
Other short-term liabilities to related entities	538,19	

15. Sales revenues

	Year ended 31th December 2018	Year ended 31th December 2017
Sale of electricity	154 481 519,47	62 513,00
Total	154 481 519,47	62 513,00

16. Other operating income

	Year ended 31th December 2018	Year ended 31th December 2017
Other revenues	4,33	1,17
Total	4,33	1,17

17. Operating expenses

17.1 Costs by type

	Year ended 31th December 2018	Year ended 31th December 2017
Depreciation	(38 799,26)	(17 580,79)
Usage of materials and energy	(75 843,13)	(5 069,27)
Foreign Service	(415 233,65)	(217 511,20)
Taxes and fees	(103 251,45)	(60 500,51)
Remuneration	(1 078 018,73)	(230 840,64)
Social security and other benefits	(147 694,40)	(13 236,38)
Other operating cost	(94 778,37)	(23 248,54)
The value of sold goods and materials	(157 376 723,63)	(68 644,48)
Total	(159 830 342,62)	(636 631,81)

17.2 Other operating cost

	Year ended 31th December 2018	Year ended 31th December 2017
Other operating cost	(3 003,05)	(1,83)
Total	(3 003,05)	(1,83)

18. Net financial income

18.1 Financial costs

	Year ended 31th December 2018	Year ended 31th December 2017
Interest on loans and other	(24 672,10)	(10,00)
Exchange differences	-	(8 470,38)
Total	(24 672,10)	(8 480,38)

18.2 Financial income

	Year ended 31th December 2018	Year ended 31th December 2017
Revaluation of financial assets	350 388,41	58 551,29
Exchange differences	3 410,42	-
Interest received	17 649,77	1 260,26
Total	371 448,60	59 811,55

19. Operating lease

The value of fixed assets not disclosed in the Company's assets used by the Company under lease agreements, leases and other agreements, including those under operating lease contracts is PLN 423.8 thousand. PLN (PLN 219.3 thousand). The initial value of these funds results from lease agreements, leases, leases, etc.

19.1. Payments due to operational leasing recognized in the profit and loss account.

	Year ended 31th December 2018	Year ended 31th December 2017
Minimum lease payments	57 420,26	117 547,64
Total	57 420,26	117 547,64

19.2. Future liabilities due to unresolvable operating lease agreements.

Future liabilities due to unresolvable operating lease agreements at their estimated value as at December 31, 2018:

	up to 1 year	from 1 to 3 years	from 3 to 5 years
Minimum lease payments	51 485	311 713	0
Total	51 485	311 713	0

20. Income tax

20.1. Reconciliation of gross profit (loss) to the taxable base for income tax.

	Year ended 31th December 2018	Year ended 31th December 2017
Profit (loss) Gross	**(4 505 045,37)**	**(522 788,30)**
including: capital gains	-	-
Amounts that increase the tax base		
other costs	774,88	1 050,89
payroll costs - current financial year	281 040,00	116 003,32
payroll costs - previous financial year	-107 818,00	0,00
costs of social security contributions	13 093,86	9 775,86
tax costs	0,00	45 127,75
interest	8 309,47	10,00
audit costs	16 000,00	0,00
costs of business consultations	20 000,00	0,00
other costs (NASDAQ)	20 000,00	0,00
Revaluation income	-350 388,41	-58 551,29
unrealized exchange differences	-4 738,82	
Total	-103 727,02	113 416,53
Taxable income	(4 608 772,39)	(409 371,77)
Investment relief	0,00	0,00
donations	0,00	0,00
Loss from previous years	0,00	0,00
The tax base	(4 608 772,39)	(409 371,77)
Income tax	0,00	0,00

20.2. Deferred income tax

	Year ended 31th December 2018	Year ended 31th December 2017
Negative temporary differences:		
accrued and unpaid wage costs	281 040,00	116 003,32
costs of social security contributions	13 093,86	9 775,86
audit costs	16 000,00	0,00
costs of business consultations	20 000,00	0,00
other costs (NASDAQ)	20 000,00	-
Other	0,00	0,00
	350 133,86	125 779,18
Tax loss 2017 (total)	409 371,8	409 371,8
Tax loss 2017 to be settled	409 371,8	409 371,8
Tax loss 2018	4 608 772,4	
Sum of tax losses to be settled in subsequent periods	5 018 144,2	409 371,8
Gross value of assets from deferred income tax	1 019 973,00	101 679,00
Positive temporary differences:		-
Interest on receivables accrued but not received		
Positive exchange rate differences on balance sheet valuation	3 625,50	50,00
The effects of revaluation to the level of market prices of financial assets	397 814,95	0,00
Remuneration for the activity of an independent member of the Management Board	1 113,32	0,00
	402 553,77	50,00
The value of the deferred income tax reserve	76 485,00	10,00
Compensation	-76 485,00	-11 134,75
Deferred income tax assets shown in the balance sheet	943 487,62	90 544,25
Provision for deferred income tax presented in the balance sheet	0,00	0,00
Provision for deferred income tax presented in the balance sheet as a result of transformation of financial data for 2017	0,00	11 124,75
Net balance sheet change of assets / provisions for deferred income tax	841 818,62	90 544,25
The amount of deferred tax recognized in equity in the period	-	-
Change in deferred tax recognized in the profit and loss account	841 818,62	90 544,25

21. Salaries, including remuneration from profit, paid or due to persons who are members of the Company's governing bodis

In the reporting period, the remuneration of the management staff amounted to PLN 339 thousand.

22. Transactions with related entities

Transactions with related entities carried out during the reporting period:

Loans received	Energijos Tiekimas UAB		
State at the beginning of the year		0,00	0,00
	Calculation of interest	-	-
	Loans received	7 523 750,00	0,00
	Loan repayment	(5 368 595,31)	0,00
	Exchange differences	(5 154,69)	0,00
As at the end of the year		2 150 000,00	0,00
Financial result on mutual transactions			
costs		24 672,10	0,00
income		0,00	0,00

The company did not conclude other transactions with related entities except those indicated above.
Loans granted by related entities and the repayment date were provided for 2021.
As at the balance sheet date, the company's liabilities towards related entities are as follows:
A loan from Energijos Tiekimas UAB for the amount of EUR 500,000 and interest PLN 2,312.6

23. Business risks estimated by the Management Board of the Company

23.1. Commodity price risk and currency risk

The risk of commodity prices arises directly from the core business of the Company and is considered the most important.
At the trading level, the Company applies standard risk mitigation techniques and position limits imposed on various commercial products.
To estimate the market risk of its portfolio, the end-of-day process established by the Company includes the valuation of all concluded transactions and the calculation of the value-at-risk for all trading positions. At present, VaR (Value at Risk) calculations are based on a historical approach with a conservative assumption regarding the correlation inside the portfolio (no compensation of correlated exposures).
P & L and VaR are compared with the Company's risk tolerance, and an appropriate escalation policy has been defined in the event of violation of certain thresholds.
Next year, the Company plans to develop and implement a new VaR model that will, inter alia, take into account correlations between various products in the portfolio.

Currently, all transactions in the portfolio are denominated in PLN, so the Company does not have any currency risk associated with trading activities. In the future, the Company will consider hedging the EUR / PLN rate risk from the trading result on Nasdaq OMX using standard currency instruments offered by banks.

23.2. Credit risk

At present, all Geton Energy transactions are concluded on the Polish Power Exchange (TGE) by the brokerage house. In the next year, the Company plans to become a direct member of the PolPX and Nasdaq OMX exchanges. For the purpose of calculating credit risk, the Company believes that the probability of insolvency of clearing houses is 0, and these exposures are not burdened with credit risk.

Margin deposits are a basic element of the clearing system for stock exchange transactions. They are brought by market participants and their task is to secure the risk related to the necessity to close the position of an insolvent member. They are calculated daily for transactions concluded on the futures market.

23.3 Interest rate risk

Due to negative interest rates of EURIBOR throughout the period of using the loan, a change in deviations of 10% on the interest rate as at the balance sheet date will not change the cost of the loan over the entire period. The risk of changes in interest rates has no impact on the financial result for the financial year 2018. The Management Board does not expect such an impact in the next financial year.

23.4 Fair value of financial instruments

According to the Board's estimates, the above-mentioned values of particular classes of financial instruments do not differ significantly from their fair value.
FINANCIAL INSTRUMENTS VALIDED IN FAIR VALUE
As at December 31, 2018, the Company maintained financial instruments at fair value in the statement of financial position. The company uses the following hierarchy to determine and disclose the fair value of financial instruments according to the valuation method:
Level 1 - quoted prices (unadjusted) in the active market for identical assets and liabilities
Level 2 - other methods for which all factors having a significant impact on the reported fair value are taken into account directly or indirectly
Level 3 - methods based on factors having a significant impact on the fair value shown, which are not based on observable market data
The level of the fair value hierarchy, which is followed by the fair value measurement classification, is determined on the basis of the lowest level input data, which is significant for the entire fair value measurement. For this purpose, the significance of the input data for the valuation is assessed by reference to the entire fair value measurement. If the observable input data uses observable input data that requires significant adjustments based on unobservable data, such valuation is a valuation classified as Level 3. An assessment of whether the specified input data used for the valuation is significant for the whole of the fair value measurement requires judgment taking into account factors specific to a given asset or liability.

FINANCIAL INSTRUMENTS	31.12.2018		31.12.2017	
	carrying amount	fair value	carrying amount	fair value
According to the amortized cost	-	-	-	-
According to fair value	-	-	-	-
through profit or loss (FVPL)	397 814,95	397 814,95	58 551,29	58 551,29
for other comprehensive income (FVOCI)	-	-	-	-

23.5. Foreign exchange risk

The loan received from the shareholder is denominated in EUR. Some short-term trade payables are expressed in EUR.

Exposure to exchange rate risk on the current and previous balance sheet date:

	31 December 2018		31 December 2017	
	thousand EUR	thousand PLN	thousand EUR	thousand PLN
Loans granted (+)	-	-	-	-
Loans received (-)	500	2 150	-	-
Total	500	2 150	-	-

The analysis of the sensitivity of the financial result and total income with respect to liabilities denominated in EUR and fluctuations of the EUR to PLN are presented below. Sensitivity analysis assumes an increase or decrease in the exchange rate by 10% compared to the closing rate as at 31 December 2017.

	Year ended 31th December 2018		Year ended 31th December 2017	
thousand EUR	The increase in the rate o 10%	Drop in the rate o 10%	The increase in the rate o 10%	Drop in the rate o 10%
Loans granted (+)	-	-	-	-
Loans received (-)	144	(273)	-	-
Impact on the financial result and total income	144	(273)	-	-

23.5. Liquidity risk

Responsibility for liquidity risk management lies with the Management Board, who developed financial plans for a period of 12 years, assuming adjustments of cash flow dates to the maturity of financial liabilities and which monitors actual cash flows. The maturity analysis of loan liabilities in accordance with the contractual repayment period is presented in Note 12. The loan repayment date from related parties was set for 2021, with the possibility to extend it by two years.

23.6 The risk of futures contracts

The main risks associated with investing in financial instruments are the risk of unfavorable price changes (decrease in the value of investments) combined with the risk of trade liquidity (no possibility to close the position / finish the investment with / without loss).

24. Events after the balance sheet date

From the balance sheet date to the date of preparation of these financial statements, there were no significant events affecting the property and financial standing of the Company as at the balance sheet date, which should be and have not been included in the financial statements.

25. Remuneration of the entity authorized to audit financial statements, paid out or due for the financial year

	Year ended 31th December 2018	Year ended 31th December 2017
Audit of the annual financial statements	16 000,00	0,00
Total	16 000,00	0,00

26. Data transformed

As at the commencement date, ie 10 May 2017, there were no adjustments between UoR and IFRS.

26.1. Statement of financial position

In PLN	As at 31 December 2017 according to UoR	Transformation	As at 31 December 2017 according to MSSF
ASSETS			
Fixed Assets	**141 744,40**	**(11 124,75)**	**130 619,65**
Intangible assets	20 134,00	-	20 134,00
Goodwill	-	-	-
Long-term receivables	19 941,40	-	19 941,40
Short-term receivables			-
Deferred income tax assets	101 669,00	(11 124,75)	90 544,25
Current assets	**9 608 667,10**	**58 551,29**	**9 667 218,39**
Receivables from supplies and services and oth	31 148,68	(1 998 800,51)	2 029 949,19
Receivables from VAT tax	46 366,01	-	46 366,01
Loans granted	-	-	-
Short-term investments		58 551,29	58 551,29
Cash and cash equivalents	7 532 351,90	-	7 532 351,90
Other short-term investments	1 998 800,51	1 998 800,51	-
TOTAL ASSETS	**9 750 411,50**	**47 426,54**	**9 797 838,04**
EQUITY			
Share capital	10 000 000,00	-	10 000 000,00
Profits (losses) retained	(479 670,59)	47 426,54	(432 244,05)
Total equity	**9 520 329,41**	**47 426,54**	**9 567 755,95**
LIABILITIES AND PROVISIONS FOR LIABILITIES			
Long-term liabilities	**-**	**-**	**-**
Loans and loans	-	-	-
Current liabilities	**230 082,09**	**-**	**230 082,09**
Commitments supplies and services and other liabilities	82 727,75	27 355,54	110 083,29
Provision for retirement benefits and similar short-term	-	119 998,80	119 998,80
Loans and loans	-	-	-
Other short-term prepayments	147 354,34	(147 354,34)	-
total liabilities	**230 082,09**	**-**	**230 082,09**
TOTAL EQUITY AND LIABILITIES	**9 750 411,50**	**47 426,54**	**9 797 838,04**

26.2. Statement of comprehensive income of the company

in PLN	For the period 10.05.2017 -31.12.2017 according to UoR	Transformation	For the period 10.05.2017 -31.12.2017 according to MSSF
Net revenues from sales and equated with them	62 513,00	-	62 513,00
Net revenues from the sale of goods and materials	**62 513,00**	**-**	**62 513,00**
Operating expenses			
Depreciation	(17 580,79)		(17 580,79)
Materials and energy	(5 069,27)		(5 069,27)
Bought-in supplies and services	(217 511,20)		(217 511,20)
Taxes and charges	(60 500,51)		(60 500,51)
Social security and other benefits	(230 840,64)		(230 840,64)
Other costs	(13 236,38)		(13 236,38)
The value of sold goods and materials	(23 248,54)		(23 248,54)
Other operating expenses	(68 644,48)		(68 644,48)
	(636 631,81)		**(636 631,81)**
Profit (loss) on sales	**(574 118,81)**	**-**	**(574 118,81)**
Other operating income			
Other operating income	1,17		1,17
	1,17		**1,17**
Other operating costs			
Other operational costs	(1,83)		(1,83)
	(1,83)		**(1,83)**
Profit (loss) from operations	**(574 119,47)**		**(574 119,47)**
Financial income			
Interest	1 260,26		1 260,26
Update of investment value	-	58 551,29	58 551,29
	1 260,26	**58 551,29**	**59 811,55**
Financial costs			
Interest	(10,00)		(10,00)
Other	(8 470,38)		(8 470,38)
	(8 480,38)		**(8 480,38)**
Profit / (loss) on business activities	**(581 339,59)**	**58 551,29**	**(522 788,30)**
Profit (loss) Gross	**(581 339,59)**	**58 551,29**	**(522 788,30)**
Income tax	**101 669,00**	**(11 124,75)**	**90 544,25**
Net profit (loss) from continuing operations	**(479 670,59)**	**47 426,54**	**(432 244,05)**
Other comprehensive income	-	-	-
Total revenues	**(479 670,59)**	**47 426,54**	**(432 244,05)**

26.3. Changes related to the transformation of data

26.3.1. In the statement of financial position of an entity in assets, the presentation of prepayments related to the deposit related to energy trading was changed and this item was recognized in short-term receivables, which corresponds to the nature of the asset.

26.3.2. In the statement of financial position of an entity in liabilities, the presentation of short-term accruals for trade settlements with counterparties was changed and this item was included in short-term liabilities of delivery toky and services and accruals for employee benefits in the corresponding item were presented.

26.3.3. Due to the fact that the company's financial statements for 2017 does not include the value of transactions concluded on the date 31.12.2017 with a value of 58 551.29 PLN, the company presents the revenue from these transactions in the transformed data.

26.3.4. Due to the fact the company to demonstrate the transformed data of the amount of revenue from contracts concluded on the day 31.12.2017r. reporting data for 2017 has also been adjusted for the deferred tax provision for income.

The value of forward contracts as at 31.12.2017	58 551,29
Provision for deferred tax (19%)	11 124,75

27. Information on significant transactions concluded by the Company on terms other than market terms with related parties.

Transactions concluded by the Company on terms other than market terms with related parties did not occur.

28. Employment

As at the balance sheet date, the company employed 6 people. The average annual employment in 2018 was 4

29. Events related to previous years disclosed in the financial statements of the financial year

Events related to previous years have not been included in the financial statements for the financial year.

30. Information about the consolidated financial statements

The consolidated financial statements have not been prepared. The report at the highest level is prepared by Lietuvos Energija UAB.

31. Contingent liabilities

The company has no conditional liabilities.

32. Property security established by the Company

The company has not created property security.

33. Discontinued operations

The company did not discontinue any activity.

34. Investment

The Company's plans for electricity trading for 2019 include joining TGE and increasing the exposure on the DAM and RTT markets, energy presence in the Baltic countries (Nasdaq OMX and OTC) and energy receipts from renewable energy sources acquired under the planned investments of the Lietuvos Energija group .

In order to implement the strategy, the Company intends to increase employment, invest in the construction of applications and tools supporting operational activities

35. Effective tax rate

The income tax adjustment on the gross financial result is subject to taxation at the tax rate with income tax calculated in accordance with the effective tax rate:	for 12 months ended	
	31.12.2018	31.12.2017
Tax burden in the profit and loss account, including:	841 818,62	90 544,25
Deferred tax		
Gross loss before tax	**(4 505 045,37)**	**(522 788,30)**
tax burden on the gross result at the tax rate of 19%	**(855 958,62)**	**(99 329,78)**
Costs not constituting tax costs	9 087,40	46 238,64
permanent differences	9 087,40	46 238,64
Revenues that are not taxable	50,00	0,00
other	50,00	0,00

36. Information on the requirements of art. 44 of the Energy Law

In accordance with the requirements of Article 44 (1) of the Energy Law, the Company is required to disclose in the notes a relevant balance sheet and profit and loss account separately for each type of business activity in the field of electricity transmission or distribution.
In both years disclosed in the financial statements (2017 and 2018), the company did not carry out activities related to the transmission and distribution of electricity. On the other hand, the entire activity of the Company was related to energy trading at the Polish Power Exchange. Therefore, all data disclosed in the financial statements, including those included in the statement of financial position and in the statement of comprehensive income in 2017 and 2018 relate to energy trading, not transmission and distribution.

28th February 2019

Kazakevič Diana
President of the Management Board of the Company

Tadeusz Robiński
KR Group Sp. z o.o. S.k.
Person entrusted with maintaining accounting records