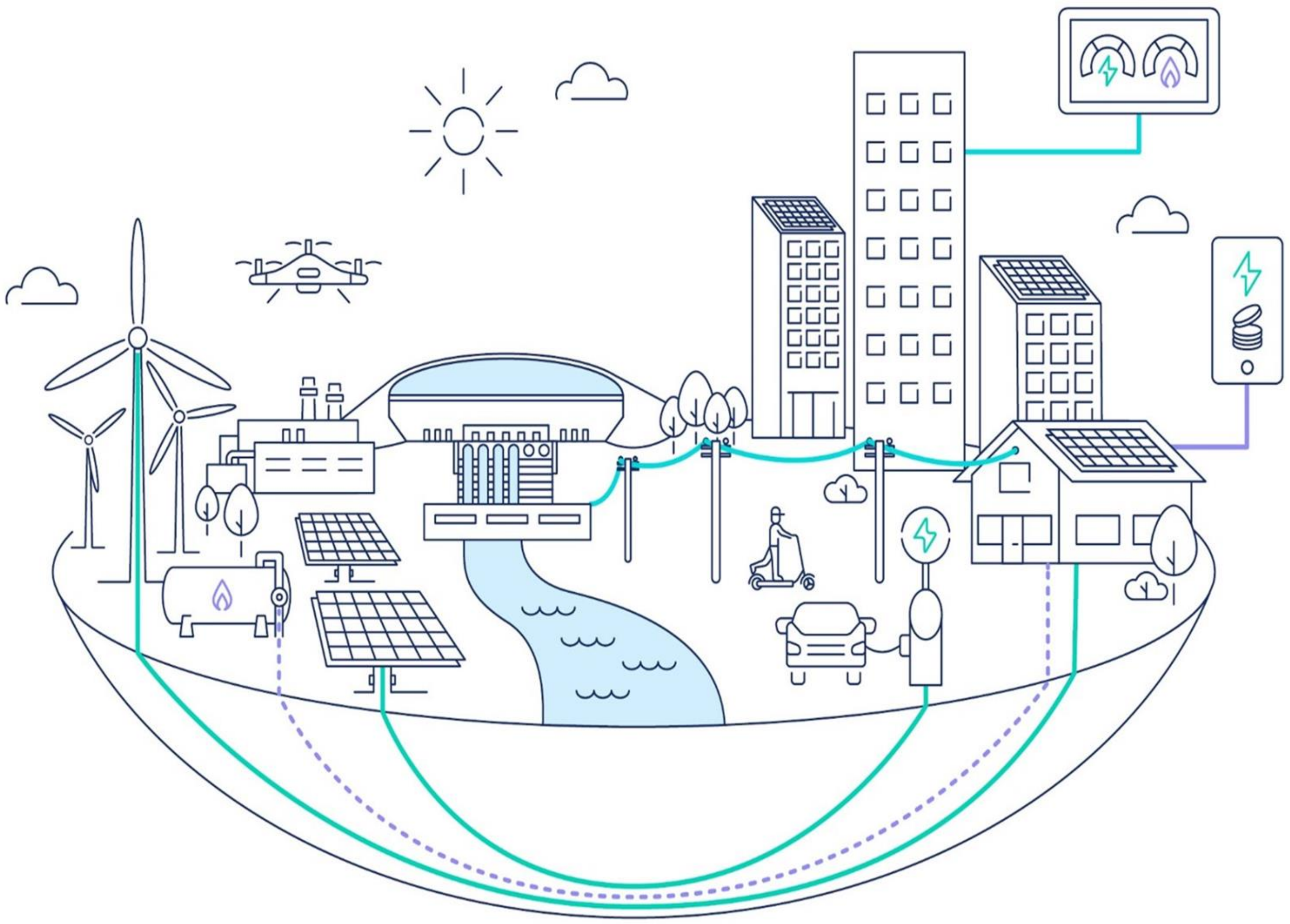
Ignitis Polska Sp. z o.o.

2022 Financial statements

Financial statements for the financial year ended December 31, 2022, prepared in accordance with International Financial Reporting Standards



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(all amounts are expressed in PLN)

STATEMENT OF TOTAL PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the year ended 31.12.2022	For the year ended 31.12.2021	For the year ended 31.12.2021*
Sales revenues		**455 639 254**	**53 764 464**	**53 764 464**
Sale of electricity	12	272 994 134	51 089 199	51 089 199
Gas sale	12	182 645 120	2 675 265	2 675 265
Result on futures contracts	12	7 029 040	35 438 383	(8 424 517)
Other revenue		189 615	144 027	144 027
Costs by type:		**(468 923 298)**	**(103 095 899)**	**(59 232 999)**
Depreciation		(227 934)	(381 920)	(381 920)
including depreciation of rights of use	27	*(194 209)*	*(294 921)*	*(294 921)*
Usage of materials and energy		(491 202)	(95 674)	(95 674)
Foreign Service		(1 954 719)	(2 514 355)	(2 514 355)
Taxes and fees		(2 894 297)	(1 013 031)	(1 013 031)
Salaries		(3 410 034)	(3 483 499)	(3 483 499)
Social security and other benefits		(798 642)	(647 516)	(647 516)
Other costs		(303 023)	(84 102)	(84 102)
The value of sold goods and materials	12	(457 883 745)	(94 822 563)	(50 959 663)
Other expenses		(959 702)	(53 238)	(53 238)
Profit/(loss) on operating activities		**(6 065 389)**	**(13 749 025)**	**(13 749 025)**
Finance income	13	134 532	20 556	20 556
Finance costs	13	(2 234 329)	(580 440)	(580 440)
Interest expense on financial lease	27	(385 800)	(228 357)	(228 357)
Profit (loss) before tax		**(8 550 986)**	**(14 537 266)**	**(14 537 266)**
Income tax	28	1 069 898	2 208 652	2 208 652
Net profit/(loss)		**(7 481 088)**	**(12 328 614)**	**(12 328 614)**
Other comprehensive income		-	-	-
Items that will not be transferred to the profit and loss account in subseqend periods:		-	-	-
Items that may be transferred to the profit and loss account in subseqend periods:		-	-	-
Total comprehensive income		**(7 481 088)**	**(12 328 614)**	**(12 328 614)**

** data restated*

The statement of comprehensive profit or loss and other comprehensive income should be analyzed together with the notes, which are an integral part of these financial statements.

(all amounts are expressed in PLN)

STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2022	As at 31.12.2021
Non-current (long-term) assets		**7 643 067**	**6 454 075**
Right-of-use assets	16	530 884	673 990
Intangible assets	15	3 467 942	3 205 742
Long-term receivables	17	266 032	266 032
Deferred tax assets	28.2	3 378 209	2 308 311
Current (short-term) assets		**223 497 077**	**80 904 087**
Inventories		353 715	-
Trade and other finance receivables	19	177 078 385	50 938 072
Other tax receivables		4 445 259	4 835 840
Receivables from futures contracts	18	5 094 257	-
Cash and cash equivalents	20	36 525 461	25 130 175
TOTAL ASSETS		**231 140 144**	**87 358 162**
Equity		**4 274 423**	**(6 244 489)**
Share capital	21	10 500 000	10 000 000
Supplementary capital	22	17 500 000	-
Retained earnings	23	(23 725 577)	(16 244 489)
Liabilities		**226 865 721**	**93 602 651**
Long-term liabilities		94 490 398	22 855 450
Bank loans and loans	24	93 798 000	22 077 120
Lease liability	27	692 398	778 330
Short-term liabilities		132 375 323	70 747 201
Trade and other finance liabilities	26	90 134 883	60 566 221
Bank loans and loans	24	202 700	-
Lease liability	27	84 433	37 315
Liabilities under futures contracts	18	-	8 758 288
Reserves	25	33 925 605	1 057 976
Other liabilities due to public law settlements		4 257 291	327 401
Deferred income	29	3 770 411	-
TOTAL EQUITY AND LIABILITIES		**231 140 144**	**87 358 162**

The statement of financial position should be analyzed together with the notes, which are an integral part of these financial statements.

(all amounts are expressed in PLN)

STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Excess of the issue price above the nominal value of the shares	Supplementary capital	Reserve capital	Retained earnings	TOTAL EQUITY
As at 01.01.2022		**10 000 000**	**-**	**-**	**-**	**(16 244 489)**	**(6 244 489)**
Net profit for the financial year	23	-	-	-	-	(7 481 088)	(7 481 088)
Loan to euity conversion	21	500 000	-	17 500 000	-	-	18 000 000
As at 31.12.2022		**10 500 000**	**-**	**17 500 000**	**-**	**(23 725 577)**	**4 274 423**

		Share capital	Excess of the issue price above the nominal value of the shares	Supplementary capital	Reserve capital	Retained earnings	TOTAL EQUITY
As at 01.01.2021		**10 000 000**	**-**	**-**	**-**	**(3 915 875)**	**6 084 125**
Net profit for the financial year	23	-	-	-	-	(12 328 614)	(12 328 614)
As at 31.12.2021		**10 000 000**	**-**	**-**	**-**	**(16 244 489)**	**(6 244 489)**

The statement of changes in equity should be analyzed together with the notes, which are an integral part of these financial statements.

(all amounts are expressed in PLN)

CASH FLOW STATEMENT

	Note	For the year ended 31.12.2022	For the year ended 31.12.2021
Cash flows from operating activities			
Profit before tax		**(8 550 986)**	**(14 537 266)**
Adjustments:			
Depreciation		227 934	381 920
Interests		1 849 359	228 357
(Positive) / negative net exchange differences		1 243 362	151 720
Profit on investment activities		(325)	2 887 701
Changes in working capital:			
Change in receivables	31	(125 749 732)	(47 678 218)
Change in liabilities	31	19 646 007	67 241 223
Change in inventories		(353 715)	-
Change in deferred income		3 770 411	-
Change in reserves		32 867 629	1 369 927
Cash from operating activities		**(75 050 056)**	**10 045 364**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(295 925)	(1 306 418)
Receipts from the sale of fixed assets and intangible assets		325	1 667
Net cash used in investing activities		**(295 600)**	**(1 304 751)**
Cash flows from financial activities			
Proceeds from credits and loans	31	163 729 225	14 541 720
Repayment of credits and loans	31	(75 256 016)	-
Repayment of lease liabilities	31	(89 917)	(160 220)
Interest paid		(1 642 350)	(228 356)
Net cash used in financial activities		**86 740 942**	**14 153 144**
Total net cash flows		**11 395 286**	**22 893 757**
Net change in cash		**11 395 286**	**22 893 757**
Cash and cash equivalents – opening balance		25 130 175	2 236 418
Cash and cash equivalents – closing balance		**36 525 461**	**25 130 175**
Including restricted cash		*1 965 637*	*370 704*

The statement of cash flows should be analyzed together with the notes, which are an integral part of these financial statements.

Accounting principles (policies) and additional explanatory notes

1. General information about the Company

These financial statements are the financial statements of Ignitis Polska Sp. z o. o. ("Company") and was prepared for the financial year ended on December 31, 2022.

The company was established by notarial deed on May 10, 2017 under the name Geton Energy Sp. z o.o.. On June 5, 2017, the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, registered the Company under KRS number 0000681577. The registered office of the Company is in Warsaw, ul. Puławska 2. The company has a statistical identification number REGON 367498435 and a tax identification number NIP 5252714003.

The duration of the Company's operations is not limited.

The Company's financial year is the calendar year.

The Company's core business includes:
- trade in electricity,
- trade in gaseous fuels in the network system,
- other financial service activities not classified elsewhere, excluding insurance and pension funds,
- other business support activities, not classified elsewhere
- brokerage activity related to the securities and commodities market,
- financial leasing.

The Company does not hold any shares in other entities and does not prepare consolidated financial statements. The report at the highest level of the capital group is prepared by UAB Ignitis Grupė (company's registered office: Laisvės pr. 10, LT-04215 Vilnius), a company incorporated under Lithuanian law, which is the main shareholder of UAB Ignitis (company's registered office: Laisvės pr. 10, LT-04215 Vilnius), i.e. the only shareholder of the Company. The consolidated financial statements are available at the registered office of UAB Ignitis Grupė and on the website: https://ignitisgrupe.lt/.

2. Composition of the Company's corporate bodies

As at December 31, 2022, the Management Board was composed of:
- Marek Musiał – President of the Management Board from January 29, 2022;
- Robert Piotr Matuszewski - Member of the Management Board from August 18, 2022;
- Paweł Krzysztof Dominik – Member of the Management Board from August 18, 2022.

During the financial year and until the date of approval of these financial statements for publication, the following changes took place in the composition of the Management Board:

- on January 28, 2022, the mandate of the late Diana Kazakevič expired;
- on January 29, 2022, Marek Musiał became the President of the Management Board of the Company, in accordance with § 18 sec. 4 of the Company's Agreement;

- on August 18, 2022, pursuant to a resolution of the Supervisory Board of the Company, the following persons were appointed as Members of the Management Board: Paweł Krzysztof Dominik and Robert Piotr Matuszewski;
- on August 18, 2022, pursuant to a resolution of the Supervisory Board of the Company, it was confirmed that Marek Musiał was appointed President of the Management Board of the Company in a multi-person composition of this body, i.e. from January 29, 2022; pursuant to § 18 sec. 4 of the Company's Agreement;
- on March 31, 2023, pursuant to Resolution No. 1 of the Supervisory Board of March 16, 2023, Marek Musiał was dismissed from the Company's Management Board;
- on April 1, 2023, pursuant to Resolution No. 2 of the Supervisory Board of March 16, 2023, Paweł Dominik was entrusted with the temporary duties of the President of the Management Board of the Company.

As at December 31, 2022, the Supervisory Board consisted of:

- Arturas Bortkevičius;
- Agnieszka Maria Nosal;
- Tadas Adomaitis.

During the financial year and until the date of approval of these financial statements for publication, the following changes took place in the composition of the Supervisory Board:

- On August 17, 2022, Tadas Adomaitis was appointed;
- On August 17, 2022, Mantas Mikalajunas was dismissed.

3. Major events during the financial year and until the date of approval of these financial statements

- **2022 - May -** the Extraordinary General Meeting of Shareholders of the Company adopted Resolution No. 1 on increasing the company's share capital from PLN 10 million to PLN 10.5 million by creating 10,000 new shares with a nominal value of PLN 50.00 (fifty zlotys) for each share and all newly created shares were intended to be acquired by the sole shareholder of UAB Ignitis in exchange for a non-cash contribution in the form of a shareholder's claim against the Company under the Credit Limit Agreement No. 2017/02 of June 27, 2017, in the amount of PLN 3,852,409.90 EUR, which after conversion based on the basic PLN/EUR exchange rate published by the National Bank of Poland on the day preceding the adoption of the resolution, amounted to PLN 18 million. The surplus of the contribution over the nominal value of the newly created shares was allocated to the Company's supplementary capital;

- **2022 – May** - the Company started exporting gas to Lithuania;

- **2022 – September** – there was a change of the accounting office keeping the books of accounts for Ignitis Polska. The new provider of HR and accounting services for the Company is MDDP Outsourcing Spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Warsaw, al. Solidarności 171, 00-877 Warsaw;

- **2022 – September** - in connection with the requirement to create a mandatory stock for operators trading in natural gas with foreign countries, the Company concluded a

Ticketing Service Agreement with PGNiG SA (PKN Orlen S.A.), which will enable the creation of a mandatory stock required in the case of gas imports;

- **2022 – October** – the Polish government adopted the Act of October 27, 2022 on emergency measures aimed at limiting electricity prices and supporting certain consumers in 2023 ("Act"), i.e. freezing energy prices in the period from February 24, 2022 to December 31, 2023;

- **2022 – October** - by the decision of the President of the Energy Regulatory Office No. DRG.DRG-2.4212.55.2022.AGn1 of October 20, 2022, the "Tariff No. 1 for trading in high-methane natural gas" was approved;

- **2022 – November** - the company started importing gas from Lithuania;

- **2023 – March** – Marek Musiał resigned from the position of the President of the Management Board of the Company.

4. The basis for the preparation of the financial statements and the statement of compliance

These financial statements for the period from January 1, 2022 to December 31, 2022 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") approved by the European Union ("EU"), applicable as at the balance sheet date of these financial statements.

This report has been prepared on the assumption that the Company will continue as a going concern, without going into liquidation or bankruptcy in the foreseeable future, i.e. at least 12 months from the balance sheet date, i.e. December 31, 2022. As at the date of approval of these financial statements for publication there are no circumstances indicating a threat to the continuation of the Company's operations.

4.1 Functional and financial statement currency

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

5. New standards and interpretations that have been published but are not yet effective

During the year ended December 31, 2022, the Company did not apply any new changes to standards and interpretations that could have a significant impact on the figures and the content of the financial statements.

Amendments to standards that have already been issued and approved by the EU, but have not yet entered into force:

When approving these financial statements, the Company did not apply the following standard, amendments to other standards and interpretations that were published and approved for use in the EU, but which have not yet entered into force:

- **IFRS 17: *Insurance Contracts*** (issued on May 18, 2017) including amendments to IFRS 17 (published on June 25, 2020) - IFRS 17 replaces the interim standard IFRS 4 - applicable to reporting periods beginning on or after January 1, 2023;

- **Amendments to IFRS 17: *Insurance contracts*** - Initial application of IFRS 17 and IFRS 9 - Comparative information (issued on December 9, 2021) - applicable to reporting periods beginning on or after January 1, 2023;

- **Amendments to IAS 12: *Income tax*** - Deferred tax relating to assets and liabilities arising from a single transaction (published on May 7, 2021) - applicable to reporting periods beginning on or after January 1, 2023;

- **Amendments to IAS 1: *Presentation of Financial Statements* and IFRS - practical position 2: *Disclosures regarding accounting principles*** - Amendments to IAS 1 specify the scope of disclosures of significant accounting principles in the financial statements (published on February 12, 2021) - applicable to reporting periods beginning on January 1, 2023 or later;

- **Amendments to IAS 8: *Accounting Principles (Policy), Changes in Accounting Estimates and Errors*** - Definition of Accounting Estimates (issued on February 12, 2021) - applicable to reporting periods beginning on or after January 1, 2023.

Amendments to standards that have already been issued but have not yet been approved by the EU:

- **Amendments to IAS 1*: Presentation of financial statements - Classification of liabilities into current and long-term*** - deferral of the effective date (published on January 23, 2020 and July 15, 2020, respectively) - not approved by the EU until the date of approval of these financial statements - applicable to annual periods starting on January 1, 2023 or later.

The Company decided not to take advantage of the possibility of earlier application of the standards.

6. Significant accounting principles (policy).

The most important accounting principles applied in the preparation of these financial statements are presented below. These rules have been applied consistently unless stated otherwise.

6.1 Foreign currency transactions and valuation of items expressed in foreign currencies

Transactions in a foreign currency are initially recognized in the functional currency using the spot exchange rate of the functional currency to the foreign currency prevailing at the date of the transaction.
For each balance sheet date:

- monetary items in a foreign currency are converted using the closing rate,

(all amounts are expressed in PLN)

- non-monetary items valued at historical purchase price or production cost expressed in a foreign currency are converted using the exchange rate as at the date of the transaction,
- non-monetary items measured at fair value expressed in a foreign currency are translated using the exchange rates that were in effect on the date on which the fair value was determined.

Foreign exchange differences relating to assets and liabilities expressed in foreign currencies, arising as at the date of their valuation and on the payment of receivables and liabilities in foreign currencies, as well as the sale of currencies, are recognized as financial income or expenses, respectively.

	Year ended December 31, 2022		Year ended December 31, 2021	
	The exchange rate for the last day of the period	Average exchange rate in the period	The exchange rate for the last day of the period	Average exchange rate in the period
EUR to PLN exchange rate	4,6899	4,6883	4,5994	4,5775
USD to PLN exchange rate	4,4018	4,4679	4,0600	3,8757
GBP to PLN exchange rate	5,2957	5,4900	5,4846	5,3308

6.2 Tangible fixed assets

Tangible fixed assets are recognized at purchase price/manufacturing cost less depreciation and impairment losses. The initial value of fixed assets includes their purchase price increased by all costs directly related to the purchase and adaptation of the asset to a usable condition.

The cost also includes the cost of replacing components of machinery and equipment when incurred, if the recognition criteria are met. Costs incurred after the date of putting the fixed asset into use, such as maintenance and repair costs, are charged to profit or loss at the time they are incurred.

Depreciation is calculated using the straight-line method over the estimated useful life of a given asset, taking into account its residual value.

The residual value, useful life and depreciation method of assets are reviewed annually. Tangible fixed assets are depreciated starting from the month following the date of recognition.

A given item of property, plant and equipment must be removed from the statement of financial position after its sale and may be removed if no economic benefits are expected from its continued use. Any gains or losses resulting from the derecognition of a given asset from the statement of financial position (calculated as the difference between the possible net proceeds from the sale and the carrying amount of the given item) are recognized in profit or loss for the period in which such deletion was made.

6.3 Leasing

The Company recognizes leasing in accordance with IFRS 16.
In the case of lease agreements under which substantially all the risks and rewards of ownership of the assets covered by the agreement are transferred, the leased asset is recognized as a fixed asset and, at the same time, a liability is recognized in the amount equal to the present value of the minimum lease payments determined as at the commencement date of the lease. Leasing fees are divided between financial costs and a reduction of the liability balance in a way

that allows obtaining a fixed rate of interest on the outstanding liability. Financial costs are recognized directly in the profit and loss account. Fixed assets being the subject of a finance lease agreement are depreciated in the manner specified for own fixed assets. However, when there is no control over the moment and there is no certainty as to the transfer of ownership of the subject of the contract, then fixed assets used under finance lease contracts are depreciated over the shorter of the two periods: expected useful life or lease period.

6.4 Intangible assets

Intangible assets are recognized at purchase price or production cost less amortization and impairment losses.
Intangible assets include mainly the costs of completed development works, property rights, licenses for computer programs, patents, trademarks and intangible assets in progress.
The Management Board determines whether the useful life of intangible assets is finite or indefinite. Intangible assets with a definite useful life are amortized on a straight-line basis over their useful life. At each balance sheet date, the Management Board assesses whether there are any indications that any of the assets may be impaired. If such indications exist, the entity estimates the recoverable amount of that asset. The period and method of amortization of intangible assets with a limited useful life are verified at least at the end of each financial year. Changes in the expected useful life or the expected manner of consumption of economic benefits from a given asset are recognized by changing the period or method of amortization, respectively, and treated as changes in estimated values. The amortization charge for intangible assets with a finite useful life is recognized in profit or loss in the category that corresponds to the function of the given intangible asset.
In the case of intangible assets with an indefinite useful life, goodwill and intangible assets that are not in use, the Management Board also assesses at each balance sheet date whether there are any indications that any of the assets may be impaired. In addition, regardless of whether there are any indications of impairment, the Management Board is also required to perform an annual impairment test for individual assets or at the cash-generating unit level.

As intangible assets, the Company also recognizes property rights to certificates of origin not intended for resale. The Company, as an enterprise selling energy and natural gas, is obliged by the President of the Energy Regulatory Office, pursuant to applicable regulations, to redeem allowances in the amount corresponding to the volume of energy sales to end users in a given calendar year.
To settle this obligation resulting from the sale, the Company purchases allowances on the Polish Power Exchange and values them at purchase prices. These rights are redeemed once, by the end of June of the following calendar year at the latest.
For outgoing allowances, the Company uses the first-in, first-out (FIFO) valuation method.

6.5 Impairment of non-financial assets

Goodwill and intangible assets with an indefinite useful life or in preparation for use are not amortized but are tested for impairment annually or more frequently if events or changes in circumstances indicate possible impairment.
At each balance sheet date, the Management Board assesses whether there are any indications that any non-financial fixed assets, including right-of-use assets, may be impaired. If such indications are found, or if it is necessary to carry out an annual impairment test, the Management Board estimates the recoverable amount of the asset or the cash-generating unit to which the asset belongs.
The recoverable amount of an asset or a cash-generating unit corresponds to its fair value less

costs to sell the asset or cash-generating unit, respectively, or its value in use, whichever is higher. The recoverable amount is determined for individual assets, unless a given asset does not independently generate cash inflows that are largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable amount, impairment occurs and a write-down is made up to the determined recoverable amount. When estimating the value in use, the projected cash flows are discounted to their present value using a pre-tax discount rate reflecting the current market estimate of the time value of money and the risk typical of a given asset. Impairment losses on assets used in continuing operations are recognized in those cost categories that correspond to the function of the impaired asset.
At each balance sheet date, the Management Board assesses whether there are any indications that an impairment loss recognized in previous periods for a given asset is redundant or should be reduced. If such indications exist, the Management Board estimates the recoverable amount of this asset.

A previously recognized impairment loss is reversed if and only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased amount may not exceed the asset's carrying amount, which would have been determined (after depreciation) if no impairment loss had been recognized for that asset in previous years. Reversal of an impairment loss on an asset is recognized immediately as income. After reversing the write-down, in subsequent periods, the depreciation charge for a given asset is adjusted in a way that allows for a systematic write-down of its verified carrying amount less the residual value over the remaining useful life of the asset.

6.6 Financial assets

a) **Classification**

The Company classifies financial assets into the following valuation categories:

- measured at amortized cost,,
- measured at fair value through profit or loss,
- measured at fair value through other comprehensive income.

The above classification depends on the business model adopted by the Company for the management of financial assets and the contractual terms regarding cash flows. The Company reclassifies investments in debt instruments only in the event of a change in the management model.

b) **Recognition and valuation**

At the moment of initial recognition, the Company measures a financial asset at fair value plus transaction costs that can be directly attributed to the acquisition of a financial asset, if it is not measured at fair value through profit or loss. Transaction costs related to financial assets at fair value through profit or loss are recognized in profit or loss.
Financial assets measured at amortized cost include in particular:

- trade receivables
- cash and cash equivalents

Cash and cash equivalents, in accordance with the Company's business model, are held to collect contractual cash flows. The business model adopted by the Company assumes that receivables are kept until maturity in order to obtain contractual cash flows.

Debt instruments whose flows are solely payments of principal and interest, and which are held to collect contractual cash flows and to be sold, are measured at fair value through other comprehensive income.
Financial assets that do not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

6.7 Impairment of financial assets

The Company assesses expected credit losses related to debt instruments measured at amortized cost and at fair value through comprehensive income, regardless of whether there are any indications of impairment. The Company considers an insolvency event to be a failure to fulfill an obligation by a counterparty, understood as a situation when the Company has exhausted virtually all debt collection activities and decides that recovery of the receivables cannot be reasonably expected. The assessment depends on the recipient's individual credit risk assessment, history of cooperation, collateral held and other relevant factors, and is performed at the level of an individual counterparty.
In the case of trade receivables, the Company applies a simplified approach and measures impairment losses in the amount of credit losses expected over the entire life of the receivable using the provision matrix (the aging table of overdue receivables). The matrix created by the Company is based on historical experience and establishes specific ranges of impairment allowances depending on the degree of overdue receivables.

6.8 Inventory

The category of inventories in the Company includes guarantees of origin for energy from renewable energy sources subject to resale or redemption to the Company's customers. Guarantees of origin are valued at purchase price.

6.9 Cash

Cash and cash equivalents include cash in hand and in current bank accounts and other cash, including short-term bank deposits with maturities of up to three months. Cash and cash equivalents are presented at amortized cost in the statement of financial position.
The balance of cash and cash equivalents presented in the statement of cash flows includes the cash and cash equivalents referred to above, less outstanding overdrafts.

6.10 Equity capital

Equity is disclosed by type and according to the rules specified by law and the provisions of the Company's Articles of Association.

a) **Share capital**
Share capital is shown at nominal value, in the amount specified in the Articles of Association.

b) **Supplementary capital**
Supplementary capital is recognized in the amount specified in the Articles of Association.

c) **Retained earnings**
Retained earnings include the current year's net result and retained earnings from previous years.

6.11 Trade payables and other liabilities

Trade payables including purchase of tangible fixed assets are measured at amortized cost.
Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities originally classified as measured at fair value through profit or loss. Financial liabilities are classified as held for trading if they were acquired for the purpose of sale in the near future. Derivatives, including separated embedded instruments, are also classified as held for trading, unless they are considered effective hedging instruments.
As at the balance sheet date and for the comparative period, no financial liabilities were classified as measured at fair value through profit or loss. Financial liabilities measured at fair value through profit or loss are measured at fair value, taking into account their market value as at the balance sheet date, without taking into account the costs of the sale transaction. Changes in the fair value of these instruments are recognized in profit or loss as finance costs or income, except for changes due to own credit risk for financial liabilities originally classified as measured at fair value through profit or loss, which are recognized in other comprehensive income.
Other financial liabilities that are not financial instruments at fair value through profit or loss are measured at amortized cost using the effective interest rate method.
Other non-financial liabilities include, in particular, liabilities due to public and legal settlements, accrued expenses and accrued income.
Accrued expenses are recognized in the amount of probable liabilities attributable to the current reporting period.

6.12 Credits and loans

Credits and loans are initially recognized at fair value less transaction costs incurred.
Credits and loans are classified as short-term and long-term liabilities.

6.13 Provisions

Provisions are recognized when the Company has an existing obligation (legal or constructive) resulting from past events, and when it is certain or highly probable that the fulfillment of this obligation will result in an outflow of economic benefits, and the amount of this obligation can be reliably estimated.
The created provisions are classified as operating costs, other operating costs and financial costs, respectively, depending on the circumstances with which the future liabilities are related. The value of provisions is updated at each balance sheet date.

6.14 Income tax

The tax expense in the reporting period includes current and deferred tax. The tax is recognized in the profit or loss of the reporting period, except when it relates to items recognized in other comprehensive income or directly in equity. In such a case, the tax is also recognized in other comprehensive income or directly in equity.
The current income tax burden is determined in accordance with the applicable provisions of the Corporate Income Tax Act.
Deferred income tax is accounted for using the liability method for temporary differences arising between the tax value of assets and liabilities and their carrying amount in the financial statements. However, deferred income tax is not recognized if it results from the initial recognition of an asset or liability in a transaction other than a business combination, which at the time of conclusion does not affect the gross financial result or taxable income. Deferred

income tax is determined based on the tax rates (and tax laws) that were legally or substantively in force at the end of the reporting period and which are expected to be applied when the deferred tax asset is realized or the deferred tax liability is settled.
Deferred income tax assets are recognized to the extent that it is probable to generate such taxable income that will allow the temporary differences to be realised.
The deferred tax liability is created in connection with the occurrence of positive temporary differences.
The Company offsets deferred income tax assets with deferred income tax liabilities when and only when it has an enforceable legal title to offset current tax receivables with current tax liabilities and the deferred income tax relates to the same taxpayer and the same tax authority.

6.15 Employee benefits

In accordance with the Company's corporate remuneration systems, employees are entitled to receive certain post-employment benefits and other long-term employee benefits - jubilee awards. Jubilee bonuses are paid to employees who have worked for a certain number of years. Retirement benefits are paid once at the time of retirement.
The amount of pension benefits and jubilee awards depends on the length of service and remuneration of the employee.
Payments of defined contributions to pension plans are charged to the income statement and other comprehensive income when they become due.
Provisions created for retirement benefits are recognized in general administrative expenses or financial expenses (developing the discount), with the exception of actuarial gains and losses. Actuarial gains and losses on post-employment benefits are recognized by the Company in other comprehensive income. Actuarial gains and losses on employee benefits are accumulated under retained earnings and are not subject to reclassification. Provisions for jubilee awards are recognized in full in general administrative expenses or financial expenses (discount development).
There are no cases in the Company in which the entity would be obliged to create a provision for future liabilities due to retirement severance pays and jubilee awards in order to allocate costs to the periods they refer to. The amount of the provision would be immaterial to the recipient of the report.

6.16 Revenue recognition

a) Revenues from contracts with customers

The Company recognizes sales revenue in accordance with IFRS 15 for all revenue using a 5-stage revenue recognition model:
Step 1: Identification of customer contracts;
Step 2: Identification of performance obligations included in the contract;
Stage 3: Determination of the transaction price;
Step 4: Assigning the transaction price to the performance obligations in the contract;
Step 5: Recognition of revenue when the entity fulfills its obligations.
The Company recognizes a contract with a customer only if all of the following criteria are met:

- the parties to the contract have entered into a contract (in writing, orally or in accordance with other customary commercial practices) and are obliged to perform their obligations,
- the Company is able to identify the rights of each party regarding the goods or services to be transferred,

- the Company is able to identify the terms of payment for the goods or services to be transferred,
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows may be expected to change as a result of the contract),
- it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

In accordance with IFRS 15, the Company recognizes revenue from contracts with customers when the obligation to perform the service is fulfilled by transferring the promised goods or services to the buyer, where this transfer also means that the buyer obtains control over this asset, i.e. the ability to directly dispose of the transferred asset and obtain substantially all of the remaining benefits from it, and the ability to prevent other entities from directing and obtaining benefits from the asset.

The Company recognizes each separately identifiable promise to deliver goods or provide services contained in a contract as a performance obligation.

For each performance obligation, the Company determines whether it will perform it over time or whether it will meet it at a specific point in time. The Company recognizes revenue when the performance obligation is satisfied by transferring the promised good or service to the customer.

The transaction price is allocated to performance obligations based on stand-alone selling prices. Sales revenues in the profit and loss account and other comprehensive income include revenues arising from the company's ordinary operating activities, i.e. revenues from the sale of goods and services.

Revenue is recognized when the buyer obtains control over the product or service and the Company has fulfilled its performance obligations to the customer. Revenue is recognized net of value added tax (VAT) and other sales taxes or fees as well as rebates and discounts. Only the Company's unconditional rights to receive remuneration (e.g. when invoices or other titles have been issued to the customer requiring payment within a specified period of time) are presented as trade receivables.

For transactions concluded on the exchange, revenues are recognized in accordance with the principles of IFRS 9. This applies to transactions in the field of electricity and gas trading. Sales revenues are recognized in the period in which the purchase/sale transaction took place on the following exchanges: Polish Power Exchange, Nordpool and Nasdaq.

b) **Interest income**

Interest income is recognized when it accrues (using the effective interest rate).

6.17 Operating costs

The main categories of operating costs recognized for the Company include the value of electricity and gas sold, salaries and benefits for employees and external services, including: accounting and legal services, office rental. Other operating expenses include donations, compensation and impairment losses on non-financial assets.

6.18 Prepaid expenses and accrued expenses

Prepaid expenses include settlements:

- long-term, which relate to future reporting periods and last longer than 12 months from the balance sheet date,

- short-term, which relate to future reporting periods and last no longer than 12 months from the balance sheet date.

Accrued expenses are made in the amount of probable liabilities attributable to the current reporting period.

The company creates provisions for bonuses for employees of Ignitis Polska. This provision is presented in other provisions.

Accured expenses in 2022 include compensation due to end customers in connection with the Act on maximum prices for energy.

Also under the Act on maximum prices, in 2022 the Company recognized revenues resulting from the compensation due from the Settlement Management Fund for the period from February 24, 2022 to November 3, 2022.

7. Material values based on proffesional judgment and estimates

When preparing the financial statements, the Company's Management Board is guided by judgment in making numerous estimates and assumptions that affect the applied accounting principles and the presented values of assets, liabilities, revenues and costs. The values actually realized may differ from those estimated by the Management Board. The assumptions of these estimates are based on the best knowledge of the Management Board regarding current and future activities and events in particular areas. In the period covered by this report, there were no significant changes in the estimates or the methodology of making estimates that would affect the current or future periods.

In the process of applying the accounting policy, the Management Board made the following estimates and judgments, which have the greatest impact on the presented carrying amounts of assets and liabilities.

The amount of established allowances for expected credit losses

The Company applies a simplified approach and measures impairment losses at the amount of expected credit losses over the life of the receivable using a provision matrix. The Company uses its historical data on credit losses. Details in Note 6.7.

Useful lives of property, plant and equipment and intangible assets

The Company verifies the expected useful lives of tangible fixed assets at the end of each year. Changes in the expected useful life are recognized by changing the amortization period or method, respectively, and treated as changes in estimates. Useful lives are reviewed annually and, if necessary, adjusted with effect from the beginning of the next financial year.

Reserves

The Company estimates the amounts of provisions for liabilities according to the best knowledge and experience of the management.

Deferred tax

The Company recognizes a deferred tax asset based on the assumption that in the future a tax profit will be generated that will allow its use. Deterioration of the tax results obtained in the future could make this assumption unjustified. The Company's Management Board estimates the probability of realizing tax profits based on changes in factors taken into account, new information and historical results, which affects the recognition of deferred tax assets.

8. The impact of the invasion of the troops of the Russian Federation on the territory of Ukraine

Despite the difficult situation on the energy market intensified by the armed conflict in Ukraine and the sanctions imposed by the European Union on Russia and Belarus, the Management Board of the Company does not see any significant threats to the Company's ability to continue as a going concern in a substantially unchanged scope. The company develops the operating activities of the sales segment, continues to acquire new customers and finalizes the contracting of agreements generating positive results for the coming years.

9. Continuation of activity

These financial statements have been prepared on the assumption that business will continue as a going concern in the foreseeable future, i.e. for at least 12 months from the balance sheet date. As at the date of approval of this report, the Management Board does not find any circumstances indicating a significant threat to the continuation of the Company's business activity.

In the financial year ended December 31, 2022, the Company generated a loss of PLN 7,481.1 thousand. In the previous year, the loss generated was PLN 12.3 million, which directly resulted in a significant decrease in equity, which as at December 31, 2021 was negative at PLN -6.2 million, and the company's liabilities exceeded its assets. As at the balance sheet date, equity is positive and amounts to PLN 4.3 million. In the financial year ended December 31, 2022 and after the balance sheet date, the Company did not report any problems in the area of liquidity, financing and securing operating activities, with particular emphasis on the ability to settle current liabilities.

10. Objectives and principles of financial risk management

The main financial instruments used by the Company include futures contracts, lease agreements and cash. The main purpose of these financial instruments is to raise funds for the Company's operations. The Company also has other financial instruments, such as trade receivables and payables, which arise directly in the course of its operations.
The main types of risk arising from the Company's financial instruments include interest rate risk, liquidity risk, currency risk and credit risk. The Management Board verifies and agrees the rules for managing each of these types of risk - these rules are briefly described below. The Company also monitors market price risk related to all financial instruments it holds.

Commodity price risk

The commodity price risk results directly from the Company's core business and is considered the most significant. Its impact on the Company's result is monitored by daily valuation of concluded transactions to current market prices.
Compared to previous years, the Company's speculative activity has been significantly reduced. At present, the Company's main activity is the sale of energy and natural gas to end users. These positions are hedged on an ongoing basis primarily with instruments listed on the Polish Power Exchange. As a consequence, the open position of the Company susceptible to price risk was significantly reduced.
Additionally, the Company quantifies price risk using a Value-at-Risk model based on a historical simulation. It should be noted, however, that the very high price volatility observed on the Polish Power Exchange in 2022 and the lack of liquidity on the futures market significantly reduced the

credibility of this model. For this reason, the Company has decided that the main method of limiting the price risk will be limiting the size of the open position.

Currency risk

The vast majority of transactions concluded by the Company as part of its operating activities are denominated in PLN. However, in order to finance its operations, the Company uses a loan from its shareholder denominated in EUR. This structure exposes the Company to currency risk. If this situation persists and in view of the observed increase in the volatility of the EUR/PLN currency pair, the Company will consider hedging the currency risk with financial instruments offered by banks.

The currency structure of receivables and liabilities is presented below:

	PLN	EUR	GBP	USD	SEK	Total
Trade receivables	71 986 940	889 186	-	2 968	-	**72 879 094**
Trade liabilities	74 174 940	5 126 195	1 082 804	-	4 525	**80 388 464**

The sensitivity analysis of the financial result and comprehensive income in relation to items denominated in EUR and fluctuations in the EUR/PLN exchange rate is presented below. The sensitivity analysis assumes an increase or decrease in the price by 10% compared to the closing price as at December 31, 2022.

Currency risk sensitivity analysis as at 31.12.2022

			EUR/PLN	
Financial instruments	**in PLN**	**Value at risk**	impact on the financial result	
			+10%	**-10%**
Trade and other finance receivables	177 078 385	889 186	88 919	(88 919)
Cash	36 525 461	25 631 555	2 563 155	(2 563 155)
Trade and other finance liabilities	90 134 883	5 126 195	(512 620)	512 620
Bank loans and loans	94 000 700	94 000 700	(9 400 070)	9 400 070
Total impact			**(7 260 616)**	**7 260 616**

Currency risk sensitivity analysis as at 31.12.2021

			EUR/PLN	
Financial instruments	**in PLN**	**Value at risk**	impact on the financial result	
			+10%	**-10%**
Bank loans and loans	22 077 120	22 077 120	(2 207 712)	2 207 712
Total impact			**(2 207 712)**	**2 207 712**

(all amounts are expressed in PLN)

Credit risk

The vast majority of transactions concluded by the Company on the wholesale market take place on regulated markets and are settled by specialized entities (clearing houses and clearing banks) subject to strict control of state institutions in terms of financial stability. The few exposures created on the over-the-counter market are limited in size and of a short-term nature. For this reason, the Company does not consider the credit risk arising from transactions concluded on the wholesale market to be significant.
With regard to credit exposures resulting from the sale of electricity and gas to end users, the Company has introduced a number of securities aimed at limiting credit risk:

- obligatory analysis of the financial standing before concluding the sale agreement,
- preferences for sales contracts based on a variable price,
- linking the length of the trade credit with the customer's financial situation,
- the possibility of introducing additional methods of credit risk mitigation to the agreements, eg prepayments or security deposits.
- regular monitoring of compliance of the customer's payment schedule with the terms and conditions specified in the contract.

Interest rate risk

Due to the low EURIBOR interest rate applicable throughout the current period of using the loan, a change in deviations by 10% from the interest rate as at the balance sheet date would not cause a significant change in financing costs and the level of debt. Despite the increase in interest rates in the euro area by the European Central Bank, the Company's Management Board estimates that the pace of these increases will not have a significant impact on the Company's financing costs related to the group loans received in subsequent financial years.

Liqudity risk

The Company monitors the level of available financial liquidity and the demand for cash resulting mainly from the need to maintain deposits securing transactions concluded on the futures market on an ongoing basis. At present, a loan from a shareholder is an instrument that secures the Company's financial needs. As at December 31, 2022, the Company's Management Board does not see any liquidity risk and trade liabilities are settled on an ongoing basis.

The company concluded a loan agreement with the sole shareholder UAB Ignitis for the total amount of EUR 20 million (equivalent to PLN 93.8 million). The loan repayment date is June 30, 2024, therefore the capital part of the loan was presented as a long-term loan in the statement of financial position. Interest in the amount of PLN 202.7 thousand PLN were presented as a short-term part.

	Current	1-30 days	31-60 days	61-120 days	over 120 days	Total
Trade receivables	68 572 032	446 772	403 830	2 159 902	1 296 558	**72 879 094**
Deposits	102 865 662	-	-	-	-	**102 865 662**
Other receivables	1 333 629	-	-	-	-	**1 333 629**
Receivables from futures contracts	5 094 257	-	-	-	-	**5 094 257**
Cash and cash equivalents	36 525 461	-	-	-	-	**36 525 461**
Total:	**214 391 041**	**446 772**	**403 830**	**2 159 902**	**1 296 558**	**218 698 103**

(all amounts are expressed in PLN)

	Current	1-30 days	31-60 days	61-120 days	over 120 days	Total
Trade liabilities	54 186 164	11 051 674	1 805 799	13 344 827	-	**80 388 464**
Lease liability	84 433	-	-	-	-	**84 433**
Deposits	350 000	-	-	-	-	**350 000**
Other liabilities	465 881	-	-	-	-	**465 881**
Bank loans and loans	-	202 700	-	-	93 798 000	**94 000 700**
Total:	**55 086 478**	**11 254 374**	**1 805 799**	**13 344 827**	**93 798 000**	**175 289 478**

11. Article 44 of the Energy Law

The company meets the criteria for qualifying it as an energy company and is subject to the provisions of the Energy Law (Act of April 10, 1997 - Energy Law; Journal of Laws of 2019, item 755, as amended).

Article 44(2) of the above-mentioned Act requires energy companies, as part of disclosures in the notes to the annual financial statements, to present relevant items of the balance sheet and profit and loss account separately for each type of business activity in the field of transmission or distribution of electricity, transmission, distribution or storage of gaseous fuels, trading in gaseous fuels, liquefaction of natural gas or regasification of liquefied natural gas, as well as indicate the rules for the allocation of assets and liabilities as well as costs and revenues to each of these activities.

The Company keeps accounting records of operating revenues and costs in a way that allows for separating the activities under the license, i.e. trading activity - energy exchange, trading activity - gas exchange, sale of gas to energy end users (B2B) and sale to end users of gas (B2B).
On the basis of such records, it is possible to determine the value of revenues obtained by the Company for each activity, and similarly - the cost of sales. In other areas of income and costs, the Company recognizes items directly related to other types of activities and items indirectly related to these types of activities. Items which are indirectly related to individual types of activity are allocated between activities according to the share ratios, determined separately for each financial year, based on sales volumes.

(all amounts are expressed in PLN)

12. Sales revenue and result on futures contracts

	For the year ended 31.12.2022	For the year ended 31.12.2021
Sale of energy to the end user along with balancing	268 809 672	48 386 012
Sale of energy based on bilateral agreements	4 031 129	2 703 187
Sale of gas to the end user	182 648 610	2 671 775
Sale of balancing gas	(3 490)	3 490
Sale of guarantees of origin	153 333	-
Total	**455 639 254**	**53 764 464**

	For the year ended 31.12.2022	For the year ended 31.12.2021*
Value of electricity sold	(274 679 915)	(47 656 418)
Value of gas sold	(183 085 241)	(3 303 245)
Purchasing a guarantess of origin	(118 589)	-
Total	**(457 883 745)**	**(50 959 663)**

**data restated*

Profit/loss on futures contracts according to IFRS 9

	For the year ended 31.12.2022	For the year ended 31.12.2021*
Sale of electricity on the Polish Power Exchange, including:	**(5 955 514)**	**3 369 409**
Value of electricity sales contracts	682 385 362	750 704 962
Value of purchase contracts for electricity	(688 340 876)	(747 335 553)
Sale of gas on the Polish Power Exchange, including:	**(443 860)**	**(1 711 704)**
Value of gas sales contracts	474 740 910	202 534 737
Value of purchase contracts for gas	(475 184 770)	(204 246 441)
Valuation of derivatives	13 852 545	(9 767 096)
Result on trading in financial instruments (other than PPE)	(424 131)	(315 126)
Total result on futures trading	**7 029 040**	**(8 424 517)**

**data restated*

(all amounts are expressed in PLN)

13. Financial income and financial costs

	For the year ended 31.12.2022	For the year ended 31.12.2021
Financial income:		
Interests:		
- bank interest	14 730	-
- other	119 802	20 556
Total	**134 532**	**20 556**

	For the year ended 31.12.2022	For the year ended 31.12.2021
Financial costs:		
Interests:		
- credit and loan interest	(1 463 559)	(455 563)
- other	(8 985)	-
Net result due to exchange differences	(761 785)	(124 877)
Total	**(2 234 329)**	**(580 440)**

14. Tangible fixed assets

	Plant and machinery
Gross book value as at 01.01.2022	**88 069**
Additions	**12 040**
- purchase	12 040
Decreases:	**(98)**
- sale / disposal	(98)
Gross book value as at 31.12.2022	**100 011**
Accumulated depreciation as at 01.01.2022	**88 069**
Changes for the period:	**11 942**
- depreciation for the period	12 040
- elimination due to sale/disposal	(98)
Accumulated depreciation as at 31.12.2022	**100 011**
Impairment write-off as at 01.01.2022	**-**
Impairment write-off as at 31.12.2022	-
Net booking value as at 01.01.2022	**-**
Net booking value as at 31.12.2022	**-**

(all amounts are expressed in PLN)

	Plant and machinery
Gross book value as at 01.01.2021	**95 084**
Additions	**29 322**
- purchase	29 322
Decreases:	**(36 337)**
- sale / disposal	(36 337)
Gross book value as at 31.12.2021	**88 069**
Accumulated depreciation as at 01.01.2021	**92 533**
Changes for the period:	**(4 464)**
- depreciation for the period	30 990
- elimination due to sale/disposal	(35 454)
Accumulated depreciation as at 31.12.2021	**88 069**
Impairment write-off as at 01.01.2021	**-**
Impairment write-off as at 31.12.2021	-
Net booking value as at 01.01.2021	**2 551**
Net booking value as at 31.12.2021	**-**

15. Intangible assets

	Property rights from certificates of origin	Other intangible assets	Total
Gross book value as at 01.01.2022	**6 106 939**	**117 090**	**6 224 029**
Additions	**1**	**-**	**1**
- purchase	1	-	**1**
Decreases:	**-**	**-**	**-**
Gross book value as at 31.12.2022	**6 106 940**	**117 090**	**6 224 030**
Accumulated depreciation as at 01.01.2022	**-**	**95 405**	**95 405**
Changes for the period:	**-**	**-**	**-**
- depreciation for the period	-	-	-
Accumulated depreciation as at 31.12.2022	**-**	**95 405**	**95 405**
Impairment write-off as at 01.01.2022	**2 922 882**	**-**	**2 922 882**
Impairment write-off as at 31.12.2022	**2 922 882**	**-**	**2 922 882**
Net booking value as at 01.01.2022	**3 184 057**	**21 685**	**3 205 742**
Net booking value as at 31.12.2022	**3 184 058**	**21 685**	**3 205 743**

(all amounts are expressed in PLN)

	Property rights from certificates of origin	Other intangible assets	Total
Gross book value as at 01.01.2021	**4 460 635**	**486 298**	**4 946 933**
Additions	**1 646 304**	**-**	**1 646 304**
- purchase	1 646 304	-	**1 646 304**
Decreases:	**-**	**(369 208)**	**(369 208)**
- value decrease	-	(369 208)	**(369 208)**
Gross book value as at 31.12.2021	**6 106 939**	**117 090**	**6 224 029**
Accumulated depreciation as at 01.01.2021	**-**	**39 396**	**39 396**
Changes for the period:	**-**	**56 009**	**56 009**
- depreciation for the period	-	56 009	56 009
Accumulated depreciation as at 31.12.2021	**-**	**95 405**	**95 405**
Impairment write-off as at 01.01.2021	**34 397**	**-**	**34 397**
- additions	2 888 485	**-**	**2 888 485**
Impairment write-off as at 31.12.2021	**2 922 882**	**-**	**2 922 882**
Net booking value as at 01.01.2021	**4 426 238**	**446 902**	**4 873 140**
Net booking value as at 31.12.2021	**3 184 057**	**21 685**	**3 205 742**

16. Right-of-use assets

	Other intangible assets	Buildings	Vehicles	Total
As at 31.12.2021	-	636 986	37 004	**673 990**
As at 31.12.2022	-	636 986	37 004	**673 990**

	Other intangible assets	Buildings	Vehicles	Total
Gross book value as at 01.01.2022	**136 262**	**764 383**	**396 193**	**1 296 838**
Additions	**-**	**-**	**3 321**	**3 321**
- purchase (new lease)	-	-	3 321	**3 321**
Decreases:	**-**	**-**	**(3 321)**	**(3 321)**
- liquidation (end of lease)	-	-	(3 321)	**(3 321)**
Gross book value as at 31.12.2022	**136 262**	**764 383**	**396 193**	**1 296 838**
Accumulated depreciation as at 01.01.2022	**136 262**	**127 397**	**359 189**	**622 848**
Changes for the period:	-	-	-	-
- depreciation for the period	-	-	3 321	**3 321**
- other	-	-	(3 321)	**(3 321)**
Accumulated depreciation as at 31.12.2022	**136 262**	**127 397**	**359 189**	**622 848**

(all amounts are expressed in PLN)

Net booking value as at 01.01.2022	**-**	**636 986**	**37 004**	**673 990**
Net booking value as at 31.12.2022	**-**	**636 986**	**37 004**	**673 990**

	Other intangible assets	**Buildings**	**Vehicles**	**Total**
Gross book value as at 01.01.2021	**136 262**	**-**	**370 405**	**506 667**
Additions	**-**	**764 383**	**25 788**	**790 171**
- purchase	-	764 383	25 788	**790 171**
Decreases:	**-**	**-**	**-**	**-**
Gross book value as at 31.12.2021	**136 262**	**764 383**	**396 193**	**1 296 838**
Accumulated depreciation as at 01.01.2021	**68 131**	**-**	**259 796**	**327 927**
Changes for the period:	68 131	127 397	99 393	294 921
- depreciation for the period	68 131	127 397	99 393	294 921
Accumulated depreciation as at 31.12.2021	**136 262**	**127 397**	**359 189**	**622 848**
Net booking value as at 01.01.2021	**68 131**	**-**	**110 609**	**178 740**
Net booking value as at 31.12.2021	**-**	**636 986**	**37 004**	**673 990**

17. Long-term receivables

As long-term receivables, the Company presents returnable deposits related to signed lease agreements in the amount of PLN 266,032 (PLN 266,032 at the end of December 31, 2021).

18. Receivables and liabilities under futures contracts

Balance sheet values:	**As at 31.12.2022**	**As at 31.12.2021**
Receivables from derivative instruments	5 094 257	-
Liabilities due to derivative instruments	-	(8 758 288)
Net position	**5 094 257**	**(8 758 288)**

In the financial year ended December 31st 2022, the Company entered into forward contracts for the sale and purchase of electricity and natural gas with settlement dates in 2023-2024. As at the balance sheet date, the Company recognized in its books a positive market valuation of forward contracts for the total amount of PLN 5 million. At the end of 2021, the market valuation of futures contracts was negative and amounted to PLN 8.8 million. The company concludes and executes contracts through the Polish Power Exchange and foreign exchanges - Nasdaq and Nordpool. The company also concluded hedging contracts for future supplies of gas and electricity to final customers in the amount of PLN 390 million (610 GWh). These contracts are outside the scope of IFRS 9 due to the exclusion qualifying them as contracts concluded "for own use", i.e. contracts that are directly related to the physical delivery of a given energy carrier to the end user and are not easily exchangeable for cash. Thus, the Company does not treat this part of the portfolio as financial instruments and does not evaluate them as at the balance sheet date.

19. Trade receivables and other receivables

Balance sheet values:	**As at 31.12.2022**	**As at 31.12.2021**
Trade and other finance receivables		
Receivables from the sale of electricity and natural gas , including	175 744 756	50 105 170
- security deposits	*102 865 662*	*39 884 838*
Other receivables	1 333 629	832 902
Total receivables (net)	**177 078 385**	**50 938 072**
Impairment losses	1 024 085	65 385
Total receivables (gross)	178 102 470	51 003 457

	As at 31.12.2022	**As at 31.12.2021**
Dom Maklerski Noble Security	79 058 751	26 853 346
Polskie Górnictwo Naftowe i Gazownictwo S.A.	18 000 000	-
Polskie Sieci Elektroenergetyczne S.A.	-	2 500 000
Nasdaq	756 240	689 910
Noord Pool AS	77 090	75 017
Mercuria Energy Trading S.A.	4 513 850	9 198 800
Operator Gazociągów Przesyłowych GAZ- SYSTEM S.A	-	100 000
Other	459 731	467 765
Total	**102 865 662**	**39 884 838**

The impairment losses on receivables as at the balance sheet date ended December 31, 2022 amounts to PLN 1 million (2021: PLN 65 thousand). At the end of the current financial year, receivables are mainly denominated in PLN.

The value of receivables from the sale of electricity includes i.a. the value of funds deposited with brokers constituting collateral for trade on exchanges where the Company makes transactions. Receivables from margin deposits are presented in the table above. As at the balance sheet date, none of the deposits is at risk of non-return. There were also no reasons to cover any other types of receivables with a impairment losses, except for receivables as described above.

(all amounts are expressed in PLN)

20. Cash and cash equivalents

Balance sheet values:	**As at 31.12.2022**	**As at 31.12.2021**
Cash at bank	36 525 461	25 130 175
- cash at bank, including	36 525 461	25 130 175
- cash funds accumulated on the VAT bank account	*1 965 637*	*370 704*
Total	**36 525 461**	**25 130 175**
Restricted cash	1 965 637	370 704
Total cash for cash flow purposes	**36 525 461**	**25 130 175**
Including:		
cash in PLN	10 853 388	21 971 779
cash in EUR	25 642 849	3 158 396
cash in GBP	29 224	-

21. Share capital

The share capital of the Company amounts to PLN 10.5 million and is divided into 210,000 shares with a nominal value of PLN 50 each. The shares have been fully paid up and carry equal voting rights and the right to dividends.

On May 17, 2022, the Extraordinary Meeting of Shareholders of the Company adopted Resolution No. 1 on increasing the share capital of the company from PLN 10 million to PLN 10.5 million by creating 10,000 new shares with a nominal value of PLN 50.00 (fifty zlotys) each share, and all newly created shares were intended for the sole shareholder UAB "Ignitis" in exchange for a non-cash contribution in the form of a shareholder's claim against the Company under the Credit Limit Agreement No. 2017/02 of June 27, 2017, in the amount of EUR 3,852,409.90, which after conversion based on the basic PLN/EUR exchange rate published by the National Bank of Poland on the day preceding the adoption of the resolution, amounted to PLN 18 million. The surplus of the contribution over the nominal value of the newly created shares was allocated to the Company's supplementary capital.

Balance sheet values:	**As at 31.12.2022**	**As at 31.12.2021**
Share capital	10 500 000	10 000 000
	10 500 000	**10 000 000**

Shareholders for the day 31.12.2022	**Number of shares**	**Nominal value of shares**	**Percentage of share capital**
UAB "Ignitis"	210 000	10 500 000	100,00%
	210 000	**10 500 000**	**100%**

Shareholders for the day 31.12.2021	**Number of shares**	**Nominal value of shares**	**Percentage of share capital**
UAB "Ignitis"	200 000	10 000 000	100,00%
	200 000	**10 000 000**	**100%**

(all amounts are expressed in PLN)

22. Supplementary capital

The supplementary capital in the amount of PLN 17.5 million was created as a result of the surplus of the non-cash contribution over the nominal value of the newly created shares (see note 21).

23. Undistributed profits and losses from previous years

As at the balance sheet date, the value of accumulated losses amounted to PLN 22.1 million, of which PLN 16.2 million relates to uncovered losses from previous years. The Company's Management Board proposes to cover the current year's loss in the amount of PLN 5.9 million with profits from future years.

	As at 31.12.2022
Retained earnings	
Current year result	(7 481 088)
Result of previous years	(16 244 489)
Total	**(23 725 577)**

	As at 31.12.2021
Retained earnings	
Current year result	(12 328 614)
Result of previous years	(3 915 875)
Total	**(16 244 489)**

24. Credits and loans

The company concluded a loan agreement with the sole shareholder UAB Ignitis for the total amount of EUR 20 million (equivalent to PLN 93.8 million). The loan repayment date is June 30, 2024, therefore the capital part of the loan was presented as a long-term loan in the statement of financial position. Interest in the amount of PLN 202.7 thousand PLN were presented as a short-term part.

Lender	**UAB „Ignitis”**
Loan of	**2017-06-27**
Interest rate	**variable**
Currency	**EUR**
Maturity date	**2024-06-30**
Value as of 01.01.2022	**22 077 120**
Capital increase	163 729 225
Calculation of interest	1 463 559
Repayment of capital	(75 256 016)
Interest payment	(1 256 550)
Currency valuation	1 243 362
Conversion into share and supplementary capital*	(18 000 000)
Value as at 31.12.2022	**94 000 700**
Including:	
- capital	93 798 000
- interest	202 700

*Conversion of a loan into share capital and supplementary capital - description in note 21

As the loans received are denominated in EUR, the Company is exposed to the risk of fluctuations in exchange rates of this currency. The interest rate on the loan is affected by the following factors: variable interbank interest rate EURIBOR 3M and a margin of 2.6%. If the EURIBOR interest rate is negative, the floating rate is assumed to be 0%.

25. Provisions

Balance sheet values:	**As at 31.12.2022**	**As at 31.12.2021**
Reserve for bonuses	949 262	1 057 976
Holiday reserve	56 956	-
Provision for redemption of property rights - gas	1 052 707	-
Provision for redemption of property rights - energy	13 245 236	-
Provision for discounts for customers	9 605 804	-
Provision for onerous contracts	9 005 197	-
Other reserves	10 443	-
	33 925 605	**1 057 976**

Time structure of reserves		
Short-term reserves	33 925 605	1 057 976
	33 925 605	**1 057 976**

According to the provisions of employment contracts, the Company provides for annual bonuses in the event of achieving the assumed goals. There are no cases in the Company where an entity would be required to create a provision for future liabilities due to retirement severance pays and jubilee awards.

From 2022, in accordance with the decision of the Energy Regulatory Office, the Company creates provisions for the redemption of gas and energy property rights.

(all amounts are expressed in PLN)

As a result of the act on freezing energy prices, the Company was obliged to create a provision for discounts for customers in the amount of PLN 9.6 million for the period from February 24 to November 4, 2022 (based on data on the amount of energy sold, taking into account the maximum) and losses in the amount of PLN 9 million (estimated to the best of knowledge as at the calculation date), which will be settled through the execution of contracts with customers in future years.

26. Trade liabilities and other liabilities

Balance sheet values:

	As at 31.12.2022	**As at 31.12.2021**
Trade liabilities to related parties	71 821 855	54 020 979
Trade liabilities to non-related parties	8 566 609	2 455 889
Accruals	8 930 538	3 689 353
Contributions to the Settlement Fund S.A.	318 675	-
Unpaid wages	147 206	-
Deposits received	350 000	400 000
Total	**90 134 883**	**60 566 221**
Including:		
- short-term	90 134 883	60 566 221

27. Leasing liabilities

As at January 1, 2022, the discount rates calculated by the Company were in the range (depending on the duration of the contract): from 1.208% to 2.8%. As at January 1, 2021, the discount rates calculated by the Company were in the range (depending on the duration of the contract): from 1.208% to 2.8%.

The Company used simplifications regarding short-term leases (up to 12 months) and leases for which the underlying asset has a low value (up to PLN 20,000).

The specifics of concluded lease agreements are presented below:

Creditor	**Assets**	**Duration of the contract**	**Interest**	**Long-term liabilities**	**Short-term liabilities**
Office	636 986	02.2021-02.2026	2,80%	671 889	42 843
Vehicles	37 004	03.2021-05.2023	1,208% - 2,1102%	20 509	41 590
Total	**673 990**			**692 398**	**84 433**

(all amounts are expressed in PLN)

Impact of lease agreements on the financial result

	For the year ended 31.12.2022	For the year ended 31.12.2021
Cost of depreciation of right-of-use assets	(3 321)	(294 921)
Interest expense on lease liabilities	(385 800)	(228 357)
Total amount recognized in the statement of comprehensive income	**(389 121)**	**(523 278)**

Age structure of finance lease liabilities

	up to 1 year	1-3 years	3-5 years	Total
Lease liabilities	84 433	618 851	73 547	**776 831**

28. Income tax

	For the year ended 31.12.2022	For the year ended 31.12.2021
Recognition on profit or loss		
Income tax	-	-
Deferred tax	1 069 898	2 208 652
	1 069 898	**2 208 652**

28.1 Reconciliation of the effective tax rate

The reconciliation of income tax on gross profit/(loss) before tax at the statutory tax rate with income tax calculated at the Company's effective tax rate for the years ended December 31, 2022 and December 31, 2021 is as follows:

	For the year ended 31.12.2022	For the year ended 31.12.2021
Gross profit/(loss) before tax from continuing operations	(8 550 986)	(14 537 266)
Gross profit/(loss) before tax	**(8 550 986)**	**(14 537 266)**
Income tax at the rate of 19%	1 624 687	2 762 080
Tax effects of permanent differences	(554 789)	(553 428)
Income tax at the effective tax rate	**1 069 898**	**2 208 652**
Effective tax rate	(12,51%)	(15,19%)

(all amounts are expressed in PLN)

28.2 Deffered income tax

	For the year ended 31.12.2022	For the year ended 31.12.2021
Deductible temporary differences		
Accrued and unpaid payroll costs	1 010 220	945 020
Valuation of futures contracts	-	8 758 288
Non-tax costs of the Energy Regulatory Office	-	1 625 690
Exchange differences	1 299 212	313 902
Lease liabilities	776 831	815 645
Unpaid interest	207 009	-
Impairment receivables	1 024 085	-
Non-tax depreciation	-	320 750
Settlements for frozen energy prices	18 611 001	-
Unbilled services	2 557 287	-
Hedge settlements	6 373 251	-
Other	10 716	65 385
Total deductible temporary differences	**31 869 612**	**12 844 680**
Deferred tax asset	**6 055 226**	**2 440 489**
Taxable temporary differences		
Valuation of futures contracts	(5 094 257)	-
Assets in finance lease	(530 884)	(695 675)
Settlements for frozen energy prices	(8 464 419)	-
Total taxable temporary differences	**(14 089 560)**	**(695 675)**
Deferred tax provision	**(2 677 017)**	**(132 178)**
Compensation		
Valuation of futures contracts	(967 909)	-
Assets in finance lease	(100 868)	(132 178)
Settlements for frozen energy prices	(1 608 240)	-
Total compensation	**(2 677 017)**	**(132 178)**
Deferred tax asset	3 378 209	2 308 311
Deferred tax provision	-	-
Net balance sheet change in deferred income tax assets/ liabilities	1 069 898	2 208 652
The amount of deferred tax recognized in equity in the period	-	-
Change in deferred tax recognized in the income statement	1 069 898	2 208 652

Tax settlements and other areas of activity subject to regulations (e.g. customs or foreign exchange matters) may be subject to control by administrative authorities which are authorized to impose high fines and sanctions. The lack of reference to well-established legal regulations in Poland results in ambiguities and inconsistencies in the applicable regulations. Frequent differences in opinions as to the legal interpretation of tax regulations, both within state authorities and between state authorities and enterprises, give rise to areas of uncertainty and conflicts. These phenomena cause that the tax risk in Poland is significantly higher than that usually existing in countries with a more developed tax system.

(all amounts are expressed in PLN)

Tax settlements may be subject to inspection for a period of five years, starting from the end of the year in which the tax was paid. As a result of the inspections carried out, the Company's current tax settlements may be increased by additional tax liabilities. According to the Company, as at December 31, 2022, appropriate provisions were created for recognized and quantifiable tax risk.

28.3 Unrecognized deferred tax assets

The Company assessed the possibility of tax profits in subsequent financial years and realization of tax losses from previous years. As a result, the Company decided not to create assets for deferred tax on tax losses due to the lower than greater probability of its realization and the application of the prudent approach principle. The list of unrealized tax losses is presented below:

	As at 31.12.2022		As at 31.12.2021	
	Gross value	**Tax effect**	**Gross value**	**Tax effect**
Tax losses	9 745 209	1 851 590	4 351 097	826 708

	As at 31.12.2022		As at 31.12.2021	
	Gross value	**Expiration date**	**Gross value**	**Expiration date**
Loss for 2017	204 686	2022	204 686	2022
Loss for 2018	3 193 701	2023	3 193 701	2023
Loss for 2019	-	2024	-	2024
Loss for 2020	131 240	2025	131 240	2025
Loss for 2021	821 470	2026	821 470	2026
Loss for 2022	5 394 112	2027	-	-
Total	**9 745 209**		**4 351 097**	

29. Deffered income

In deferred income, the Company recognizes advances for future energy supplies, the balance of which as at 31 December 2022 is PLN 3.8 million.

30. Remuneration, including remuneration from profit, paid or payable to persons who are members of the Company's governing bodies

In the reporting period, the management staff received remuneration in the amount of PLN 520 thousand. In the previous reporting period, the remuneration received by the management staff amounted to PLN 936 thousand.

(all amounts are expressed in PLN)

31. The structure of the main items of cash flow

	For the year ended 31.12.2022	For the year ended 31.12.2021
Chnge in receivables		
Chnge in trade and other finance receivables	(126 140 313)	(44 210 054)
Change in other tax receivables	390 581	(3 468 164)
	(125 749 732)	**(47 678 218)**
Change in short term liabilities, except loans and credits		
Change in liabilities	29 568 662	59 171 476
Change in other liabilities due to public law settlements	3 929 890	-
Change in receivables and liabilities under futures contracts	(13 852 545)	7 749 480
Other	-	320 267
	19 646 007	**67 241 223**
Proceeds from credits and loans		
Change in credits and loans	71 923 580	14 693 440
Loan repayments	75 256 016	-
Convert to equity	18 000 000	-
Currency valuation	(1 243 362)	(151 720)
Accrued, unpaid interest	(207 009)	-
	163 729 225	**14 541 720**
Change in lease liabilities		
Change in liabilities, including:	(38 814)	629 950
New leases	3 321	790 171
Interest charged during the year	385 800	228 356
Repayment of capital installments	(42 135)	(160 220)
Interest repayment	(385 800)	(228 356)
Other	-	(1)

(all amounts are expressed in PLN)

32. Intercompany transactions

Transactions with related parties carried out during the reporting period:

Loans received	**As at 31.12.2022**	**As at 31.12.2021**
UAB Ignitis	94 000 700	22 077 120
Total	**94 000 700**	**22 077 120**

Receivables	**As at 31.12.2022**	**As at 31.12.2021**
Pomerania Wind Farm sp. z o.o.	68 485	10 076
UAB Ignitis	892 789	-
Total	**961 273**	**10 076**

Liabilities	**As at 31.12.2022**	**As at 31.12.2021**
UAB Ignitis	5 029 187	44 824
UAB Ignitis grupes paslaugu centras	22 269	24 787
Pomerania Wind Farm sp. z o.o.	66 770 399	53 951 368
Total	**71 821 855**	**54 020 979**

Revenue	**As at 31.12.2022**	**As at 31.12.2021**
Pomerania Wind Farm sp. z o.o.	731 190	298 990
UAB Ignitis	110 597 604	-
Total	**111 328 794**	**298 990**

External services	**As at 31.12.2022**	**As at 31.12.2021**
UAB Ignitis grupes paslaugu centras	(118 029)	(198 532)
Total	**(118 029)**	**(198 532)**

The value of sold goods and materials	**As at 31.12.2022**	**As at 31.12.2021**
UAB Ignitis	(38 829 962)	(1 862)
Pomerania Wind Farm sp. z o.o.	(176 149 292)	(53 951 368)
Total	**(214 979 254)**	**(53 953 230)**

Cost - interest	**As at 31.12.2022**	**As at 31.12.2021**
UAB Ignitis	(1 463 559)	(455 563)
Total	**(1 463 559)**	**(455 563)**

The Company did not conclude any other transactions with related entities, apart from those indicated above. Transactions with related entities are carried out on an arm's length basis. There were no transactions concluded with related entities on terms other than market conditions.

(all amounts are expressed in PLN)

33. Events after the balance sheet date

After December 31, 2022, until the date of approval of this report, the following significant events occurred:

- on March 31, 2023, pursuant to Resolution No. 1 of the Supervisory Board of March 16, 2023, Marek Musiał was dismissed from the Company's Management Board;
- on April 1, 2023, pursuant to Resolution No. 2 of the Supervisory Board of March 16, 2023, Paweł Dominik was entrusted with the temporary duties of the President of the Company's Management Board.

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

	For the year ended 31.12.2022	For the year ended 31.12.2021
Mandatory audit	98 066	78 055
Total	**98 066**	**78 055**

35. Adjustment of previous years

The adjustment of previous years in the entity's financial statements consisted in the reclassification of energy purchase costs between operating costs and costs related to trading in financial instruments. As a result of the reclassification adjustment, the value of goods and materials sold and the result on forward contracts were reduced by PLN 43.8 million. The above reclassification does not affect the result of the statement of profit or loss and other comprehensive income. A summary of the impact on individual reporting lines is presented below.

Statement of comprehensive income	**For the year ended 31.12.2021 - approved**	**Change**	**For the year ended 31.12.2021 - amended**
Result on futures contracts	**35 438 383**	**(43 862 900)**	**(8 424 517)**
Costs by type:	**(103 095 899)**	**43 862 900**	**(59 232 999)**
The value of sold goods and materials	(94 822 563)	43 862 900	(50 959 663)
Profit/(loss) on operating activities	**(13 749 025)**	**-**	**(13 749 025)**

36. Employment

As at December 31, 2022, the Company employed 17 people. The employment as at December 31, 2021 was 16 people.

37. Social assets and social fund liabilities

The company does not meet the criteria imposed by the Act of March 4, 1994 on the Company Social Benefits Fund, which states that the Company Social Benefits Fund is created by employers employing more than 50 full-time employees.

38. Employee benefits

38.1 Stock-based incentive schemes

The Company does not run incentive schemes based on the transfer of share options.

38.2 Retirement benefits and other post-employment benefits

Due to the short history of the Company and the low average age of employees, the Management Board of the Company decided not to create a provision for liabilities due to retirement benefits. In 2019, the Act on Employee Capital Plans entered into force. In 2021, a contract for running PPK was signed.

39. Contingents liabilities

The company has no contingent liabilities. There are no court cases pending and the Company is not a party to any control or tax proceedings.

40. Securities received by the Company

The Company has no property collateral.

41. Discontinued activity

The Company did not discontinue any activity.

42. Capital expenditures

The company does not conduct investment activities.

43. Licensed activity

The Company's core business is trading in electricity and natural gas. Therefore, the entity obtained concessions for the following types of activity:

- electricity trading dated October 20, 2017, number OEE/11263/41979/W/DRE/2017/DSŁ;
- trading in natural gas of September 26, 2019, number OPG/383/41979/W/DRG/2019/MSi1;

(all amounts are expressed in PLN)

- foreign trade in natural gas of December 13, 2021, number OGZ/199/41979/W/DRG/2021/ZŁ.

44. Information on the requirements of Article 44 of the Energy Law

In accordance with the requirements of Art. 44 sec. 1 of the Energy Law, the Company is obliged to disclose in the notes relevant items of the balance sheet and the profit and loss account separately for each type of business activity in the field of electricity transmission or distribution.

In the financial year 2022, the Company conducted activities related to electricity and gas trading on the commodity exchange and the sale of energy and gas to end users. The table below presents revenues and costs broken down by individual activities.

	For the year ended 31.12.2022	**For the year ended 31.12.2021**
Revenues from the supply of energy to the end user	322 623 889	50 316 771
Transmission and distribution revenues	8 467 048	413 346
The cost of energy delivered to the end user	(145 221 961)	(34 022 238)
Cost for transmission and distribution	(8 808 960)	(1 433 059)
Provision for redeemed property rights	(13 718 906)	(2 894 351)

(all amounts are expressed in PLN)

Statement of comprehensive income	For the year ended 31.12.2022	Activity on the stock exchange - electricity	Activity on the stock exchange - natural gas	Sale of electricity to the end user	Sale of natural gas to the end user	Sale of natural gas to the end user - business customers	Sale of natural gas to the end user - Lithuania
Sales revenues	**455 639 254**	**-**	**-**	**272 994 133**	**330 118**	**71 143 266**	**111 171 737**
Result on futures contracts	7 029 040	3 301 195	3 131 444	262 741	574	123 595	209 491
Other revenue	189 615	47 927	100 075	18 332	40	8 624	14 617
Costs by type:	**(468 923 298)**	**(2 444 298)**	**(4 640 959)**	**(277 244 003)**	**(362 338)**	**(78 086 464)**	**(106 145 236)**
Depreciation	(227 934)	(57 612)	(120 299)	(22 037)	(48)	(10 367)	(17 571)
Usage of materials and energy	(491 202)	(124 156)	(259 248)	(47 490)	(104)	(22 339)	(37 865)
Foreign Service	(1 954 719)	(494 074)	(1 031 664)	(188 985)	(413)	(88 900)	(150 683)
Taxes and fees	(2 894 297)	(385 506)	(342 044)	(1 658 004)	(2 119)	(456 666)	(49 958)
Salaries	(3 410 034)	(861 919)	(1 799 752)	(329 687)	(720)	(155 087)	(262 869)
Social security and other benefits	(798 642)	(201 865)	(421 509)	(77 214)	(169)	(36 320)	(61 565)
Other costs	(303 023)	(76 592)	(159 930)	(29 297)	(64)	(13 781)	(23 359)
The value of sold goods and materials	(457 883 745)	-	-	(274 798 504)	(358 498)	(77 259 358)	(105 467 385)
Other expenses	(959 702)	(242 574)	(506 513)	(92 785)	(203)	(43 646)	(73 981)
Profit/(loss) on operating activities	**(6 065 389)**	**904 824**	**(1 409 440)**	**(3 968 797)**	**(31 606)**	**(6 810 979)**	**5 250 609**
Finance income	134 532	34 004	71 004	13 007	28	6 118	10 371
Finance costs	(2 234 329)	(564 748)	(1 179 237)	(216 018)	(472)	(101 616)	(172 238)
Interest expense on financial lease	(385 800)	(97 515)	(203 618)	(37 300)	(81)	(17 546)	(29 740)
Profit (loss) before tax	**(8 550 986)**	**276 565**	**(2 721 291)**	**(4 209 108)**	**(32 131)**	**(6 924 023)**	**5 059 002**
Income tax	1 069 898	270 427	564 672	103 439	226	48 659	82 475
Net profit/(loss)	**(7 481 088)**	**546 992**	**(2 156 619)**	**(4 105 669)**	**(31 905)**	**(6 875 364)**	**5 141 477**

(all amounts are expressed in PLN)

Statement of financial position	As at 31.12.2022	Activity on the stock exchange - electricity	Activity on the stock exchange - natural gas	Sale of electricity to the end user	Sale of natural gas to the end user	Sale of natural gas to the end user - business customers	Sale of natural gas to the end user - Lithuania
Non-current (long-term) assets	**7 643 067**	**1 931 859**	**4 033 868**	**738 942**	**1 613**	**347 604**	**589 181**
Right-of-use assets	530 884	134 186	280 191	51 327	112	24 144	40 924
Intangible assets	3 467 942	876 556	1 830 315	335 285	732	157 721	267 333
Long-term receivables	266 032	67 242	140 406	25 720	56	12 100	20 508
Deferred tax assets	3 378 209	853 875	1 782 956	326 610	713	153 639	260 416
Current (short-term) assets	**223 497 077**	**56 491 063**	**117 957 580**	**21 608 013**	**47 166**	**10 164 554**	**17 228 701**
Inventories	353 715	89 405	186 684	34 198	75	16 086	27 267
Trade and other finance receivables	177 078 385	44 758 287	93 458 662	17 120 188	37 370	8 053 451	13 650 427
Other tax receivables	4 445 259	1 123 582	2 346 124	429 774	938	202 170	342 671
Receivables from futures contracts	5 094 257	1 287 623	2 688 654	492 520	1 075	231 684	392 701
Cash and cash equivalents	36 525 461	9 232 166	19 277 456	3 531 333	7 708	1 661 163	2 815 635
TOTAL ASSETS	**231 140 144**	**58 422 922**	**121 991 448**	**22 346 955**	**48 779**	**10 512 158**	**17 817 882**
Equity	**4 274 423**	**1 080 402**	**2 255 961**	**413 257**	**902**	**194 398**	**329 503**
Share capital	10 500 000	2 653 977	5 541 704	1 015 155	2 216	477 535	809 413
Supplementary capital	17 500 000	4 423 295	9 236 173	1 691 925	3 693	795 893	1 349 021
Retained earnings	(23 725 577)	(5 996 870)	(12 521 916)	(2 293 823)	(5 007)	(1 079 030)	(1 828 931)
Liabilities	**226 865 721**	**57 342 520**	**119 735 487**	**21 933 698**	**47 877**	**10 317 760**	**17 488 379**
Long-term liabilities	**94 490 398**	**23 883 368**	**49 870 266**	**9 135 465**	**19 941**	**4 297 384**	**7 283 974**
Bank loans and loans	93 798 000	23 708 358	49 504 831	9 068 523	19 795	4 265 894	7 230 599
Lease liability	692 398	175 010	365 435	66 942	146	31 490	53 375

(all amounts are expressed in PLN)

Short-term liabilities	**132 375 323**	**33 459 152**	**69 865 221**	**12 798 233**	**27 936**	**6 020 376**	**10 204 405**
Trade and other finance liabilities	90 134 883	22 782 470	47 571 507	8 714 368	19 022	4 099 296	6 948 220
Bank loans and loans	202 700	51 234	106 981	19 597	43	9 219	15 626
Lease liability	84 433	21 341	44 562	8 163	18	3 840	6 509
Liabilities under futures contracts	-						
Reserves	33 925 605	8 575 027	17 905 300	3 279 975	7 159	1 542 924	2 615 220
Other liabilities due to public law settlements	4 257 291	1 076 072	2 246 919	411 601	898	193 620	328 181
Deferred income	3 770 411	953 008	1 989 952	364 529	796	171 477	290 649
TOTAL EQUITY AND LIABILITIES	**231 140 144**	**58 422 922**	**121 991 448**	**22 346 955**	**48 779**	**10 512 158**	**17 817 882**

45. Joint ventures

The Company does not conduct joint ventures with other entities.

46. Capital management

The main objective of the Company's capital management is to maintain a good credit rating and safe capital ratios that would support the Company's operating activities and increase value for its shareholders.

Digitally signed by Paweł Dominik
Date: 2023.08.01 12:29:29 +02'00'

Paweł Krzysztof Dominik

President of the Management Board

Dokument podpisany przez Robert Matuszewski
Data: 2023.08.01 12:39:07 CEST

Robert Piotr Matuszewski

Member of the Management Bord

Signed by / Podpisano przez:

Michał Adam Stanioszczyk

Date / Data: 2023-08-01 11:51

...szczyk

Person responsible for preparing Financial Statements

Warsaw, July 31, 2023