

**FINANCIAL STATEMENTS
FOR THE PERIOD
FROM JANUARY 1, 2018
TO DECEMBER 31, 2018**

Warsaw, July 04, 2019

ALFAKREDYT LIMITED LIABILITY COMPANY

In accordance with regulations enclosed in The Polish Accounting Act, dated September 29, 1994 (J.L. of 2018, item 395), Alfakredyt LLC presents financial statements for the period from January 1, 2018 to December 31, 2018 showing:

- total assets and liabilities as at December 31, 2018 in the amount of **24 434 586,19 PLN**
- profit for the period from January 1, 2017 to December 31, 2017 in the amount of **1 282 349,63 PLN.**

July 04, 2019

.....
Aleksejs Gromovs
Chairman of the Board

.....
Irmína Stańczak
On behalf of Antareco LLC,
Subject responsible for bookkeeping

INTRODUCTION TO THE FINANCIAL STATEMENTS

a) General Information

The Company Alfabredyt LLC with headquarter in Warsaw, Pańska Street 96/38., was registered in District Court for the capital city of Warsaw in the register of enterprises of XII Economic Department of the National Court Register under the number KRS 0000458132 on April, 11 2013.

The Company was assigned the REGON number 200776208. The First Tax Office in Białystok, Świętojańska Street 13, gave the Company the tax identification number 8442351597.

The core business of the Company is the activity connected with other financial intermediation (6419Z).

The Company's agreement was established on March 13, 2013.

b) Duration of the Company

Duration of the Company is unlimited.

c) Presented financial period

Presented financial statements has been made for the period from January 1, 2018 to December 31, 2018. Comparative data covers the financial year from January 1, 2017 to December 31, 2017.

d) Information regarding aggregated data

The financial statements do not contain aggregated data because the Company does not include internal organizational units preparing independent financial statements.

e) Assumption of business continuation

The financial statements have been prepared on the assumption that the Company will continue its activity in the foreseeable future. There are no substantial circumstances threatening its continued existence.

f) Information on merger of companies and methods of the acquisition accounting

The financial statement does not include the method of accounting for the acquisition because during financial year of 2018 there were no mergers of companies.

g) The accounting policies

The financial statements have been prepared in accordance with The Polish Accounting Act of September 29, 1994 (J.L. of 2018, item 1047). Accounting books were held in accordance with the principle of accrual accounting, assuming prudent valuation during valuation of assets and liabilities.

The Company does not apply the Regulation of the Minister of Finance of January 25, 2017 on detailed rules for recognition, measurement methods, scope of disclosure and presentation of financial instruments (J.L. of 2017, item 277), referring to the exemption under Art. 28b section 1 of the Accounting Act.

ALFAKREDYT LIMITED LIABILITY COMPANY

The reporting currency is the Polish Zloty (PLN).

As at December 31, 2018 assets and liabilities were measured in accordance with The Polish Accounting Act of 29 September 1994 (J.L. of 2016, item 1047), taking into consideration the principles set out below.

ASSETS

1 INTANGIBLE ASSETS

Intangible assets are recognizable if it is probable that they will affect the Company's economic benefits in the future that may be directly connected to these assets.

Initial recognition of intangible assets is based on purchase price or manufacturing cost reduced by depreciation charges and impairment charges.

The amortization of intangible assets is determined using the straight-line method over the period of their expected usage (the period during which the use of assets gives economic benefits).

2 FIXED ASSETS

Fixed assets are evaluated at the cost of acquisition or cost of production (initial value), reduced by depreciation, as well as write-offs due to impairment.

The purchase and manufacturing cost of fixed assets and fixed assets under construction covers all costs incurred by a Company for the period of construction, assembly, adaptation and improvement up to the date of adoption to usage, as well as the cost of servicing liabilities incurred for financing them and related exchange differences. Total income made due to fixed assets is subtracted from the sum of costs caused by it.

3 FINANCIAL ASSETS

Financial assets at the time of entering into accounting books are evaluated at cost (purchase price), which is the fair value of the reward paid. Transaction costs are included in the initial value of these financial instruments. Financial assets are recognized with the date of the transaction.

Fair value of financial instruments which are subject to a trade on active market is determined by reference to prices quoted on that market at the balance sheet date. When there is no quoted market price, fair value is estimated on the basis of the quoted market price of a similar instrument or on the basis of projected cash flows. Loans granted are evaluated in an amount of required payment decreased by revaluation write-offs.

Permanent impairment of the financial assets

As at each balance sheet date, the Company assesses whether there is objective evidence of a permanent impairment of the asset or group of financial assets. If such evidence exists, the value of loan is written down to its fair value.

4 SHORT-TERM RECEIVABLES

Receivables are evaluated in an amount of required payment decreased by revaluation write-offs.

Receivables in foreign currencies are valued at the average exchange rate of the National Bank of Poland valid at the balance sheet date.

5 SHORT-TERM INVESTMENTS

Company's short-term investments are funds and other monetary assets which the Company estimates at nominal value. As short-term investments is presented the value of installments of loans granted which maturity is shorter than 1 year.

LIABILITIES

1 EQUITY

In Company's books, the equity is recognized with division to categories and according to the valid principles of the law, as well as Company's articles of association.

2 TRADE LIABILITIES

Liabilities are being assessed in the amount of required payment.

Liabilities denominated in foreign currencies are measured at the average exchange rate of the National Bank of Poland as at the balance sheet date.

3 PROVISIONS

Provisions are liabilities which maturity or amount are uncertain. The Company creates provisions when the following conditions are met:

- 1) the Company has an existing obligation (legal or customary) resulting from past events,
- 2) there is probability that the fulfillment of the obligation will cause the necessity of the outflow of resources embodying economic benefits,
- 3) it is possible to credibly estimate the amount of the obligation.

The Company creates provisions for liabilities under following titles:

- 1) provision for deferred income tax,
- 2) provision for retirement and similar benefits,
- 3) other provisions.

The amount of the provisions, depending on the nature of the incidents that they were created for, charges accordingly: operating expenses, other operating expenses or financial expenses.

The unused provisions are terminated as at the date when they became redundant. Furthermore, occurring of the liability that previously created the reserve will result in the use of the reserve.

4 ACCRUALS

In the Company, accruals on the liability side include:

- 1) passive accrued expenses,
- 2) deferred income.

ALFAKREDYT LIMITED LIABILITY COMPANY

Passive accrued expenses include the amounts included in the current cost of the period to be paid in the future. In particular, the Company makes passive accrued expenses in the amount of probable liabilities for the current reporting period, resulting from:

- 1) the benefits provided to the Company by contractors when the amount of the liability can be estimated reliably,
- 2) bonuses granted to employees.

Expected but not incurred expenses covered by passive accruals reduce the cost of the reporting period in which it was determined that these liabilities did not occur.

Revenues referring to future periods for which the Company does not incur costs in the reporting period is settled over time.

Active and passive accrued costs are being written-off till the expiry of the time to which they relate. The time and method of settling these costs is primarily justified by their nature, obeying the rule of prudent valuation.

PRINCIPLES OF DETERMINING THE FINANCIAL RESULT

Components of financial result:

- 1) sales revenue (revenue from the sale of products, materials and goods, other operating income, financial income)

The Company recognizes revenue from granting short term loans.

- 2) revenue costs (operating expenses, other operating costs, finance costs);
- 3) obligatory charges of the financial result.

The Company uses a comparative variant of financial result, therefore the profit and loss account is also prepared in a comparative manner.

ALFAKREDYT LIMITED LIABILITY COMPANY

BALANCE SHEET (in PLN)

BALANCE SHEET	Note	December 31, 2018	December 31, 2017 <i>Restated</i>
ASSETS			
A. Fixed assets		152 150,70	110 467,21
I. Intangible assets	1	58 120,52	84 714,62
1. R&D expenses		0,00	0,00
2. Goodwill		0,00	0,00
3. Other intangible assets		58 120,52	84 714,62
4. Advances for intangible assets		0,00	0,00
II. Tangible fixed assets		70 897,68	3 050,59
1. Tangible fixed assets in use	2	70 897,68	3 050,59
a) land (including right to perpetual usufruct)		0,00	0,00
b) buildings, premises, civil and water engineering structures		0,00	0,00
c) technical equipment and machines		10 897,68	3 050,59
d) vehicles		0,00	0,00
e) other tangible fixed assets		0,00	0,00
2. Tangible fixed assets under construction	3	0,00	0,00
3. Advances for tangible fixed assets under construction		60 000,00	0,00
III. Long-term receivables	4	23 132,50	22 702,00
1. From related parties		0,00	0,00
2. From other entities in which the entity has equity exposure		0,00	0,00
3. From other entities		23 132,50	22 702,00
IV. Long-term investments	5	0,00	0,00
1. Real property		0,00	0,00
2. Intangible assets		0,00	0,00
3. Long-term financial assets		0,00	0,00
a. in related parties		0,00	0,00
- shares		0,00	0,00
- other securities		0,00	0,00
- loans granted		0,00	0,00
- other long-term financial assets		0,00	0,00
b. in other entities in which the entity has equity exposure		0,00	0,00
- shares		0,00	0,00
- other securities		0,00	0,00
- loans granted		0,00	0,00
- other long-term financial assets		0,00	0,00
c. in other entities		0,00	0,00
- shares		0,00	0,00
- other securities		0,00	0,00
- loans granted		0,00	0,00
- other long-term financial assets		0,00	0,00
4. Other long-term investments		0,00	0,00
V. Long-term prepayments		0,00	0,00
1. Deferred tax assets	19	0,00	0,00

Financial statements for the period from January 1, 2018 to December 31, 2018

ALFAKREDYT LIMITED LIABILITY COMPANY

2. Other prepayments		0,00	0,00
B. Current Assets		24 282 435,49	19 084 969,94
I. Inventory	6	0,00	0,00
1. Materials		0,00	0,00
2. Semi-finished products and work in progress		0,00	0,00
3. Finished products		0,00	0,00
4. Goods		0,00	0,00
5. Advances for deliveries		0,00	0,00
II. Short-term receivables	7	2 805 257,79	2 604 249,05
1. Receivables from related parties		0,00	0,00
a. trade receivables, maturing:		0,00	0,00
- up to 12 months		0,00	0,00
- above 12 months		0,00	0,00
b. other		0,00	0,00
2. Receivables from other entities in which the entity has equity exposure		0,00	0,00
a. trade receivables, maturing:		0,00	0,00
- up to 12 months		0,00	0,00
- above 12 months		0,00	0,00
b. other		0,00	0,00
3. Receivables from other entities		2 805 257,79	2 604 249,05
a. trade receivables, maturing:		84 759,29	26 277,95
- up to 12 months		84 759,29	26 277,95
- above 12 months		0,00	0,00
b. receivables from tax, subsidy, customs, social security and other benefits		1 436,34	2 757 79
c. other		2 719 062,16	2 575 175,31
d. claimed at court		0,00	0,00
III. Short-term investments		20 859 037,47	16 475 770,62
1. Short-term financial assets	8	20 859 037,47	16 475 770,62
a. in related parties		0,00	0,00
- shares		0,00	0,00
- other securities		0,00	0,00
- loans granted		0,00	0,00
- other short-term financial assets		0,00	0,00
b. in other entities		19 633 414,40	16 017 005,27
- shares		0,00	0,00
- other securities		0,00	0,00
- loans granted		19 633 414,40	16 017 005,27
- other short-term financial assets		0,00	0,00
c. cash and other pecuniary assets		1 225 623,07	458 765,35
- cash in hand and at bank		1 225 623,07	458 765,35
- other cash		0,00	0,00
- other pecuniary assets		0,00	0,00
2. Other short-term investments		0,00	0,00
IV. Short-term prepayments	9	618 140,23	4 950,27
C. Called up share capital (fund)		0,00	0,00
D. Own shares		0,00	0,00

Financial statements for the period from January 1, 2018 to December 31, 2018

ALFAKREDYT LIMITED LIABILITY COMPANY

Total assets		24 434 586,19	19 195 437,15
EQUITY&LIABILITIES			
A. Equity		5 468 806,17	4 186 452,11
I. Share capital	10	1 005 000,00	1 005 000,00
II. Supplementary capital		4 688 238,87	4 199 654,11
III. Revaluation reserve		0,00	0,00
IV. Other reserve capitals		0,00	0,00
V. Previous years' profit (loss)		(195 153,090)	(195 157,52)
VI. Net profit (loss)		1 282 349,63	488 584,76
VII. Write-off on net profit during the financial year (negative value)		(1 311 629,24)	(1 311 629,24)
B. Liabilities and provisions for liabilities		18 965 780,02	16 771 427,33
I. Provisions for liabilities		101 610,54	0,00
1. Provision for deferred income tax	19	0,00	0,00
2. Provision for retirement and similar benefits	11	0,00	0,00
- long-term		0,00	0,00
- short-term		0,00	0,00
3. Other provisions		101 610,54	0,00
- long-term		0,00	0,00
- short-term		101 610,54	0,00
II. Long-term liabilities	12	12 741 608,44	13 912 459,17
1. To related parties		1 221 139,26	0,00
a. credits and loans		1 221 139,26	0,00
2. To related parties in which the entity has equity exposure		0,00	0,00
3. To other entities		11 520 469,18	13 912 459,17
a. credits and loans		7 987 474,72	4 852 531,11
b. arising from issuance of debt securities		3 532 994,46	9 059 928,06
c. other financial liabilities		0,00	0,00
d. bill-of-exchange liabilities		0,00	0,00
e. other		0,00	0,00
III. Short-term liabilities	12	6 046 249,41	2 858 968,16
1. To related parties		516 258,03	454 422,47
a. credits and loans		516 258,03	454 422,47
b. arising from issuance of debt securities		0,00	0,00
- up to 12 months		0,00	0,00
- above 12 months		0,00	0,00
c. other		0,00	0,00
2. To related parties in which the entity has equity exposure		0,00	0,00
a. trade liabilities, maturing:		0,00	0,00
- up to 12 months		0,00	0,00
- above 12 months		0,00	0,00
b. other		0,00	0,00
3. To other entities		5 529 991,38	4 527 757,26
a. credits and loans		0,00	0,00
b. arising from issuance of debt securities		0,00	2 307 827,54
c. other financial liabilities		0,00	0,00
d. trade liabilities, maturing:		786 695,42	517 210,15

ALFAKREDYT LIMITED LIABILITY COMPANY

- up to 12 months		786 695,42	517 210,15
- above 12 months		0,00	0,00
e. received advances for deliveries		0,00	0,00
f. bill-of-exchange liabilities		0,00	0,00
g. tax, customs, insurance and other liabilities		900 436,95	729 380,41
h. payroll liabilities		0,00	0,00
i. other		3 842 859,01	973 439,16
3. Special funds		0,00	0,00
IV. Accruals	13	76 311,63	21 731,40
1. Negative goodwill		0,00	0,00
2. Other accruals		76 311,63	21 731,40
- long-term		76 311,63	21 731,40
- short-term		0,00	0,00
Total liabilities		24 434 586,19	19 195 437,15

July 04, 2019

.....
Aleksejs Gromovs
Chairman of the Board

.....
Irina Stańczak
On behalf of Antareco LLC,
Subject responsible for bookkeeping

ALFAKREDYT LIMITED LIABILITY COMPANY

PROFIT AND LOSS STATEMENT (in PLN)

PROFIT AND LOSS STATEMENT	Nota	December 31, 2018	December 31, 2017 <i>Restated</i>
I. Net revenues from sales of products, goods and materials, including:	14	10 295 057,83	12 792 742,42
- from related parties		0,00	0,00
1. Net revenues from sales of products		10 295 057,83	12 792 742,42
2. Change in the balance of products		0,00	0,00
3. Manufacturing cost of products for internal purposes		0,00	0,00
4. Net revenues from sales of goods and materials		0,00	0,00
II. Operating expenses		5 428 308,30	5 107 101,95
1. Amortization and depreciation		32 425,94	33 504,80
2. Consumption of materials and energy		101 692,30	108 918,24
3. External services		2 242 478,16	2 323 965,09
4. Taxes and charges, including:		36 114,4	80 583,96
- excise duty		0,00	0,00
5. Payroll		2 245 594,63	1 445 011,30
6. Social security and other benefits, including:		423 812,90	256 962,47
- pension		0,00	0,00
7. Other costs by type		346 190,13	858 156,09
8. Value of goods and materials sold		0,00	0,00
III. Profit (loss) on sales (I-II)		4 866 749,53	7 685 640,47
IV. Other operating revenues	15	28 658,40	313 404,67
1. Gain on disposal of non-financial fixed assets		0,00	0,00
2. Subsidies		0,00	0,00
3. Revaluation of non-financial assets		0,00	0,00
4. Other operating revenues		28 658,40	313 404,67
V. Other operating expenses	16	40 114,97	24 400,32
1. Loss on disposal of non-financial fixed assets		0,00	0,00
2. Revaluation of non-financial assets		0,00	0,00
3. Other operating expenses		40 114,97	24 400,32
VI. Profit (loss) on operating activities (III+IV-V)		4 855 292,96	7 974 644,82
VII. Financial revenues	17	146 975,12	896 957,02
1. Dividend and profit sharing, including:		0,00	0,00
- from related parties		0,00	0,00
2. Interest, including:		1 391,79	12 467,44
- from related parties		0,00	0,00
- from other entities		1 391,79	12 467,44
3. Gain on disposal of financial assets, including:		0,00	0,00
- from related parties		0,00	0,00
4. Revaluation of financial assets		0,00	0,00
5. Other		144 522,52	884 489,58
VIII. Financial expenses	18	3 132 035,45	8 252 021,08
1. Interest, including:		1 151 574,63	1 111 844,75

Financial statements for the period from January 1, 2018 to December 31, 2018

ALFAKREDYT LIMITED LIABILITY COMPANY

- for related parties		0,00	0,00
- for other entities		1 151 574,63	1 111 844,75
2. Loss on disposal of financial assets, including		0,00	0,00
- for related parties		0,00	0,00
3. Revaluation of financial assets		524 678,50	212 858,83
4. Other		1 455 782,32	6 927 317,50
IX. Gross profit (loss) (VI+VII-VIII)		1 870 232,63	619 580,76
X. Income tax	19	587 883,00	130 996,00
XI. Other statutory reductions in profit (increases in loss)		0,00	0,00
XII. Net profit (loss) (IX-X-XI)		1 282 349,63	488 584,76

July 04, 2019

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Aleksejs Gromovs
Chairman of the Board

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Irina Stańczak
On behalf of Antareco LLC,
Subject responsible for bookkeeping

ALFAKREDYT LIMITED LIABILITY COMPANY

ADDITIONAL INFORMATION AND EXPLANATION (in PLN)

EXPLANATORY NOTES TO THE BALANCE SHEET

Note 1. Intangible assets

Title	R&D expenses	Goodwill	Other intangible assets	Advances	Total
Gross value					
Opening balance	-	-	142 843,34	0,00	142 843,34
Increase	-	-	1 974,57	-	1 974,57
Decrease	-	-	-	0,00	-
Closing balance	-	-	144 817,91	-	144 817,91
Remission					
Opening balance	-	-	58 128,72	-	58 128,72
Increase, including:	-	-	28 568,67	-	28 568,67
Depreciation	-	-	0,00	-	0,00
VAT adjustments	-	-	-	-	-
Decrease	-	-	-	-	-
Closing balance	-	-	86 697,39	-	86 697,39
Net value at the beginning of the period	-	-	84 714,62	-	84 714,62
Net value at the end of the period	-	-	58 120,52	-	58 120,52

Nota 2. Tangible fixed assets in use

Title	Land (including right to perpetual usufruct)	Buildings, premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other tangible fixed assets	Total
Gross value						
Opening value	0,00	0,00	15 125,38	0,00	0,00	15 125,38
Increase, including:	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of fixed assets	0,00	0,00	11 704,36	0,00	0,00	11 704,36
Decrease	0,00	0,00	0,00	0,00	0,00	0,00
Closing value	0,00	0,00	26 829,74	0,00	0,00	26 829,74

ALFAKREDYT LIMITED LIABILITY COMPANY

Title	Land (including right to perpetual usufruct)	Buildings, premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other tangible fixed assets	Total
Revaluating write-offs						
Opening balance	0,00	0,00	12 074,79	0,00	0,00	12 074,79
creating	0,00	0,00	3 857,27	0,00	0,00	3 857,27
reversing	0,00	0,00	0,00	0,00	0,00	0,00
establishing	0,00	0,00	0,00	0,00	0,00	0,00
Closing balance	0,00	0,00	15 932,06	0,00	0,00	15 932,06
Net value at the beginning of the period	0,00	0,00	3 050,59	0,00	0,00	3 050,59
Net value at the end of the period	0,00	0,00	3 050,59	0,00	0,00	10 897,68

Note 3. Fixed assets under construction

As at December 31, 2018 the Company have fixed assets under construction amounted to 60 000,00 pln.

Note 4. Long-term receivables

Title	Gross value of long-term receivables
Opening balance	22 702,00
Increase, including	430,50
Arising of a receivable	430,50
Decrease, including	0,00
Transfer to short-term receivables	0,00
Repayment	0,00
Write-offs	0,00
Closing balance	23 132,50

Note 5. Long-term investments

As at December 31, 2018 the Company did not have any long-term investments.

ALFAKREDYT LIMITED LIABILITY COMPANY

Note 6. Inventory

As at December 31, 2018, the Company did not have any inventory.

Note 7. Short-term receivables

Title	December 31, 2018		
	gross value	revaluating write-offs	net value
1. Receivables from related parties, including:	0,00	0,00	0,00
a) trade receivables, maturing:	0,00	0,00	0,00
- up to 12 months	0,00	0,00	0,00
- above 12 months	0,00	0,00	0,00
b) other	0,00	0,00	0,00
2. Receivables from other entities	2 805 209,52	0,00	2 805 209,52
a) trade receivables, maturing:	84 759,29	0,00	84 759,29
- up to 12 months	84 759,29	0,00	84 759,29
- above 12 months	0,00	0,00	0,00
b) receivables from tax, subsidy, customs, social security and other benefits	1 436,34	0,00	1 436,34
c) other	2 719 013,89	0,00	2 719 013,89
TOTAL	2 805 209,52	0,00	2 805 209,52

The other receivables from other entities include the outstanding dividend paid in advance to the previous shareholder in the amount of **2 536 672,06 PLN**.

In the period from January 1, 2017 to December 31, 2017 no changes in short-term receivables write-offs occurred.

Note 8. Short-term investments

As at December 31, 2018 the Company had short-term investments of **20 859 046,45 PLN**.

SHORT-TERM FINANCIAL ASSETS

SHORT TERM FINANCIAL ASSETS	31 grudnia 2018 roku
1. Short term financial assets	20 859 037,47
a) related parties	0,00
- shares and bonds	0,00
- other securitas	0,00
- loans issued	0,00
- other short term financial assets	0,00
b) unrelated parties	19 633 414,40
- shares and bonds	0,00
- other securitas	0,00
- issued loans	19 633 414,40
- other short term financial assets	0,00
c) money and other monetary assets	1 225 623,07
- money in cash and on bank accounts	1 225 623,07
- other financial assets	0,00

ALFAKREDYT LIMITED LIABILITY COMPANY

MONEY IN CASH AND ON BANK ACCOUNTS (EXCHANGE CURRENCY STRUCTURE))	31 December 2018
1. Cash	0,00
a) PLN	0,00
b) in other currency (according currncy and after revaluation to PLN)	0,00
2. Bank accounts	1 225 623,07
a) in PLN currency	385 533,86
b) in other currency (according currncy and after revaluation to PLN)	840 089,21
b1. EUR	840 024,59
b2. USD	64,62
b3. GBP	0,00
Money on cash and on bank accounts, sum	1 225 623,07

Note 9. Prepayments

SHORT-TERM PREPAYMENTS

Title	December 31, 2018	December 31, 2017
Active prepayments	618 140,23	4 950,27
Other prepayments	0,00	0,00
TOTAL	618 140,23	4 950,27

Nota 10. Ownership structure of share capital and the number and nominal value of shares

The shares as at December 31, 2018 are presented in the table below:

Shareholder	Nominal value (PLN)	%
NORDINVEST GROUP SIA	1 005 000,00	100%
Total share capital	1 005 000,00	100%

The share capital of the Company amounts to **1 005 000, 00 PLN** and is divided into 20 100 shares of nominal value 50,00 PLN each.

Note 11. Provisions for retirement and similar benefits

The Company has created a holiday reserve in the amount of **101 610,54 PLN**.

Note 12. Liabilities

Title	December 31, 2018			
	due to 1 year or less	due between 1 year and 3 years	due between 3 years and 5 years	due more than 5 years
1. To related parties	0,00	0,00	0,00	0,00
a) credits and loans	0,00	0,00	0,00	0,00
b) arising from issuance of debt securities	0,00	0,00	0,00	0,00
c) other financial liabilities	0,00	0,00	0,00	0,00

ALFAKREDYT LIMITED LIABILITY COMPANY

d) trade liabilities	0,00	0,00	0,00	0,00
e) other	0,00	0,00	0,00	0,00
2. To other entities	6 046 249,41	12 741 608,44	0,00	0,00
a) credits and loans	516 258,03	9 208 613,98	0,00	0,00
b) arising from issuance of debt securities	0,00	3 532 994,46	0,00	0,00
c) other financial liabilities	0,00	0,00	0,00	0,00
d) trade liabilities, maturing:	786 695,42	0,00	0,00	0,00
- up to 12 months	786 695,42	0,00	0,00	0,00
- above 12 months	0,00	0,00	0,00	0,00
e) received advances for deliveries	0,00	0,00	0,00	0,00
f) bill-of-exchange liabilities	0,00	0,00	0,00	0,00
g) tax, customs, insurance and other liabilities	900 436,95	0,00	0,00	0,00
h) payroll liabilities	0,00	0,00	0,00	0,00
i) other	3 842 859,01	0,00	0,00	0,00
TOTAL	6 046 249,41	12 741 608,44	0,00	0,00

Note 13. Accruals

Title	December 31, 2018	December 31, 2017
Other accruals	76 311,63	21 731,40
- long-term	0,00	0,00
- short-term	76 311,63	21 731,40
TOTAL	76 311,63	21 731,40

EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT

Note 14. Material and territorial structure of net revenue from sales

As at December 31, 2018, the net revenue from sales amounted to **10 295 057,83 PLN**.

Material structure of net revenue from sales

Title	December 31, 2018	December 31, 2017
1. Net revenues from sales of products (material structure – type of activity), including:	10 295 057,83	12 792 742,42
- revenue from administration fee	9 356 493,00	12 101 707,93
- revenue from extensions	283 652,02	256 702,28
- revenue from registration fee	937,81	1 027,77
- revenue from penalties and other fees	653 975,00	433 304,44
2. Net revenues from sales of trade goods and materials (material structure – type of activity)	0,00	0,00
TOTAL	10 295 057,83	12 792 742,42

Material structure of net revenue from sales

Title	December 31, 2018	December 31, 2017
1. Net revenues from sales of products	10 295 057,83	12 792 742,42
a) in the country	10 295 057,83	12 792 742,42

ALFAKREDYT LIMITED LIABILITY COMPANY

b) abroad	0,00	0,00
2. Net revenues from sales of trade goods and materials	0,00	0,00
a) in the country	0,00	0,00
b) abroad	0,00	0,00
TOTAL	10 295 057,83	12 792 742,42

Note 15. Other operating revenues

Title	December 31, 2018	December 31, 2017
1. Gain on disposal of non-financial fixed assets	0,00	0,00
2. Subsidies	0,00	0,00
3. Revaluation of non-financial assets	0,00	0,00
4. Other operating revenues, including:	28 658,40	313 404,67
- write-offs of liabilities	24 169,71	313 404,67
- other	4 488,39	90,75
TOTAL	28 658,40	313 404,67

Note 16. Other operating costs

Title	December 31, 2018	December 31, 2017
1. Loss on disposal of non-financial fixed assets	0,00	0,00
2. Revaluation of non-financial assets	0,00	0,00
3. Other operating costs, including:	40 114,97	24 400,32
- write-offs of receivables	39 890,54	23 920,62
- compensation fines and penalties	0,00	0,00
- other	223,20	479,70
TOTAL	40 114,97	24 400,32

Nota 17. Financial revenues

Title	December 31, 2018	December 31, 2017
1. Dividend and profit sharing, including:	0,00	0,00
- from related parties	0,00	0,00
- from other entities	0,00	0,00
2. Interests, including	1 391,79	12 467,44
- from related parties	0,00	0,00
- from other entities	1 391,79	12 467,44
3. Revaluation of financial assets, including:	0,00	0,00
- from related parties	0,00	0,00
- from other entities	1 060,81	0,00
4. Other, including:	144 522,52	884 489,58
- CDS settlements	144 522,52	144 115,62
- exchange rate differences	0,00	740 373,96
TOTAL	144 522,52	896 957,02

ALFAKREDYT LIMITED LIABILITY COMPANY

Note 18. Financial expenses

Title	December 31, 2018	December 31, 2017
1. Interest, including:	1 151 574,83	1 111 844,75
- loan interests	1 140 370,87	1 002 175,04
- budget interest	11 203,60	109 660,60
- penalty interest on liabilities	0,16	9,11
2. Loss on disposal of financial assets	0,00	0,00
3. Revaluation of financial assets	0,00	212 858,83
- revaluation of loans granted	0,00	207 938,83
- valuation of CDS transactions	0,00	4 920,00
4. Other, including:	6 932 237,50	6 932 237,50
- result on Credit Default Swap transactions	0,00	0,00
- CDS fee expenses	1 198 982,14	6 927 317,50
- exchange rate differences	256 800,18	0,00
- other	524 678,50	0,00
TOTAL	3 132 035,45	8 252 021,08

Note 19. Income tax

Title	December 31, 2018	December 31, 2017
1. Gross profit (loss)	1 870 232,63	619 580,76
2. Difference between gross (loss) and taxable income (by title)	1 223 886,25	-69 871,24
a) accounting revenue that is not taxable, including:	0,00	0,00
- other	0,00	0,00
b) accounting revenue that temporarily is not taxable, including:	103 219,62	-1 088 100,73
- unpaid interest on loans granted	1 391,79	-518,35
- foreign exchange rate gains	101 827,83	-992 709,25
- statutory interest	0,00	-11 991,00
- permanent differences	0,00	-82 882,13
c) accounting expenses that are non-tax-deductible, including:	547 119,04	658 707,34
- accounting depreciation of intangible assets	28 568,67	29 405,00
- membership fees	0,00	60 000,00
- write-offs of receivables	0,00	83 153,53
- invoices concerning previous years	0,00	0,00
- representation	0,00	0,00
- interest on budget liabilities	109 144,60	109 144,60
- other	480 554,37	147 144,00
- PFRON	37 996,00	16 646,00
- penalty interest	0,00	525,11
- expenditure on asset leased	0,00	1 853,26
- receipts	0,00	2 897,01
- accruals	0,00	207 938,83
d) accounting expenses that are temporarily non-tax-deductible, including:	1 605 634,57	1 244 874,08
- unrealized exchange differences	353 041,60	120 096,64
- unpaid interest on loans	1 129 232,67	1 002 175,04
- withholding tax	-6 276,00	55 866,00

ALFAKREDYT LIMITED LIABILITY COMPANY

- accruals	129 626,30	66 736,40
e) tax-deductible expenses, including:	825 647,74	745 609,45
- interests paid on loans	446 205,04	677 877,78
- tax depreciation of intangible assets	3 671,55	67 731,67
- withholding tax paid	375 771,15	0,00
3. Income tax base	3 094 118,88	689 452,00
4. Income tax at the rate of 19%	587 883,00	130 996,00
5. Increases, omissions, exemptions, deductions and tax reductions	0,00	0,00
6. Current income tax included in the tax return of the period	587 883,00	130 996,00

OTHER INFORMATION AND EXPLANATION

Note 20. Proposals on how to distribute profit or cover loss for the financial period

For the financial period from January 1, 2018 to December 31, 2018 the net profit amounted to the level of PLN 1 282 349,63 PLN and it will be transferred to capital reserve.

Note 21. List of liabilities groups secured in Company's possessions

As at December 31, 2018 there were no liabilities secured on the entity's possessions.

Note 22. Contingent liabilities

As at December 31, 2018 there were no contingent liabilities.

Note 23. Discontinued activity

In the period from January 1, 2018 to December 31, 2018 the Company has not stopped its operations and does not plan during following year.

Note 24. Cost of manufacturing fixed assets under construction and fixed assets for own needs

In the period from January 1, 2018 to December 31, 2018 the Company did not incur the cost of manufacturing fixed assets under construction and fixed assets for own needs.

ALFAKREDYT LIMITED LIABILITY COMPANY

Note 25. Features and economic purpose of the deals made by the entity not included in the balance sheet which are necessary to assess their impact on the entity's financial situation and financial result

The Company did not enter into any agreements that would not be reflected in the balance sheet.

Note 26. Information regarding transactions with related parties

In the period from January 1, 2018 to December 31, 2018 do not appear transactions with related parties

Note 27. Information about joint ventures that are not subject to consolidation

The Company did not conduct joint ventures.

Note 28. Information on average employment divided into occupational groups

During the period from January 1, 2018 to December 31, 2018 the average employment in the Company was 29,07 employees

Specification	Number of employees in 2018
Total staff, including:	29,07
- office workers	29,07

Note 29. Information about remuneration, including remuneration from income, paid or payable to members of management, supervisory bodies

In the period from January 1, 2018 to December 31, 2018 the Company did not pay any remuneration.

Note 30. Information on loans and similar benefits provided to people in management and supervisory bodies

The Company has not provided loans and similar benefits to people who are members of the governing and supervising bodies in the accounting period from January 1, 2018 to December 31, 2018.

Note 31. Auditor's remuneration

The Financial Statement was not audited.

Note 32. Events related to previous years included in the report

Events relating to the previous years in the Company did not appear

ALFAKREDYT LIMITED LIABILITY COMPANY

Note 33. Events after the balance sheet date not included in the report

There were no events that occurred in the Company after the balance sheet date, which should be included in the financial statements.

Note 34. Principles of accounting for foreign exchange differences

Balance sheet items denominated in foreign currencies are valued at the average exchange rate of the National Bank of Poland as at the balance sheet date. Profit and loss statement positions denominated in foreign currencies are valued at the average exchange rate of the National Bank of Poland on the day preceding the accounting date of the transaction.

The average NBP rates applicable at the balance sheet date are shown in the table below:

Currency	Average NBP rate	Average NBP rate
	As at December 29, 2018	As at December 31, 2017
USD	3 7597	3 4813
EUR	4,3000	4,1709