AAW X Limited Liability Company

Interim financial statements
for a period
May 17th – Sept. 30th 2017

Translation from the Polish original

Interim financial statements
As at 30 Sept. 2017

Declaration by the Management Board on the accuracy of the prepared financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and presented in the following order:

Page

Financial statements for a period 17.05.2017 – 30.09.2017 is prepared for a special purposes: bond issue. Sometimes company does not present immaterial information, even if a given standard (IFRS) describes it as the minimum scope of disclosure. Company may however provide information, which is not reguired if it could lead to a better understanding by the user of the financial statements of the impact of particular transactions on a entity’s assets and financial results.

Signed on the Polish original

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Management Boards

Signed on the Polish original

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Maciej Strzelecki CMM Ltd.
Chief Accountant

Warsaw, 23.10.2017

Introduction

1. Company details

a) The Company trades as AAW X Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw ul. Jagiellońska 6/30, mazowieckie province. REGON 367305809, NIP 113-294-23-43,

b) The Company was registered in the District Court for the Capital City of Warsaw, 12 Commercial Division under number 0000678248 on 17 May 2017.

c) The Company's objects include financial activities, activities of financial holding companies, financial and management consulting.

d) Pursuant to the Company's statute, its duration is indefinite.

e) In the reporting period the following persons served on the Company's Management Board:

- Łukasz Orłowski – President of the Management Board until 16 June 2017
- Wojciech Marcińczyk since 16 June 2017
- Ewa Ogryczak since 16 June 2017
- Krzysztof Konopiński since 16 June 2017

As at the date of financial statements preparation Company's Management Board composition was the same.

2. Financial Statements

a) These financial statements were made in accordance with the International Financial Reporting Standards (IFRS) and with the interpretations issued by the International Accounting Standards Board (IASB) as endorsed by the EU, pursuant to the Regulation on IFRS (Regulation (EC) No 1606/2002), hereinafter referred to as "IFRS EU".

IFRS EU include standards and interpretations approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), endorsed for use in the EU.

b) The data are presented for the first reporting period, i.e. period from 17 May 2017 to 30 September 2017. The first financial year is period from 17 May 2017 to 31 December 2017.

c) The profit and loss account is presented with classification of expenses by function. The cash flow statement is made using the indirect method.

d) The financial statements were prepared with the assumption that the Company will continue as a going concern over the 12 months after the last balance sheet day, i.e. after 30 September 2017. As at the date of approving these financial statements the Company's Management Board is not aware of any facts or circumstances that could constitute a threat for the Company's going concern status in the period of 12 months following the balance sheet date as a result of voluntary or compulsory discontinuation or significant limitation of its current activities.

e) Until the date of preparing these financial statements there have not occurred any events which have not but should have been included in the accounts for the reporting period. At the same time, these financial statements do not include any material events relating to previous years.

f) Financial data have been rounded off to the nearest whole zloty.

g) Statement of compliance with International Financial Reporting Standards

These financial statements were made in accordance with the International Financial Reporting Standards (IFRS) and with the interpretations issued by the International Accounting Standards Board (IASB) as endorsed by the EU, pursuant to the Regulation on IFRS (Regulation (EC) No 1606/2002), hereinafter referred to as "IFRS EU".

IFRS EU include standards and interpretations approved by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), endorsed for use in the EU.

Below are standards and amended standards endorsed for use in the EU and effective for reporting periods beginning on or after 1 January 2017:

a) Amendments to IAS 7 *Statement of Cash Flows*: *Disclosure Initiative* - effective for reporting periods beginning on or after 1 January 2017,
The amendment is designed to improve the quality of information regarding the reporting entity's financing activities and liquidity provided to users of financial statements. The following requirement is introduced:
   (i) reconciliation of the opening and closing balances in the statement of financial position for all items generating cash flows which are classified as financing activities, except for equity;
   (ii) disclosing information relating to issues enabling the evaluation of an entity's liquidity, such as limitations used when taking decisions on the use of cash and cash equivalents.

Standards and interpretations adopted by IASB which have not yet been endorsed for use by the EU:

a) IFRS 9 *Financial Instruments* (of 12 November 2009 including subsequent amendments to IFRS 9 and IFRS 7 of 16 December 2011) – effective for reporting periods beginning on or after 1 January 2018

The new standard replaces the guidance included in IAS 39 *Financial Instruments: Recognition and Measurement*, relating to the classification and measurement of financial assets. The standard eliminates the categories of held-to-maturity and available-for-sale as well as loans and receivables existing in IAS 39. On initial recognition financial assets will be classified into one of the following two categories:

- financial assets at amortised cost; or

- financial assets at fair value.

Financial assets are measured at amortised cost if the following two conditions are met: the assets are held in a business model whose objective is to hold the assets to collect cash flows under a contract; and, its contractual terms result in certain moments in cash flows that are solely payments of principal and interest on the outstanding principal.

Gains and losses on financial assets at fair value are recognised in the income of the current period, except when the investment in the financial instrument is not held for trading. IFRS 9 offers a possibility of taking a decision to measure such financial instruments on their initial recognition at fair value through other comprehensive income. Such a decision is irreversible. The above choice may be made for each instrument separately. Items recognised in other comprehensive income cannot in later periods be reclassified to profit and loss.

IFRS 9 introduces a new credit loss impairment model – the expected loss model. There is also an important requirement introduced by IFRS 9 to disclose in other comprehensive income the effects of changes in own credit risk on fair valued financial liabilities through profit or loss.

b) IFRS 15 *Revenue from Contracts with Customers* – effective for reporting periods beginning on or after 1 January 2018.

IFRS 15 specifies how and when to recognise revenue, and it also requires significant disclosures from entities using IFRS. The standard introduces a single principle based five-step model to be applied to all contracts with customers for the recognition of revenue.

c) IFRS 16 *Leases* – effective for reporting periods beginning on or after 1 January 2019.

IFRS 16 replaces the previous solutions relating to leases including IAS 17, IFRIC 4, SIC 15 and SIC 27. IFRS introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

d) IFRS 14: *Rate-regulated Activities*; *Regulatory Deferral Accounts*; – effective for reporting periods beginning on or after 1 January 2016. This standard has been published as part of a larger project: Rate-regulate activities, dedicated to the comparability of financial statements of entities operating in areas where prices are regulated by certain regulators or supervisors (depending on the jurisdiction, such areas often include distribution of electricity and heat, sales of electricity and gas, telecommunication services, etc.).

IFRS 14 does not refer to a greater extent to accounting policies for rate-regulated activities, but only sets the rules for recognition of items classified as income or costs which are eligible to be recognized under binding legislation in terms of rates regulation, and which in view of other IFRSs do not meet the conditions for recognition as assets or liabilities.

Application of IFRS 14 is allowed if the entity performs rate-regulated activities and in the financial statements prepared in accordance with previously applied accounting principles, recognized the eligible amounts as "balance of deferred items".

According to the published IFRS 14 such items should however be subject to the presentation in a separate item in the statement of financial position (balance sheet) respectively in assets and liabilities. These items are not subject to division into current and fixed assets and are not referred to as assets or liabilities. Therefore, the "deferred items" recognized within assets are referred to as "deferred items' debits", while those that are recognized as liabilities - as the "deferred items' credits".

In the profit and loss account and in the statement of other comprehensive income the entities should demonstrate net changes in "deferred items" respectively in other comprehensive income and in the profit or loss (or in a separate profit and loss account).

This standard, as the transitional standard - according to the decision of the European Commission, will not be subject to the process of adoption.

e) Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*: *The Sale or Contribution of Assets Between the Investor and Its Associate or Joint Venture* – postponement of the application for an indefinite term
The amendments relate to the sale or contribution of assets between the investor and its associate or joint venture and explain that the recognition of gain or loss in transactions involving the associate or joint venture depends on whether sold or transferred assets constitute a business venture.

f) Amendments to IAS 12 *Income Tax*: *Recognition of Deferred Tax Assets for Unrealized Losses* – effective for reporting periods beginning on or after 1 January 2017,
The purpose of the proposed amendments is to clarify that the unrealized losses on debt instruments measured at fair value and, for tax purposes at the acquisition price, may give rise to negative temporary differences.
The proposed amendments will also provide that the carrying amount of an individual asset does not limit the estimates of future taxable income. In addition, in case of comparing the negative temporary differences to the future taxable income, the future taxable income shall not include tax deductions resulting from the reversal of the negative temporary differences.

g) Explanations regarding IFRS 15 *Revenue from Contracts with Customers* – effective for reporting periods beginning on or after 1 January 2018,
The amendment clarifies how to:
(i) identify the performance obligation,
(ii) determine whether an entity operates as the agent or principal under a given contract,
(iii) determine the manner of recognition of revenues from licenses (whether as a one-off transaction or deferred)
The amendments introduce two additional exemptions aimed at reducing the costs and complexity for the entities while implementing the standard.

g) Amendments concerning IFRS 2 *Share-based Payments* - effective for reporting periods beginning on or after 1 January 2018.
The amendment clarifies how to recognize certain types of share-based payments. These amendments introduce the requirements for recognition:
(i) share-based payment transactions accounted for in cash and providing for a condition of achieving by an entity of specific economic results,
(ii) share-based payment transactions settled upon tax deduction,
(iii) changes of share-based payment transactions from settled in cash to settled in equity instruments.

h) Amendments to IFRS 4 *Application of IFRS 9 Financial Instruments* together with *IFRS 4 Insurance Contracts* – effective for reporting periods beginning on or after 1 January 2018.
The amendments aim to remove accounting mismatch from the profit and loss accounts of entities issuing insurance contracts. In accordance with the above amendments, the following solutions are permitted:

- application of IFRS 9 *Financial Instruments* together with recognising in comprehensive income and not in profit or loss the changes resulting from the application of IFRS MSSF 9 *Financial Instruments* instead of IAS 39 *Financial Instruments* for all entities that issue insurance contracts (so-called "overlay approach"),
- temporary (available until 2021) exemption from the application of IFRS 9 *Financial Instruments* for companies whose activities are predominantly connected with insurance and application in such period of IAS 39 *Financial Instruments* ("deferral approach").

j) IFRIC 22 *Foreign Currency Transactions* – effective for reporting periods beginning on or after 1 January 2018.
The interpretation clarifies the recognition of transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation applies to a foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration in a foreign currency before the entity recognises the related asset, expense or income.

k) Amendments concerning IAS 40 *Investment Properties* - effective for reporting periods beginning on or after 1 January 2018.
The amendments aim to clarify the principles of transferring assets to and from investment properties. The amendment applies to paragraph 57 which provides that an entity shall transfer assets to and from investment properties only when there is evidence of a change in use. The list of circumstances set out in paragraphs 57(a)-(d) has been defined as a non-exhaustive list, while the current list is an exhaustive one.

l) Annual improvements to IFRS Standards 2014-2016 Cycle – effective for reporting periods beginning on or after 1 January 2017/ 1 January 2018.

- Amendment to IAS 1 *First-time Adoption of International Financial Reporting Standards*
The amendment deletes the short-term exemptions provided in paragraphs E3-E7 of IFRS 1, because they related to past reporting periods and have now served their intended purpose. The above exemptions enabled first-time adopters of IFRS to apply the same disclosures as the disclosures used by other entities applying them for a long time with respect to:
    i. disclosure of certain comparative information concerning financial instruments, required as a result of introduction of amended IFRS 7
    ii. Presentation of comparative information for the disclosures required by IAS 19, about the sensitivity of the defined benefit obligation to actuarial assumptions
    iii. Retrospective application of the investment entities requirements of IFRS 10, IFRS 12 and IAS 27.

- Amendment to IFRS 12 *Disclosure of Interests in Other Entities*
The proposed amendment clarifies the scope of IFRS 12 by specifying that the disclosure requirements in the Standard, except for those in paragraphs B10-B16, apply to any interests that are classified as held for sale, held for distribution to owners or discontinued operations in accordance with IFRS 5. This amendment was proposed because of confusion on the interaction of the disclosure requirements between IFRS 5 and IFRS 12.

- Amendments to IAS 28 *Investments in Associates and Joint Ventures*

The proposed amendment clarifies that the option for a venture capital organisation or other qualifying entity (such as a mutual fund, unit trust or similar entity) to measure investments in associates and joint ventures at fair value through profit or loss (rather than by applying the equity method of accounting) is made on an investment-by-investment basis upon initial recognition of each investment. A similar clarification is proposed for the election available for an entity that is not an investment entity and that has an associate or joint venture that is an investment entity; to retain the fair value measurements used by that investment entity associate or joint venture when applying the equity method.

The Company is in the process of determining the impact that IFRS 9, IFRS 15 and IFRS 16 will have on its financial statements. The Company estimates that the remaining (apart from IFRS 9, IFRS 15 and IFRS 16) above-mentioned standards, interpretations and amendments to standards will not have any significant bearing on the its financial statements.

The above changes will not affect the Company's accounting policy, either this year or next year.

h) Significant estimates and assumptions

In preparing financial statements, the Management uses estimates relying on assumptions and judgments that affect the applied accounting policies and the disclosed values of assets, liabilities, revenues and expenses. Assumptions and the resultant estimates are based on historical experience and on the analysis of multiple factors deemed reasonable and the results underlie professional judgment as to the value of the relevant item. In certain material issues the Management relies on opinions of independent experts.

3. Main accounting policies

a) Financial Instruments

Classification

Financial instruments are classified into one of the following categories:
- financial assets at fair value through profit or loss,
- loans and receivables,
- financial assets held to maturity,
- financial assets available for sale,
- financial liabilities at fair value through profit or loss,
- other financial liabilities,
- derivative hedging instruments.

The classification is based on the analysis of the characteristics and purpose of acquisition of the investment. The classification is made on initial recognition of financial assets and financial liabilities. The classification of derivative instruments depends on their purpose and on meeting of the requirements for the application of hedge accounting laid down in IAS 39. Derivative instruments are classified as hedging instruments or as financial instruments at fair value through profit or loss.

The carrying amount relating to cash flows in respect of financial instruments with maturities in excess of 12 months from the end of the reporting period are classified as non-current assets or liabilities. Current assets or liabilities include the carrying amount relating to cash flows arising from financial instruments with maturities falling below 12 months from the end of the reporting period.

Definitions

Financial assets and liabilities measured at fair value through profit or loss
This category includes financial assets and financial liabilities held for trading and financial assets and liabilities designated at fair value through profit or loss at their initial recognition. A financial asset is classified to this category if it is acquired principally for the purpose of selling in the near term or if it is designated by the entity upon initial recognition as at fair value through profit or loss. A financial asset may be designated by an entity on initial recognition as measured at fair value or through profit or loss only when:

1) such classification eliminates or significantly reduces the incongruity relating to measurement or recognition (also referred to as "accounting mismatch") which would arise if another measurement method for such financial assets was adopted or if another method was used for the recognition of the related profits or losses, or

2) a group of financial assets is properly manager and its performance is evaluated on a fair value basis, in line with documented principles of managing risk or managing investment strategy.

Available-for-sale financial assets/liabilities include derivative instruments, provided they have not been designated as hedging instruments.
Assets from this category are classified as current assets if they are held for trading and if the respective cash flows occur within 12 months from the end of the reporting period.

Loans and receivables
Loans and receivables are financial assets which are not derivative instruments, have fixed or determinable payments and are not quoted on an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of classifying these receivables as financial assets at fair value through profit or loss.
Loans and receivables are classified as current assets provided their maturity does not exceed 12 months from the end of the reporting period. Loans and receivables with maturities exceeding 12 months from the end of the reporting period are classified as fixed assets. Loans and receivables are shown in the statement of financial position as trade receivables and other receivables.
Cash and cash equivalents are classified as loans and receivables. Cash and cash equivalents are a separate item in the statement of financial position.

Held-to-maturity investments
Held-to-maturity investments are financial assets which are not derivative instruments and have fixed or determinable payments and maturities, which the Company intends and is able to hold to maturity, with the exception of assets classified as at fair value through profit or loss or as available for sale, and with the exception of financial assets meeting the criteria of loans and receivables.

Financial assets available for sale
Available for sale financial assets are financial instruments that are not derivative instruments and are designated as available for sale or not included in any other category. This category includes first of all financial assets which do not have a fixed maturity and which do not meet the criteria for being classified as financial assets at fair value through profit or loss and financial assets which have been acquired on the secondary market, have fixed maturities, which the Company has no intention or ability to hold to maturity. This category also includes shares in subsidiaries which have been excluded from consolidation or shares in associates which have not been measured using the equity method in the consolidated financial statements, due to their immaterial impact on the Company's financial position, profit/loss and cash flows.
Financial assets available for sale are classified as fixed assets if the Company has no intention to dispose of the investment within 12 months from the end of the reporting period.

Other financial liabilities
The entity includes in this category financial liabilities other than liabilities at fair value through profit or loss.

Hedging instruments
Derivative instruments designated and meeting the requirements of hedge accounting are classified to a separate category called Hedging Instruments. The Company presents the entire fair value of these transactions also when the Company decided to exclude the time value of the derivative from effectiveness measurement.

3. Main accounting policies (cont'd)

Initial measurement and derecognition of financial instruments

Transactions respecting the purchase and sale of investments, including regular way purchases or sales, are recognised at the trade date, initially at fair value plus transaction costs, with the exception of financial assets and liabilities measured at fair value through profit or loss, which are initially recognised at fair value.

Liabilities arising in respect of financial guarantee contracts granted without consideration between related parties are measured on initial recognition:
- at the entity receiving the guarantee:
(i) at fair value, taking into account the value of the guarantee received, or
(ii) at fair value, less the value of the guarantee received if the guarantee was extended separately from the financing. The value of the received guarantee is then charged to capital, as a capital injection.

- at the entity extending the guarantee:
(i) the extended guarantee is measured at fair value as the difference between the fair value of the debt acquired and the debt that could have been acquired had the guarantee not been extended. The financial liability arising from the extended guarantee increases in the separate financial statements the value of the shares of the entity receiving the guarantee.

Investments are derecognised when the rights to the relevant cash flows have expired or the rights and substantially all the risk and rewards of their ownership are transferred. Where there is no transfer of substantially all the risk and rewards of ownership of an asset, investments are derecognised when the entity loses control of a given asset.

Measurement of financial instruments at the end of a reporting period

Financial assets and liabilities at fair value through profit or loss, financial assets available for sale and hedging instruments
Financial assets at fair value through profit or loss and financial assets available for sale and hedging instruments are measured following initial recognition at fair value. Financial assets available for sale whose fair value cannot be determined and they have a fixed maturity, are measured at amortised cost; while assets without a fixed maturity are measured at cost.

Profits and losses on assets classified as at fair value through profit or loss are shown in the profit or loss of the period in which they arose.

Profits and losses on assets classified as available for sale are recognised in other comprehensive income, with the exception of impairments and foreign exchange losses on monetary assets. When available-for-sale financial assets are derecognised, the total cumulative gains and losses which had been recognised in other comprehensive income are recognised in the income statement as gains and losses on derecognition of investments in available-for-sale financial assets.
Where the entity purchases investments such as stocks or participation units several times in a given period, their cost, owing to fluctuations in securities prices, may vary. Such investments are classified as held for trading (provided they meet the relevant criteria) or as financial assets available for sale. The disposal of investments of the same type but with a different cost is accounted for using the FIFO method, i.e. the disposal of these assets is measured successively at the prices of those elements which the entity acquired earlier.

Loans and receivables, held-to-maturity investments
Loans and receivables and held-to-maturity investments are measured at amortised cost using the effective interest rate method.

Financial liabilities – bonds
Liabilities arising from the issue of bonds which the Company intends to issue on the Czech market will be measured at amortized cost using the effective interest rate. The cash flow underlying the calculation of the effective interest rate will take into account not only future expected cash flows but also the cost of issuing bonds (costs of financing).

Other financial liabilities
After initial recognition, the entity measures all financial liabilities, apart from those classified as at fair value through profit or loss, at amortised cost using the effective interest rate method except for:
financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition
If the transfer of financial assets does not qualify them for derecognition because the entity retained virtually all of the risks and rewards associated with ownership of the transferred asset, then the entity continues to fully recognise the transferred asset and simultaneously recognises a financial liability in the amount of the payment received. In subsequent periods, the entity recognises all revenues received from the transferred asset and all expenditures incurred in respect of the financial liability;
guarantee agreements, measured at the higher of the following two amounts:
the amount determined in accordance with point 4.25 Provisions, or
the amount initially recognised (i.e. fair value increased with transaction costs which may be attributed directly to a given financial liability item) less cumulative amortisation recognised according to IAS 18 *Revenue*.

Financial assets at fair value through other comprehensive income are managed based on total rate of return which means that the net losses/profits transferred to profit or loss in respect of realization of financial assets, apart from changes in respect of fair value also include other income on such instruments, such as interest or other rewards paid, returns on investment.

Fair value

Fair value is considered to be the purchase price of a financial instrument or, in case of financial liabilities, the sales price of an instrument, unless there are any indicators that a financial instrument was not purchased at fair value.

At the end of the reporting period, the fair value of financial instruments, for which an active market exists, is established based on the current bid/ask prices. If the market for a financial instrument is not active (and in relation to non-quoted securities), the Company establishes fair value using appropriate valuation techniques. Valuation techniques used include comparison with recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques/models which are commonly used by market participants, adjusted to the characteristics and parameters of the fair valued financial instrument and the situation of the issuer.
Estimated fair value reflects the amount recoverable or payable to close out an outstanding position at the end of the reporting period. Where possible, transactions are fair valued based on market prices.
The negative fair value of a derivative instrument is adjusted to include the risk of non-performance and includes the assessment of the entity's own credit risk (so-called DVA, Debit Value Adjustment). A positive fair value of a derivative instrument includes an adjustment in respect of counterparty credit risk, i.e. the risk that the counterparty will go bankrupt before the expiry of the contract (so-called CVA, Credit Value Adjustment). The Company's entities quantify their own and counterparty credit risk in the measurement of financial instruments to fair value using simulations of future exposures using data implied from current market quotations of financial instruments.
The fair value of unquoted debt securities is determined, as a present value of future cash flows under these securities, using a discounted current interest rate.
The fair value of participation units in open-end investment funds is determined on the basis of a valuation made by such funds. The fair value of units in closed-end investment funds is determined on the basis of data included in the financial statements of these funds.
Fair values of the remaining financial instruments of the Company are determined based on market prices or valuations made using valuation techniques which use as input data only observable market variables from active markets.

b) Receivables

Receivables are measured at amounts expected to be paid.

Receivables are subject to revaluation taking into account the likelihood of payment by making allowances.

Impairment allowances are charged to profit or loss.

Receivables with maturities exceeding 12 months from the end of the reporting period are classified as fixed assets. Current assets include receivables with maturities not exceeding 12 months from the end of the reporting period.

Recognised as receivables are:
- trade receivables – these are receivables which arise from the core operations of the Company, and
- other receivables, including:
    - other financial receivables, i.e. receivables meeting the definition of financial assets,
    - other non-financial receivables, including advances for deliveries and fixed assets, assets under construction, intangible assets, advances for shares, and sovereign receivables,
    - prepayments.

c) Monetary assets

Monetary assets include assets in the form of domestic currency, foreign currencies and foreign exchange. Monetary assets also include interest accrued on financial assets.
Financial assets payable or due within 3 months from their receipt, issue, acquisition or depositing (deposits) are classified as cash and cash equivalents for the purposes of cash flow statement.

d) Equity

In the Company's financial statements equity is composed of:

- share capital (given in the Company's Statutes and registered in the National Court Register)
- retained earnings, composed of:
  - undistributed profit or unabsorbed losses from previous years,
  - reserve capital created in accordance with the Commercial Partnerships and Companies Code,
  - reserve capital created and used in accordance with the Statutes,
  - profit or loss for the period.

e) Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, such that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

f) Liabilities

Liabilities are present obligations of the Company arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

Liabilities comprise:
- liabilities arising from bank loans, other loans (borrowings) and finance lease liabilities,
- trade payables,
- liabilities in respect of purchase/construction of fixed assets and intangibles,
- other financial and non-financial liabilities.

Current trade payables are recognised in the statement of financial position at their nominal value.

The carrying amount of these liabilities reflects the approximate amount representing the level of amortised cost, calculated using the effective interest rate.

Liabilities not classified as financial liabilities are measured at the amount due.

g) Accrued expenses

Accruals are recognised at the amount of probable liabilities relating to the current reporting period, arising in particular from the performance provided for the entity by its counterparties when the amount of liability can be reliably estimated.

The above accrued expenses are shown in the balance sheet under trade payables.

h) Income tax

The Company is a payer of income tax.

i) Revenues

Revenues from sales are recognised at the fair value of the consideration received or receivable, less VAT, rebates and discounts.

In the case of sales for which the price is set after the date of recognition of a given sale, revenues are accounted for based on the forward prices from the date of sale. Revenues from sales which are recognised at such an amount are adjusted at the end of each reporting period by any change in the fair value of embedded derivatives, which are separated from the host sales contract.

Sales revenues are adjusted for the gain or loss from the settlement of derivative hedging future cash flows, in accordance with the general principle that the portion of gain or loss on a derivative hedging instrument that is determined to be an effective hedge is recognised in the same item of profit or loss in which the gain or loss on the hedged item is recognised at the moment when the hedged item affects profit or loss.

Recognised in sales are revenues arising from ordinary operating activities of the entity, i.e. revenues from sales of products, services, merchandise and materials, reflecting any rebates granted and any other decreases in selling prices.

j) Costs

The entity recognises as costs any probable decrease, in the reporting period, of economic benefits of a reliably-determined amount, in the form of a decrease in the value of assets, or an increase of provisions and liabilities, which lead to a decrease in equity or an increase in negative equity in a manner other than the withdrawal of funds by its shareholders or owners.

Costs are recognised in profit or loss based on the direct relation between costs incurred and specific income achieved, i.e. applying the matching principle, through prepayments and accruals.

k) Changes to accounting policies

Not applicable.

Statement of financial position

	Note	30 Sept. 2017	17 May 2017
ASSETS			
Non-current assets			
Tangible fixed assets		-	-
Intangible assets		-	-
Shares, and investment certificates in related entities		-	-
Investments in joint ventures		-	-
Deferred tax assets	12	940	-
Available-for-sale financial assets	4d	-	-
Financial assets at fair value	4a, 7	-	-
Costs of bond's issue	3	424 501	-
Trade and other receivables		-	-
TOTAL NON-CURRENT ASSETS		**425 441**	**-**
Current assets			
Inventory		-	-
Short-dated bill receivables (third party notes) and other receivables	4b, 4c	-	-
Available-for-sale financial assets	4d	-	-
Financial assets measured at fair value	4a, 7	-	-
Derivatives		-	-
Cash and cash equivalents	4f, 22	4 633	5 000
TOTAL CURRENT ASSETS		**4 633**	**5 000**
TOTAL ASSETS		**430 074**	**5 000**

Statement of financial position (cont.)

	Note	30 Sept. 2017	17 May 2017
EQUITY AND LIABILITIES			
Equity			
Share capital	10	5 000	5 000
Revaluation reserve from measurement of financial instruments		-	-
Actuarial gains/losses on post-employment benefits		-	-
Retained earnings	11/12	(5 329)	-
Other capital	11	-	-
TOTAL EQUITY		**(329)**	**5 000**
LIABILITIES			
Non-current liabilities			
Trade and other payables		-	-
Borrowings: issue of debentures/bonds		-	-
Derivatives		-	-
Employee benefits liabilities		-	-
Provisions for other liabilities and charges		-	-
Current liabilities			
Liabilities on shares purchase and other liabilities	13	430 403	-
Borrowings: issue of debentures/bonds		-	-
Current corporate tax liabilities		-	-
Derivatives		-	-
Employee benefits liabilities		-	-
Provisions for other liabilities and charges	16	-	-
TOTAL LIABILITIES		430 403	-
TOTAL EQUITY AND LIABILITIES		**430 074**	**5 000**

Statement of profit and loss

	Note	from 17th May 2017 till 30th Sept. 2017 PLN
Income and gains		-
Dividends received		-
Interests		-
Gross profit		-
Selling costs		-
Administrative expenses		(6 269)
Other operating income		-
Other operating costs		-
Operating profit		**(6 269)**
Financial revenues		-
Financial cost		-
Profit before income tax		**(6 269)**
Income tax expense	21	(940)
Profit for the period		**(5 329)**
Earnings per share for the annual period (in PLN per share)		
- basic		(53)
- diluted		(53)

Statement of comprehensive income

	from 17th May 2017 till 30th Sept. 2017 PLN
Profit for the period	**(5 329)**
Total other comprehensive income, which will be reclassified to profit or loss when specific conditions are met	-
Other comprehensive income, which will not be reclassified	-
to profit or loss:	-
Total other comprehensive income, which will not be reclassified to profit or loss	-
Other comprehensive net income for the reporting period	-
TOTAL COMPREHENSIVE INCOME	**(5 329)**

Statement of cash flows

	Note	from 17th May 2017 till 30th Sept. 2017
Cash flow from operating activities		
Profit for the period		(5 329)
Total adjustments to profit for the period:		
Income tax recognised in profit or loss		(940)
Amortisation/Depreciation		-
Losses on sale of property, plant and equipment and intangible assets		-
Interest and share in profits (dividends)		-
Gain/loss from the change of value of bonds		-
Foreign exchange (gains)/losses		-
Gain/loss from the change of fair value and from disposal of financial assets at fair value through profit and loss		-
Change in provisions		-
Gain/loss from disposal of financial assets available for sell		-
Cost of bank account in brokerage house		-
Banker's commission according to loans and credits		-
Changes in working capital:		5 902
Trade and other receivables		-
Trade and other payables		5 902
Income tax paid		-
Payment for purchasing financial assets: shares and investment funds certificates		-
Payment received for selling financial assets: shares and investment funds certificates		-
Loans granted / Bill receivables		-
Repayments of loans granted and bills		-
Interest received		-
Dividends received		-
Payment for purchasing financial assets available for sale		-
Net cash generated from operating activities		(367)
Cash flow from investing activities		-
Net cash used in investing activities		-
Cash flow from financing activities		-
Proceeds/payments from changes in Equity		5 000
Proceeds from bank and other loans (bill payable)		-
Repayments of bank and other loans (bill payable)		-
Interest paid		-
Cost of bank account in brokerage house		-
Banker's commission according to loans and credits		-
Banker's commission according to issue of bonds (CZK)		-
Other financial expenses		-
Net cash used in financing activities		5 000
Total net cash flow		**4 633**
Exchange gains/(losses) on cash and cash equivalents		-
Movements in cash and cash equivalents		-
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	**22**	**4 633**
limited possibility to use		**-**

Statement of changes in equity

	Note	Share capital	Retained earnings	Other capital	Total equity
Opening balance as at 17 May 2017		5 000	-	-	5 000
Dividends		-	-	-	-
Issue of shares		-	-	-	-
Contribution of active partner		-	-	-	-
Total comprehensive income		-	-	-	-
Profit for the period		-	(5 329)	-	(5 329)
Other comprehensive income		-	-	-	-
Closing balance as at 30 September 2017		**5 000**	**(5 329)**	**-**	**(329)**

Other explanatory information

1. Changes in accounting policies and in presenting financial data

The Company presents financial data for the first time, therefore no changes of accounting policies occur.

2. Change in tangible fixed assets

The Company has no tangible fixed assets and intangible assets.

3. Long-term investment and receivables

The Company has not made investment yet and therefore has no long term investments.

In case of future bond issue company beard costs 424.501 PLN. These costs will be settled in the future if company issues bonds. Cost will be expensed over the bonds period.

4. Short-term investments – characteristics of financial instruments

4(a). Financial assets at fair value

Not applicable.

4(b). Loans granted and other receivables

Not applicable.

4(c). Held-to-maturity investments – third party bills of exchange

Not applicable.

4(d). Available-for-sale financial assets

Not applicable.

4(e). Financial instruments - hierarchy of disclosures of fair value (IFRS 7 p. 27B(a))

Not applicable.

4(f). Cash in bank

The Company has funds in bank accounts of PLN 4.6 thousand.

5. Impairment of financial assets

There is no objective evidence of any other impairment losses.

6. Accrued interests – loans granted and other receivables

Not applicable.

7. Financial assets measured at fair value

Not applicable.

8. Impairment of trade receivables

The Company has not recognized impairment of trade receivables as no impairment triggers occurred.

9. Prepaid expenses (deferred expenditure)

Not applicable.

10. Share Capital

The share capital on May 17th 2017 is 5 000 PLN (nominal value of one share amounts to 50.00 PLN).

Shareholders	Number of shares	Nominal value of shares	% voting rights
Łukasz Orłowski	100	5 000	100%
	100	**5 000**	**100%**

As at 30 September 2017 and as at the date of financial statement preparation, as a result of a sale transaction of 12 June 2017 the shareholder structure was changed as follows:

Shareholders	Number of shares	Nominal value of shares	% voting rights
MCI.Privateventures FIZ MCI.EuroVentures 1.0.	44	2 200	44%
MCI.Privateventures FIZ MCI.TechVentures 1.0.	56	2 800	56%
	100	**5 000**	**100%**

11. Changes in equity – supplementary capital, reserve capital

Not applicable.

12. Net profit (loss) / Income Tax/ Deferred Tax

Basis for deferred tax	30.09.2017 PLN
Deferred tax assets	
Provision for liabilities – 3.997 PLN	599
Company tax loss – 2.271 PLN	341
Deferred tax – total	**940**

13. Liabilities on shares purchase and other liabilities

Provisions	PLN
Premises	1 103
Accounting services	2 894
Audit	7 380
Law services	417 121
Total	**428 498**

14. Long-term liabilities – ageing

Not applicable.

15. Long-term liabilities - classification

Not applicable.

16. Provisions for liabilities

Not applicable.

17. Finance cost related to financing the Company activities

Not applicable.

18. Leases

Not applicable.

19. Revenues from sales by type of activity and markets

Not applicable.

20. Income tax

Not applicable.

21. Deferred tax

Provisions	Opening balance	Closing balance
Premises	0	1 103
Accounting services	0	2 894
Total provisions	**0**	**3 997**

Tax rate %	15%
Deferred tax associated with provisions	599
Deferred tax associated with tax loss	341
Total deffered tax	**940**

22. Cash and equivalents

	30.09.2017 PLN
Cash in hand	-
Cash in the bank	4 633
Other cash	-
Other financial assets	-
Total	**4 633**
Short term financial assets classified for the purpose of cash flow statement to cash and equivalents	
Total cash and equivalents in cash flow	**4 633**
limited possibility to use	-

23. Data on related entities

Not applicable.

24. Off balance sheet items

Not applicable.

25. Subsequent events

As at 3th October 2017 shareholders decided to increase a share capital by issue new shares in the amount of PLN 20 thousand.

As a result the shareholder structure was changed as follows:

Shareholders	Number of new shares issued	Nominal value of new share issued
MCI.Privateventures FIZ MCI.EuroVentures 1.0.	176	8 800
MCI.Privateventures FIZ MCI.TechVentures 1.0.	224	11 200
	400	**20 000**

26. Employment structure

The Company does not have any employees.

27. Remuneration of the Management Board and Supervisory Board

Not applicable.

28. Related party transactions – Management Board and Supervisory Board

There were no transactions with the members of the Management Board or Supervisory Board.

29. Related party transactions - Companies

Not applicable.

30. Significant transactions with related parties

Not applicable.

31. Risk management

Not applicable.

32. Business activity continuation

Despite the fact that as at 30 September 2017 the entity had a negative equity its going concern status is not at risk. On 3 October 2017 the shareholders passed a resolution pursuant to Article 240 of the Commercial Partnerships and Companies Code to continue operations. The above resolution includes a share capital increase by PLN 20,000 which is to ensure the Company's financial liquidity for the 12 months following the approval of these financial statements.
Sole shareholder of the Company - MCI.PrivateVentures FIZ gave the assertion to help out financially in the next 12 months until 30 September 2018 if the Company doesn't have enough cash to pay all its debts, including liabilities resulting from bond's issue.
The Company plans to issue bonds on the Czech Market in amount of 300 mln CZK.

33. Remuneration of the entity entitled to audit the financial statements

Remuneration for the financial statements audit amounted to PLN 7.380.