

ANNUAL REPORT

beginning of financial year: 02.08.2017
end of the financial year: 31.12.2017

business name: EnergyKey OÜ

register code: 14305370

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city: Tallinn
county: Harju maakond
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Management report

The energy market is gradually moving towards renewable energy. The implementation of renewable energy is slower than expected, although the standard renewable kW standard per kWh is good.

EnergyKey OÜ successfully started its operations in December 2017, and its market share has steadily increased in 2018. Our new customer has been able to promote the quality of service provision. At present, there are working agreements with three companies in Sweden and Finland.

In 2018, we will promote our activities in at least five countries: Estonia, Finland, Sweden, Norway and Austria. The launch of the operation has been so successful that we have greater customer market interest than we expected - initially we took into account a liability of EUR 2.45 million.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2017	02.08.2017	Note
Assets			
Current assets			
Cash and cash equivalents	74 834	2 500	2
Receivables and prepayments	66 297	0	3,4
Total current assets	141 131	2 500	
Total assets	141 131	2 500	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	35 000	0	5
Payables and prepayments	18 884	0	6
Total current liabilities	53 884	0	
Non-current liabilities			
Loan liabilities	71 111	0	5
Total non-current liabilities	71 111	0	
Total liabilities	124 995	0	
Equity			
Issued capital	2 500	2 500	
Annual period profit (loss)	13 636	0	
Total equity	16 136	2 500	
Total liabilities and equity	141 131	2 500	

Income statement

(In Euros)

	02.08.2017 - 31.12.2017	Note
Revenue	105 870	7
Raw materials and consumables used	-85 246	8
Other operating expense	-5 348	
Other expense	-34	
Operating profit (loss)	15 242	
Interest expenses	-244	
Other financial income and expense	-1 362	10
Profit (loss) before tax	13 636	
Annual period profit (loss)	13 636	

Notes

Note 1 Accounting policies

General information

Accounting principals.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2017	02.08.2017
Money on accounts	74 834	2 500
Total cash and cash equivalents	74 834	2 500

Note 3 Receivables and prepayments

(In Euros)

	31.12.2017	Within 12 months
Accounts receivable	65 907	65 907
Accounts receivables	65 907	65 907
Tax prepayments and receivables	390	390
Total receivables and prepayments	66 297	66 297

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2017
	Tax prepayments
Prepayment account balance	390
Total tax prepayments and liabilities	390

Note 5 Loan commitments

(In Euros)

	31.12.2017	Allocation by remaining maturity			Interest rate	Base currencies	Due date
		Within 12 months	1 - 5 years	Over 5 years			
Current loans							
Loan 1	10 000	10 000			5%	EUR	20.04.2018
Loan 2	25 000	25 000			8%	EUR	01.01.2021
Current loans total	35 000	35 000					
Non-current loans							
Loan 3	71 111		71 111		4%	SEK	31.12.2020
Non-current loans total	71 111		71 111				
Loan commitments total	106 111	35 000	71 111				

Note 6 Payables and prepayments

(In Euros)

	31.12.2017	Within 12 months
Trade payables	18 618	18 618
Other payables	266	266
Interest payables	244	244
Other accrued expenses	22	22
Total payables and prepayments	18 884	18 884

Note 7 Net sales

(In Euros)

	02.08.2017 - 31.12.2017	02.08.2017 - 02.08.2017
Net sales by geographical location		
Net sales in European Union		
Sweden	105 870	0
Total net sales in European Union	105 870	0
Total net sales	105 870	0
Net sales by operating activities		
Elekterenergia	105 870	0
Total net sales	105 870	0

Note 8 Goods, raw materials and services

(In Euros)

	02.08.2017 - 31.12.2017	02.08.2017 - 02.08.2017
Goods purchased for resale	85 246	0
Total goods, raw materials and services	85 246	0

Note 9 Labor expense

(In Euros)

EnergyKey OÜ had no employees.

Note 10 Other financial income and expense

(In Euros)

	02.08.2017 - 31.12.2017	02.08.2017 - 02.08.2017
Profit (loss) from exchange rate differences	-1 362	0
Total other financial income and expense	-1 362	0

Note 11 Related parties

(In Euros)

Related party balances according to groups

	31.12.2017
	Liabilities
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	22



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EnergyKey OÜ

(translation from Estonian Original)

Opinion

We have audited the financial statements of EnergyKey OÜ (the Company), which comprise the statement of financial position as at December 31, 2017, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance for the year then ended in accordance with Estonian financial reporting standard.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISAs (EE)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (Estonia), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Estonia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

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accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (EE) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (EE), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(Estonian original signed digitally)

Sergei Tšistjakov
Certified Public Accountant (EE)
CPA #: 481

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29.06.2018