

Company Registration No. 10859744 (England and Wales)

GENIE ENERGY UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

GENIE ENERGY UK LIMITED

COMPANY INFORMATION

| | |
|--------------------------|------------------------------------------------------------------------------------------------------------------------|
| Directors | Mr M Stein Mr A Goldin |
| Company number | 10859744 |
| Registered office | C/o Sable International 13th Floor, One Croydon 12-16 Addiscombe Road Croydon Surrey England CR0 0XT |
| Auditor | HJS (Reading) Limited 3 Richfield Place Richfield Avenue Reading Berkshire RG1 8EQ |
| Business address | St Dunstan's House 201 Borough High Street London SE1 1JA |

GENIE ENERGY UK LIMITED

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GENIE ENERGY UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The principal activity of the company for the period under review was that of a holding company.

This is not anticipated to change in the near future.

Principal risks and uncertainties

As a holding company, the principle risk and uncertainty faced is the performance of its subsidiary. Any dividend or increased funding requirements will be driven by the subsidiary, and therefore these risks are managed there.

For the same reasons, the Director has not included the disclosure of any key performance indicators in the Director's report as these are managed by the subsidiary.

Financial Risk Management

The Company is subject to its own internal Risk management programme which seeks to limit any adverse impact on its financial performance.

Credit Risk

As the Company does not enter into any trading transactions, all receivables will be held by its subsidiary.

Financing

The Company actively manages its finances to ensure that it has sufficient funds. It is the Directors understanding that its parent companies will continue to support the business to meet its needs.

On behalf of the board

Mr M Stein

Director

29 December 2022

GENIE ENERGY UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Stein

Mr S Ritter

Mr A Goldin

(Resigned 1 October 2021)

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Auditor

HJS (Reading) Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

Mr M Stein

Director

29 December 2022

GENIE ENERGY UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GENIE ENERGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENIE ENERGY UK LIMITED

Opinion

We have audited the financial statements of Genie Energy UK Limited (the 'company') for the year ended 31 December 2021 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

GENIE ENERGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GENIE ENERGY UK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 accounting unless the directors either intend to liquidate the company or to cease operations, or have 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of noncompliance with laws and regulations related to breaches of UK regulatory principles. We also considered the laws and regulations which have a direct impact on the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements.

Audit procedures performed by the audit engagement team included:

- Discussions with senior management, including consideration of known or suspected instances of noncompliance with laws and regulation or instances of fraud;
- Identifying and testing journal entries based on risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Testing transactions entered into outside of the normal course of the company's business;
- Reviewing any potential litigation or claims against the entity which indicate any potential noncompliance issues.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

GENIE ENERGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GENIE ENERGY UK LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark H Rogers FCCA (Senior Statutory Auditor)
For and on behalf of HJS (Reading) Limited

30 December 2022

Chartered Accountants
Statutory Auditor

3 Richfield Place
Richfield Avenue
Reading
Berkshire
RG1 8EQ

GENIE ENERGY UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

| | | 2021 | 2020 |
|-----------------------------------------------------------|-------|-------------|-------------|
| | Notes | £ | £ |
| Investment revenues | 5 | 230,729 | - |
| Finance costs | 6 | (230,729) | - |
| | | <hr/> | <hr/> |
| Profit before taxation | | - | - |
| | | | |
| Income tax expense | | - | - |
| | | <hr/> | <hr/> |
| Profit and total comprehensive income for the year | | - | - |
| | | <hr/> <hr/> | <hr/> <hr/> |

The income statement has been prepared on the basis that all operations are continuing operations.

GENIE ENERGY UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

| | Notes | 2021 £ | 2020 £ |
|--------------------------------|-------|--------------|--------------|
| Non-current assets | | | |
| Investments | 7 | 10,548,500 | 10,548,500 |
| Current assets | | | |
| Trade and other receivables | 9 | 6,385,249 | 3,404,521 |
| Current liabilities | | | |
| Trade and other payables | 11 | 16,933,649 | 13,952,921 |
| Net current liabilities | | (10,548,400) | (10,548,400) |
| Net assets | | 100 | 100 |
| Equity | | | |
| Called up share capital | 12 | 100 | 100 |

The financial statements were approved by the board of directors and authorised for issue on 29 December 2022 and are signed on its behalf by:

Mr M Stein
Director

Company Registration No. 10859744

GENIE ENERGY UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---------------------------------------------------------------|-------|-----------|-------------|-------------|---|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 16 | | - | 4,436,100 | |
| Interest paid | | (230,729) | | | - |
| Net cash (outflow)/inflow from operating activities | | (230,729) | | 4,436,100 | |
| Investing activities | | | | | |
| Purchase of subsidiaries | | - | (4,436,100) | | |
| Interest received | | 230,729 | | - | |
| Net cash generated from/(used in) investing activities | | 230,729 | | (4,436,100) | |
| Net increase in cash and cash equivalents | | | - | | - |
| Cash and cash equivalents at beginning of year | | | - | | - |
| Cash and cash equivalents at end of year | | | - | | - |

GENIE ENERGY UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

| | Share capital |
|------------------------------|-------------------|
| | £ |
| Balance at 1 January 2020 | 100 |
| Year ended 31 December 2020: | |
| Balance at 31 December 2020 | <u>100</u> |
| Year ended 31 December 2021: | |
| Balance at 31 December 2021 | <u><u>100</u></u> |

GENIE ENERGY UK LIMITED

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)

These changes are not expected to impact the company's financial statements.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The directors do not consider any of the standards above will have a significant impact on the financial statements of the company when applied.

2 Accounting policies

Company information

Genie Energy UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/o Sable International, 13th Floor, One Croydon, 12-16 Addiscombe Road, Croydon, Surrey, England, CR0 0XT. The company's principal activities and nature of its operations are disclosed in the directors' report.

2.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, except for the revaluation of . The principal accounting policies adopted are set out below.

GENIE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

Genie Energy UK Limited is a subsidiary of Genie Energy Ltd and the results of Genie Energy UK Limited are included in the consolidated financial statements of Genie Energy Ltd which are available from 520 Broad Street, Newark, New Jersey, 07102.

2.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.5 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

GENIE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

Financial assets held at amortised cost

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

GENIE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

2.6 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

2.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

2.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

2.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

GENIE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Recovery of investments

On 10 December 2021 the subsidiary Orbit Energy Limited entered into administration. The directors have considered the recovery of the investment and any potential impairment. Based on the administrator's report which currently states 100% of creditors will be repaid and there will be a surplus paid out to the shareholders, the directors consider no impairment is required.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was nil.

5 Investment income

| | 2021 £ | 2020 £ |
|---------------------------------------------------|-----------|-----------|
| Interest income | | |
| Financial instruments measured at amortised cost: | | |
| Other interest income on financial assets | 230,729 | - |

Income above relates to assets held at amortised cost, unless stated otherwise.

6 Finance costs

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Other interest payable | 230,729 | - |

7 Investments

| | Current | | Non-current | |
|-----------------------------|-----------|-----------|-------------|------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Investments in subsidiaries | - | - | 10,548,500 | 10,548,500 |

GENIE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Investments

(Continued)

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

| Name of undertaking | Address | Principal activities | Class of shares held | % Held | |
|---------------------------|---------|----------------------|----------------------|--------|--------|
| | | | | Direct | Voting |
| Shoreditch Energy Limited | 1 | Holding company | Ordinary | 100.00 | - |
| Orbit Energy Limited | 1 | Energy supplier | Ordinary | 0 | 100.00 |

Registered office addresses (all UK unless otherwise indicated):

1 St Dunstan's House, 201 Borough High Street, London, England, SE1 1JA

On 10 December 2021 Orbit Energy Limited entered into administration. The current report from the administrator shows an expectation creditors will be fully repaid including the share capital.

The investment in subsidiaries are all stated at amortised cost.

Orbit Energy Limited is indirectly owned by virtue of Shoreditch Energy Limited's 100% share holding.

9 Trade and other receivables

| | 2021 £ | 2020 £ |
|-----------------------------------------|-----------|-----------|
| Amounts owed by subsidiary undertakings | 6,385,249 | 3,404,521 |

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

10 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

GENIE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Trade and other payables

| | 2021 £ | 2020 £ |
|-----------------------------------|------------|------------|
| Amount owed to parent undertaking | 16,933,649 | 13,952,921 |

12 Share capital

| | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|---------------------------------------------------------|----------------|----------------|-----------|-----------|
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |

The company has one class of ordinary shares which carry no right to fixed income.

13 Capital risk management

The company is not subject to any externally imposed capital requirements.

14 Related party transactions

Remuneration of key management personnel

The directors consider there to be no other key management personnel beside the directors.

Other transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Interest receivable | | Interest payable | |
|----------------|---------------------|-----------|------------------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Parent company | - | - | 230,729 | - |
| Subsidiaries | 230,729 | - | - | - |
| | <u>230,729</u> | <u>-</u> | <u>230,729</u> | <u>-</u> |

The following amounts were outstanding at the reporting end date:

| | 2021 £ | 2020 £ |
|---------------------------------------|------------|------------|
| Amounts due to related parties | | |
| Parent company | 16,933,649 | 13,952,921 |

The following amounts were outstanding at the reporting end date:

| | 2021 £ | 2020 £ |
|-----------------------------------------|-----------|-----------|
| Amounts due from related parties | | |
| Subsidiaries | 6,385,249 | 3,404,521 |

GENIE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Controlling party

The immediate parent company is Genie Retail Energy International Ltd and its registered office 520 Broad Street, Newark, New Jersey, 07102XT.

The ultimate parent company is Genie Energy Ltd and its registered office is 520 Broad Street, Newark, New Jersey, 07102.

16 Cash (absorbed by)/generated from operations

| | 2021 £ | 2020 £ |
|-----------------------------------------------------|-------------|------------------|
| Adjustments for: | | |
| Finance costs | 230,729 | - |
| Investment income | (230,729) | - |
| Movements in working capital: | | |
| Increase in trade and other receivables | (2,980,728) | (3,404,521) |
| Increase in trade and other payables | 2,980,728 | 7,840,621 |
| Cash (absorbed by)/generated from operations | - | 4,436,100 |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.