



**Joint stock company
„Rigas autoelektroaparatu rupnica”**

Reg.No. 4 0003030454
Address: Klijanu str. 2, Riga, LV-1013

**Interim report
01.01.2017-30.06.2017**

Prepared according to the legislation standards of the Republic of Latvia

(Not audited)

Riga,2017

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Information about the company

Name of the company	<i>Rigas autoelektroaparatu rupnica</i>
Legal form	<i>Joint stock company</i>
Registration number in the Register of Enterprises, place and date	<i>000303045, Riga, 22.04.1998</i>
Registration number in Commercial Register, place and date	<i>40003030454, Riga, 30.06.2004</i>
Address	<i>2, Klijanu street, Riga, Latvia, LV-1013</i>
Main activities	<i>NACE 6820 renting and operating of own real estate NACE 2712 manufacture of electric equipment</i>
Average number of employees	<i>16</i>
Board	<i>Eriks Kazha - Chairman Gunars Lubis Maksym Araslanov</i>
Council	<i>Edgars Lubis – Chairman Viktors Rojs- Deputy Chairman Zane Lube Nina Kazha Galina Kraveca</i>
Reporting period	<i>01.01.2017 - 30.06.2017</i>
Main shareholders	<i>Basing on the list of shareholders prepared on April 30,2017: 1.JSC „Baltijas Holdings”-43.9 % Reg.Nr.40003148033, 2, Klijanu street, Riga 2.,,Tehprojekts”,Ltd.- 43.9% Reg.Nr. 40103020397, 12,Unijas street, Riga 3.Other physical and legal persons 12.2%</i>
Certified auditor	<i>The office of certified auditors Gatis Sviklis Lasma Svikle, Ltd.</i>
Report prepared by	<i>Dace Lama Chief accountant of the enterprise</i>

Management report

Economic activities in the reporting period and further development

Net turnover of the enterprise in six months of 2017 is 2, 7 thousand EUR.

The result of economic activities in this period is loss 109062 EUR.

Average number of employees in the reporting period is 16, including the members of council and board.

The company has invested great work and a lot of money in improvement and reconstruction of its real estate to improve the effectiveness of expenditure of energy. Autonomous heating system is created. The property has become competitive. Further on the company's main activity will be renting and operating of own real estate. Negotiations with potential tenants are ongoing, seeking to rent out more areas to one tenant.

Risks for the economic activities of the company

The activities of the company are not subjected to the fluctuations of foreign currencies' exchange rate because transactions with customers are in EUR.

The company uses bank credit to supplement current assets. Loan interest is calculated at a floating rate that exposes the company to the risk arising from interest rate fluctuations

The company believes that it will have sufficient cash resources to ensure its liquidity.

August 30, 2017

Chairman of the Board _____ E.Kazha

Members of the Board _____ G.Lubis

_____ M.Araslanov

Statement of Management Responsibility

The Management Board of JSC „Rīgas autoelektroaparātu rūpnīca” is responsible for the preparation of the financial statements of the Company.

On the basis of information available the management of JSC „Rīgas autoelektroaparātu rūpnīca” confirms that the financial statements are prepared in accordance with the requirements of the applicable laws and regulations and gives a true and fair view on the company’s assets, liabilities, financial position and profit or loss. The management report gives a true review on the growth of the JSC „Rīgas autoelektroaparātu rūpnīca” and performance results.

The financial information of this period is prepared using the same principles for recognition and measurement of the items as in the annual accounts of the last year.

August 30, 2017

On behalf of the Board,

Eriks Kazha
Chairman of the Board

BALANCE SHEET

EUR

<u>ASSETS</u>	30.06.2017	31.12.2016
<u>LONG-TERM INVESTMENTS</u>		
I. Intangible investments		
1. Other intangible investments	86	0
I.Total	86	0
II. Fixed assets		
1. Land, buildings and constructions	3522266	3557960
2. Technological equipment and devices	434302	486651
II.Total	3956568	4044611
III. Long-term financial investments		
1. Participation in the capital of associated companies	12048	13044
2. Other loans and long-term debtors	58050	58050
III.Total	70098	71094
Total long-term investments	4026752	4115705
<u>CURRENT ASSETS</u>		
I. Inventory		
1. Raw materials, basic materials and consumables	27538	27555
2. Finished goods and goods for sale	43408	43602
3. Advance payments for goods	0	1
I.Total	70946	71158
II. Debtors		
1. Purchasers' debts	12366	69140
2. Other debtors	202594	263752
3. Next period costs	34	44
II.Total	214994	332936
IV. Cash		
	249	257
Total current assets	286189	404351
TOTAL ASSETS	4312941	4520056

BALANCE SHEET

EUR

	30.06.2017	31.12.2016
<u>LIABILITIES</u>		
<u>EQUITY</u>		
1. Share capital	4991713	4991713
2. Other reserves – the result of denomination	81549	81549
Total	5073262	5073262
3. Retained profit or losses brought forward from previous years	-2874410	-2600697
4. Profit or losses for the accounting year	-109062	-273713
Total equity	2089790	2198852
<u>CREDITORS</u>		
Long term creditors		
1.Loans from credit institutions	195000	195000
2.Next period income	1866023	1866023
Total long term creditors	2061023	2061023
Short term creditors		
1.Loans from credit institutions	64993	105000
2.Other loans	1080	1080
3.Accounts payable to suppliers and contractors	16174	48301
4.Taxes and State mandatory social insurance payments	18462	3221
5. Other creditors	10254	4062
6.Next period income	43747	86894
7. Accrued obligations	7418	11623
Total short term creditors	162128	260181
Total creditors	2223151	2321204
TOTAL LIABILITIES	4312941	4520056

PROFIT OR LOSS ACCOUNT
For 6 months of 2017

Item	EUR	
	2017 6 months	2016 6 months
Net turnover	2749	45737
Production costs of sold goods and services	135044	176615
Gross profit or loss	-132295	-130878
Sales costs	0	0
Administrative expenses	9848	19399
Other income from economic activities	43235	62694
Other costs of economic activities	5097	1957
Interest payments and similar expenses	5057	1780
Profit or loss before income tax	-109062	-91320
Income tax		
Profit or loss after income tax	-109062	-91320
Profit or loss for the accounting period	-109062	-91320
Earnings per share	-0,031	-0,026

STATEMENT OF CASH FLOWS for 6 months of 2017

	2017	2016
	6 months	6 months
I. Cash flow from operating activities		
1 Income from sales and services	60207	91554
2 Payments to suppliers, to employees and other expenses for production	72433	120101
3 Other income or expenses for economic activities	3356	3257
4 Cash flow from gross operating activities	-8870	-25290
5 Net cash flow from operating activities	-8870	-25290
II. Cash flow from investment activities		
1 Sales of intangible and fixed assets	40711	19360
2 Given loans		94050
3 Proceeds from the loan repayment	15625	758
4 Net cash flow from investment activities	56336	-73932
III. Cash flow from financing		
1 Received loan		315000
2 The loan repayment expenses	47214	222356
3 Net cash flow from financing	-47214	92644
IV. The result from currency rate fluctuations	-260	-21
V. Cash and cash equivalents increase or decrease	-8	-6599
VI. Cash and cash equivalents at the beginning of the reporting period	257	10349
VII. Cash and cash equivalents at the end of the reporting period	249	3750

STATEMENT OF EXCHANGES IN EQUITY (EUR)

	30.06.2017	30.06.2016
Share capital		
In the balance sheet of the previous year	4991713	5073262
Denomination of shares from lats to euro		-81549
In the balance sheet at the end of the accounting period	4991713	4991713
Other reserves (the result of denomination)		
In the balance sheet of the previous year	81549	0
Exchanges of the reserve		81549
In the balance sheet at the end of the accounting period	81549	81549
Retained profit		
In the balance sheet of the previous year	-2874410	-2600697
Increase /decrease in retained earnings	-109062	-91320
In the balance sheet at the end of the accounting period	-2983472	-2692017
Equity		
In the balance sheet of the previous year	2198852	2472565
In the balance sheet at the end of the accounting period	2089790	2381245

NOTES TO FINANCIAL STATEMENTS

General principles

The report is prepared in accordance with the law „On accountancy”, „The law on annual accounts and consolidated annual accounts” , Regulations No.775 issued by the Cabinet of Ministers of the Republic of Latvia “The rules for application of the law on annual accounts and consolidated annual accounts” and the „Law on financial and capital market”.

Profit or loss account is prepared in accordance with methods of turnover expenses.

Statement of cash flows is prepared using the direct method.

This interim financial report is prepared following the same accounting policies and the same methods for estimates that were used preparing the most recent annual report.

Share capital

Share capital is 4991712, 60 EUR. There are 36565509 shares. Nominal value of a share is 1.40 EUR.

August 30, 2017

Chairman of the Board _____ E.Kazha

Members of the Board _____ G.Lubis

_____ M.Araslanov

Report is prepared by

Dace Lama
Chief accountant of
JSC ”Rigas autoelektroaparatu rupnica”