



**Joint stock company
„Rīgas autoelektroaparātu rūpnīca”**

Reg.No. 4 0003030454
Address: Klijanu str. 18, Riga, LV-1013

**Interim report
01.01.2019-30.06.2019**

Prepared according to the legislation standards of the Republic of Latvia

(Not audited)

Riga,2019

CONTENT

	Page
Information about the company	3
Management report	4
Statement of management responsibility	5
Financial report	
Balance sheet	6
Profit or loss account	8
Statement of cash flows	9
Statement of exchanges in equity	10
Notes to financial statements	11

Information about the company

Name of the company	<i>Rīgas autoelektroaparātu rūpnīca</i>
Legal form	<i>Joint stock company</i>
Registration number, place and date	<i>000303045, Rīga, 22.04.1998 Deregistration in Commercial register: 40003030454, Rīga, 30.06.2004</i>
Address	<i>18, Klijanu street, Rīga, Latvia, LV-1013</i>
Main activities	<i>NACE 6820 renting and operating of own real estate</i>
Average number of employees	<i>11 (including Board and Council)</i>
Board	<i>Eriks Kazha – Chairman of the Board Gunars Lubis – Member of the Board</i>
Council	<i>Edgars Lubis – Chairman of the Council Viktors Rojs – Deputy Chairman of the Council Liga Lube – Member of the Council since 17.04.2018 Nina Kazha – Member of the Council Galina Kraveca – Member of the Council</i>
Reporting period	<i>01.01.2019 - 30.06.2019</i>
Main shareholders	<i>Basing on the list of shareholders prepared on June 30, 2019: 1.JSC „Baltijas Holdings”-43.9 % Reg.Nr.40003148033, 18, Klijanu street, Rīga 2.„Tehprojekts”,Ltd.- 43.9% Reg.Nr. 40103020397, 12,Unijas street, Rīga 3.Other physical and legal persons 12.2%</i>
Certified auditor	<i>Auditors’ office Gatis Sviklis Lasma Svikle, Ltd. Company license Nr. 202 123-15, Kr. Valdemara str., Rīga, LV-1013, Latvia Responsible sworn auditor: Gatis Sviklis – Sworn auditor’s License Nr. 202</i>

Management report

Economic activities in the reporting period and further development

Net turnover of the enterprise in six months of 2019 is 6, 5 thousand EUR.

The result of economic activities in this period is loss 52, 9 thousand EUR.

Average number of employees in the reporting period is 11, including the members of council and board.

The company's main activity is renting and operating of own real estate. 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. 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 28, 2019

Chairman of the Board _____ E.Kazha

Member of the Board _____ G.Lubis

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 law „On accountancy”, „Law On the Annual Financial Statements and Consolidated Financial Statements” and 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” in compliance with the assumption that the company will continue operating further on and gives a true and fair view on the financial situation on June 30, 2019 and its financial results and cash flow in the period ended on June 30, 2019. 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 28, 2019

On behalf of the Board,

Eriks Kazha
Chairman of the Board

EUR

<u>ASSETS</u>		30.06.2019	31.12.2018
<u>LONG-TERM INVESTMENTS</u>			
I.Intangible investments			
1. Other intangible investments		53	59
	I.Total	53	59
II. Fixed assets			
1.Land, buildings and constructions		3378999	3414789
2.Technological equipment and devices		224902	277252
	II.Total	3603901	3692041
III. Long-term financial investments			
1.Participation in the capital of associated companies		12005	12005
2. Other loans and long-term debtors		-	3935
	III.Total	12005	15940
	Total long-term investments	3615959	3708040
<u>CURRENT ASSETS</u>			
I. Inventory			
1. Raw materials, basic materials and consumables		5166	5169
2. Finished goods and goods for sale		28238	28238
3. Advance payments for goods		1	1
	I.Total	33405	33408
II. Debtors			
1. Purchasers' debts		28043	28043
2. Other debtors		1037	15900
3. Next period costs		372	549
	II.Total	29452	44492
IV. Cash		537	747
	Total current assets	63394	78647
	TOTAL ASSETS	3679353	3786687

BALANCE SHEET

EUR

	30.06.2019	31.12.2018
<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	-3273636	-3159972
4. Profit or losses for the accounting year	-52895	-113664
Total equity	1746731	1799626
<u>CREDITORS</u>		
Long term creditors		
1.Loans from credit institutions	103389	103389
2.Next period income	1692235	1692235
Total long term creditors	1795624	1795624
Short term creditors		
1.Loans from credit institutions	30000	60000
2.Other loans	-	-
3.Accounts payable to suppliers and contractors	12856	9877
4.Taxes and State mandatory social insurance payments	21872	17069
5. Other creditors	17001	12564
6.Next period income	43447	86894
7. Accrued obligations	2636	5033
Total short term creditors	136998	191437
Total creditors	1932622	1987061
TOTAL LIABILITIES	3679353	3786687

PROFIT OR LOSS ACCOUNT
For 6 months of 2019

Item	EUR	
	2019 6 months	2018 6 months
Net turnover	6518	8039
Production costs of sold goods and services	125963	128654
Gross profit or loss	-119445	-120615
Sales costs	-	-
Administrative expenses	14816	9835
Other income from economic activities	86430	86167
Other costs of economic activities	102	12146
Interest payments and similar expenses	5373	5074
Profit or loss before income tax	-52895	-61503
Income tax	-	-
Profit or loss after income tax	-52895	-61503
Profit or loss for the accounting period	-52895	-61503
Earnings per share	-0,015	-0,017

STATEMENT OF CASH FLOWS for 6 months of 2019

	2019	2018	
	6 months	6 months	
I. Cash flow from operating activities			
1	Income from sales and services	8564	36724
2	Payments to suppliers, to employees and other expenses for production	63446	50802
3	Other income or expenses for economic activities	21500	4396
4	Cash flow from gross operating activities	-33487	-9682
5	Net cash flow from operating activities	-33487	-9682
II. Cash flow from investment activities			
1	Interest received	263	0
2	Sales of intangible and fixed assets	21471	44073
3	Proceeds from the loan repayment	19836	9936
4	Net cash flow from investment activities	41570	54009
III. Cash flow from financing			
1	Loans received	27080	-
2	The loan repayment expenses	35373	38551
3	Net cash flow from financing	-8293	-38551
IV. The result from currency rate fluctuations			
V. Cash and cash equivalents increase or decrease			
VI. Cash and cash equivalents at the beginning of the reporting period			
VII. Cash and cash equivalents at the end of the reporting period			

STATEMENT OF EXCHANGES IN EQUITY (EUR)

	30.06.2019	30.06.2018
Share capital		
In the balance sheet of the previous year	4991713	4991713
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	81549
In the balance sheet at the end of the accounting period	81549	81549
Retained profit		
In the balance sheet of the previous year	-3273636	-3159972
Increase /decrease in retained earnings	-52895	-61503
In the balance sheet at the end of the accounting period	-3326531	-3221475
Equity		
In the balance sheet of the previous year	1799626	1913290
In the balance sheet at the end of the accounting period	1746731	1851787

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 28, 2019

Chairman of the Board _____ E.Kazha

Member of the Board _____ G.Lubis

Report is prepared by

Inna Vencenosceva
Chief accountant of
JSC ”Rīgas autoelektroaparātu rūpnīca”