

LIMITED LIABILITY COMPANY
“Ignitis renewables Latvia”
(UNIFIED REGISTRATION NUMBER 40203380662)

ANNUAL REPORT 2022

PREPARED IN ACCORDANCE WITH THE LAW ON THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Riga, 2022

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Balance sheet

ASSETS

	Note	31.12.2022. EUR
LONG-TERM INVESTMENTS		
Fixed assets (fixed assets, investment properties, biological assets)		
Right of use assets	1	22 532
Other fixed assets and inventory	1	5 407
TOTAL		<u>27 939</u>
TOTAL LONG-TERM INVESTMENTS		<u>27 939</u>
CURRENT ASSETS		
Receivables		
Other receivables	2	12 886
Deferred expenses and revenue		128
TOTAL		<u>13 014</u>
Cash		1 783 866
TOTAL CURRENT ASSETS		<u>1 796 880</u>
TOTAL ASSETS		<u>1 824 819</u>

LIABILITIES

	Note	31.12.2022. EUR
Equity		
Share capital		2 000 000
Profit or loss for the financial year		(253 289)
TOTAL EQUITY		<u>1 746 711</u>
CREDITORS		
Long-term creditors		
Right of use assets, long term part	3	13 886
TOTAL		<u>13 886</u>
Short-term liabilities		
Right of use assets, short term part	3	8 707
Trade accounts payable		17 317
Payables to related companies		683
Taxes and mandatory social security contributions	4	8 624
Accrued liabilities		
Accrued liabilities	5	28 891
TOTAL		<u>64 222</u>
TOTAL CREDITORS		<u>78 108</u>
TOTAL LIABILITIES		<u>1 824 819</u>

Annex from page 5 until page 11 is an integral part of the financial statement.

 Gary Bills Charles
 Member of the Board

 Lilita Beķere
 Accounting outsourcing company
 LLC Numeri
 Member of the Board

Profit and Loss Account
(classified according to the function of expenses)

	Note	2022 EUR
Administrative costs	6	(247 267)
Other economic activity costs	7	<u>(6 022)</u>
Profit or loss before corporate income tax		<u>(253 289)</u>
Corporate income tax for the financial year		<u>-</u>
Profit or losses for the financial year		<u>(253 289)</u>

Annex from page 5 until page 11 is an integral part of the financial statement.

Gary Bills Charles
Member of the Board

Lilīta Beķere
Accounting outsourcing company
LLC Numeri
Member of the Board

Annex to the Balance Sheet

General Information

Name of the Company	Ignitis renewables Latvia	
Legal status	Limited liability company	
Registration number, place and date of registration	40203380662 Rīga, 16.02.2022.	
Legal address	Gustava Zemgala gatve 74A, Rīga, LV-1039	
Members of the Board	Gary Bills Charles	Member of the Board
Participants	Ignitis renewables UAB	100.00%
Core activities	Business and other management consultancy activities (70.22 NACE2)	
Financial year	16.02.2022. – 31.12.2022.	
Accounting Service Provider and Annual Report Preparer	LLC Numeri, registration No. 40003563943	

General guidelines for preparing the financial statement

The Company's financial statement has been prepared in accordance with the Republic of Latvia law "On Accounting", "Law on the Annual Financial Statements and Consolidated Financial Statements", the rules No.775 "Law enforcement regulations on the Annual Financial Statements and Consolidated Financial Statements" of the Cabinet of Ministers on 22nd December, 2015.

The financial statement is prepared on the basis of the initial value tracking principle. In the financial statement the Republic of Latvia currency, euro (EUR), is applied. Compared to the previous financial year, the Company's accounting and evaluation methods have not changed.

The applied accounting principles

The annual report's accounts are prepared in conformity with the following principles:

- a) It is assumed that Company will continue to operate;
- b) The same evaluation methods as in previous years are used;
- c) The evaluation of the accounts is made with due precaution:
 - Only profit made prior to the balance sheet date is included in the financial statement;
 - All foreseeable amounts at risk and losses that have arisen during the financial year or previous years are taken into consideration, even if they have become known during the time period between the balance sheet date and the date of the annual report's preparation;
 - All decrease in values and depreciation amounts are calculated and taken into account, regardless of whether the financial year has concluded with a profit or a loss;
- d) All revenue and expenses of the financial year are taken into account, regardless of the payment date or invoice date. Expenses are coordinated with income for the financial period;
- e) Asset and liability accounts are assessed separately;
- f) Opening balance of the financial year complies with the closing balance of the previous financial year;
- g) All accounts, which noticeably affect evaluation or decision making of annual report's users, are specified; insignificant accounts are united and their details are shown in the annex;
- h) Economical transactions in the annual report are reflected considering their economical contents and matter, not just the legal form.

Financial period

Financial statement includes the time period from **16.02.2022.** until **31.12.2022.**

Use of estimates

The preparation of the financial statement requires the management to base on estimates and assumptions that affect the reported values of the balance sheet and profit and loss account balances as well as contingent liabilities. Future events may influence the assumptions on which these estimates are based on. Any changes in estimates are recorded in the financial statement at the time of their detection.

Related parties

A related company is an enterprise that is directly or indirectly controlled by another company (parent company – more than 50% of the shareholders' or members' voting rights in this company). The parent company controls the financial and business policy of the subsidiary. An enterprise recognize income from an investment only to the extent that it receives a distribution of profits from an affiliated enterprise after the date of acquisition. Distributions received in excess of these profits are treated as recovery costs of the investment and are reflected as a reduction in the cost of acquiring an investment in the capital of affiliated undertakings.

Fixed assets

Fixed asset means movable or immovable tangible property which meets the following criteria:

- they are held by the company as owner or lessee under a finance lease for use in the production of goods, the provision of services, leasing or for administrative purposes (for the purposes of the management of the company or for other purposes, such as maintaining the operation of other fixed assets, ensuring compliance with occupational safety or environmental protection requirements essential to the company's main activity);
- they are expected to be used by the public for more than one year and expect economic benefits to be obtained from holding these things;
- they are not purchased and are not held for sale;
- their useful life is longer than one cycle of normal operation.

The company recognizes an asset on the date on which it has taken over all the risks associated with the ownership or right under the finance lease agreement and the right to the potential benefits of the item or set of items if, at that date, it is possible for the company to determine the original value of the property, plant and equipment.

Right of use assets

In accordance with the regulations of the Cabinet of Ministers no. 775 "Rules for the Application of the Law on the Annual Financial Statements and Consolidated Financial Statements", the right to use leased fixed assets is fixed assets leased under a financial lease. The company recognizes the right to use the leased fixed assets at the time when it has taken over all the risks associated with the rights under the lease agreement for the fixed asset. The right to the leased fixed asset is determined at the initial value of the fixed asset.

A finance lease is recognized by the Company in the composition of long-term investments of the leased asset in the relevant balance sheet item and recognizes in the same amount the liabilities of long-term and short-term creditors.

Average number of employees

	2022
Average amount of employees	4

1. Fixed assets movement

	Right of use assets	Other fixed assets and inventory	TOTAL
Cost value at 31.12.2021.	-	-	-
Purchased in financial year	26 741	6 136	32 877
Cost value at 31.12.2022.	26 741	6 136	32 877
Accumulated depreciation at 31.12.2021.	-	-	-
Calculated depreciation	4 208	729	4 937
Accumulated depreciation at 31.12.2022.	4 208	729	4 937
Net book value 31.12.2021.	-	-	-
Net book value 31.12.2022.	22 533	5 407	27 940

2. Other debtors

	31.12.2022.
<i>Deposit</i>	7 928
<i>Prepaid taxes</i>	3 803
<i>Advance payment for salary</i>	678
<i>Other debtors</i>	605
Total	12 208

3. Right of use assets

	Agreement term in month	Discount rate, %	Long term part	Short term part
<i>Vehicle 1</i>	38	2.81	6 609	4 277
<i>Vehicle 2</i>	38	2.86	7 278	4 430
Total			13 887	8 707

4. Taxes and social contributions

	31.12.2022.
<i>Personal income tax</i>	3 296
<i>Social contributions</i>	5 328
Total	8 624

5. Accrued liabilities

	31.12.2022.
<i>Bonus accrual for employees</i>	18 010
<i>Social contribution for bonus</i>	4 249
<i>Accrual for not used vacation</i>	6 075
<i>Other accrued expenses</i>	557
Total	28 891

6. Administration costs

	2022.
Salary	97 076
Social contributions from salary	22 912
Bonus for employees	18 010
<i>Social contribution for bonus</i>	4 249
<i>Accrual for not used vacation</i>	6 075
<i>Business trip expenses</i>	4 631
<i>Transportation costs</i>	3 124
<i>HR surveys</i>	3 685
<i>Health insurance and health checks</i>	1 661
<i>Expenses related project land examination</i>	6 003
IT costs	2 651
Legal services	19 890
Accounting services	4 250
Consultation costs	41 327
Membership fee	1 500
Rent and utilities for premises	1 939
Office design project	5 200
Other costs	3 084
Total	247 267

7. Other economic activity costs

	2022.
Depreciation	729
Depreciation for right of use assets	4 208
Other costs	1 085
Total	6 022

Accounting outsourcing company LLC Numeri has prepared the Company's annual report 2022. The Company's Member of the Board and the accounting outsourcing company's Member of the Board have signed it on May 2023.

Gary Bills Charles
Member of the Board

Lilita Beķere
Accounting outsourcing company
LLC Numeri
Member of the Board

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