

**LIMITED LIABILITY COMPANY**  
**„Ignitis renewables Latvia”**  
(UNIT REGISTRATION NUMBER 40203380662)

**ANNUAL REPORT 2023**

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PREPARED IN ACCORDANCE WITH THE ANNUAL REPORTS AND CONSOLIDATED ANNUAL REPORTS LAW

**Riga, 2024**

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## Management report

*Ignitis renewables Latvia* (hereafter the Company) is owned by *Ignitis renewables UAB* and is a part of the leading renewables energy group in the Baltics *Ignitis grupe AB*. The aim of the group is to create a 100% green and safe energy ecosystem for the generations of today and tomorrow. By developing new projects, the Company is carrying out the strategic goal of *Ignitis grupe* to reach 4-5 GW green energy production capacity in the Baltic region until 2030.

The core business of the Company is development and management of solar and wind power stations, which is done through other related companies registered in Latvia. In the reporting year development and management services were provided to *IGN RES DEV1*, *IGN RES DEV2*, *IGN RES DEV3*, *IGN RES DEV4*, *IGN RES DEV5*, *IGN RES DEV6*, *IGN RES DEV7*, *SP Venta*, *CVE*, *BRVE*. Projects are under development in several regions of Latvia.

In November 2023 a decision was made by *Ignitis grupe AB* to start construction of *SP Venta* solar energy parks with total installed capacity of 239 MW DC by investing 178 million euros. From them one solar park in Kuldīga municipality Vārme parish and two parks in Bauska municipality Stelpe parish. Construction of parks was started in Q1 2024 and is scheduled to finish in 2025.

The main areas of focus in the reporting year were power station project development in pre-construction phase, preparations for construction and the team of the Company – reaching 23 employees at the end of the year from 5 at the beginning.

Loss for the reporting year was 1,2 million euros, which is planned to be covered by future period revenue from receiving payment for provided development and management services to related companies.

Gary Charles Bills  
Member of the Board

## Balance Sheet

### ASSETS

		31.12.2023	31.12.2022
	Note	EUR	EUR
<b>LONG-TERM INVESTMENTS</b>			
<b>Fixed assets (fixed assets, investment properties)</b>			
Investments in leased fixed assets		16 331	-
The right to use fixed assets		-	22 532
Other fixed assets and inventory		66 809	5 407
<b>TOTAL LONG-TERM INVESTMENTS</b>	<b>1</b>	<b>83 140</b>	<b>27 939</b>
<b>CURRENT ASSETS</b>			
<b>Debtors</b>			
Other debtors	2	140 429	12 886
Next period costs		17 561	128
Accrued income		7 350	-
<b>TOTAL</b>		<b>165 340</b>	<b>13 014</b>
<b>Cash</b>		<b>513 541</b>	<b>1 783 866</b>
<b>TOTAL CURRENT ASSETS</b>		<b>678 881</b>	<b>1 796 880</b>
<b>TOTAL ASSETS</b>		<b>762 021</b>	<b>1 824 819</b>

The annex to the report from page 7 to page 12 is an integral part of the financial report.

Gary Charles Bills  
Member of the board

Lilita Beķere  
On behalf of the accounting  
outsourcing company  
Member of the board of SIA  
Numeri

## LIABILITIES

		31.12.2023	31.12.2022
Equity	Note	EUR	EUR
Share capital		2 000 000	2 000 000
Retained earnings or non-covered losses from previous years		(253 289)	-
Profit or loss for the reporting year		(1 219 931)	(253 289)
<b>TOTAL EQUITY</b>		<b>526 780</b>	<b>1 746 711</b>
<b>CREDITORS</b>			
<b>Long-term creditors</b>			
Long-term liabilities for leased assets	3	-	13 886
<b>TOTAL</b>		<b>-</b>	<b>13 886</b>
<b>Short-term creditors</b>			
Short-term liabilities for leased assets	3	-	8 707
Debts suppliers and contractors		501	17 317
Debts to related companies	4	62 440	683
Taxes and mandatory state social insurance contributions	5	39 810	8 624
Other creditors		341	-
Accrued liabilities	6	132 149	28 891
<b>TOTAL</b>		<b>235 241</b>	<b>64 222</b>
<b>TOTAL CREDITORS</b>		<b>235 241</b>	<b>78 108</b>
<b>TOTAL LIABILITIES</b>		<b>762 021</b>	<b>1 824 819</b>

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**Profit or loss statement**  
(classified by turnover cost method)

	Note	2023 EUR	2022 EUR
Costs of administration	7	(1 274 675)	(247 267)
Other operating income		71 837	-
Other costs of economic activity	8	(24 081)	(6 022)
Other interest income and similar income:			
b) from other persons		6 988	-
<b>Profit or loss before corporate income tax</b>		<b>(1 219 931)</b>	<b>(253 289)</b>
Corporate income tax for the reporting year		-	-
<b>Profit or loss after calculating corporate income tax</b>		<b>(1 219 931)</b>	<b>(253 289)</b>
<b>Profit or loss for the reporting year</b>		<b>(1 219 931)</b>	<b>(253 289)</b>

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## Annex to the financial statements

### General Information

The name of the company	Ignitis renewables Latvia	
Legal status of the company	Limited liability company	
Registration No., place and date	40203380662 Riga, 16.02.2022.	
Legal address:	Gustava Zemgala gatve 74A, Riga, LV-1039	
Board Composition	Gary Charles Bills	Member of the Board
Members	Ignitis Renewables UAB	100.00%
Main activities	Business and management consultancy (70.22 NACE2)	
Reporting year	01.01.2023. – 31.12.2023.	
Accounting service provider and annual report preparer	LLC Numeri, Reg. No. 40003563943	

### **Guidelines for the preparation of the financial statement**

The company's financial report is prepared in accordance with the Accounting Law of the Republic of Latvia, the Law on Annual Reports and Consolidated Annual Reports, the Cabinet of Ministers' Regulations of December 22, 2015 No. 775 "Rules of Application of the Law on Annual Reports and Consolidated Annual Reports".

The financial report is prepared in accordance with the principle of initial value accounting. In the financial statement, the monetary unit of the Republic of Latvia is the euro (EUR). Compared to the previous reporting year, the accounting and evaluation methods used by the Company have not changed.

### **Applied accounting principles**

The items of the annual report are evaluated according to the following accounting principles:

- a) it is assumed that the company will continue to operate;
- b) the same valuation methods as in previous years is used;
- c) items are evaluated with due care:
  - the report includes only the profit or losses obtained up to the balance sheet date;
  - all expected risk amounts and losses incurred in the reporting year or in previous years are taken into account, even if they became known in the period between the balance sheet date and the date of drawing up the annual report;
  - all amounts of value reduction and depreciation are calculated and taken into account, regardless of whether the reporting year ends with a profit or a loss;
- d) revenues and costs related to the reporting year are taken into account, regardless of the date of payment and the date of receipt or issuance of the invoice. Costs are matched with revenues in the reporting period;
- e) components of active and passive items are assessed separately;
- f) the balance sheet at the beginning of the reporting year coincides with the closing balance sheet of the previous year;
- g) all items that significantly affect the evaluation of users of the annual report or decision-making are indicated, minor items are combined and their details are provided in the appendix;
- h) business transactions are reflected in the annual report, taking into account their economic content and nature, not just their legal form.

### **The reporting period**

The financial report has been prepared for the period from **01.01.2023.** until **31.12.2023**

### **Use of estimates**

When preparing the financial report, the management has to rely on certain estimates and assumptions, which affect the balances of the balance sheet and profit or loss statement items reflected in individual reports, as well as the amount of possible liabilities. Future events may affect the assumptions on which the relevant estimates are made. Any impact of changes in estimates is reflected in the financial statements at the time they are determined.

### **Related Companies**

A related company is a company that is directly or indirectly controlled by another company (parent company - more than 50% of the voting rights of shareholders or members in this company). The parent company controls the financial and business policy of the subsidiary.



### **Fixed assets**

Fixed assets are movable or immovable physical things that meet the following criteria:

- it is held by the company as an owner or as a lessee in accordance with a financial lease, to be used for the production of goods, provision of services, rental or for administrative purposes (for the needs of the company's administration or for other needs, e.g. maintenance of the operation of other fixed assets, essential work safety or environmental protection requirements for the company's core business for enforcement);
- the company intends to use them for more than one year and expects that economic benefits will be received from keeping 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 the fixed asset on the date on which it has taken over all the risks related to property rights or the rights provided for in the financial lease agreement and the right to possible benefits from the relevant case or set of cases, if on this date it is possible for the company to determine the initial value of the fixed asset.

### **Lease**

A lease of assets, in which practically all the risks arising from ownership are assumed and the lessor receives compensation, is classified as an operating lease. Lease payments under an operating lease are expensed over the lease term using the straight-line method. The Company's liabilities arising from operating lease agreements are reflected as off-balance sheet liabilities.

Average number of employees	2023	2022.
The average number of employees in the reporting year	23	4

## 1. Overview of movement of fixed assets

	The right to use fixed assets	Other fixed assets and inventory	The cost of creating fixed assets	Investments in leased fixed assets	Total
<b>Purchase value on 31.12.2022</b>	<b>26 741</b>	<b>6 136</b>	<b>-</b>		<b>32 877</b>
Purchased in the reporting year	-	71 441	668	19 213	91 322
Amount adjustments in accordance with the correction of the error *	(26 741)	-	-		(26 741)
<b>Purchase value on 31.12.2023</b>	<b>-</b>	<b>77 577</b>	<b>668</b>	<b>19 213</b>	<b>97 458</b>
<b>Accumulated depreciation on 31.12.2022</b>	<b>4 208</b>	<b>729</b>	<b>-</b>		<b>4 937</b>
Depreciation calculated during the reporting period	-	10 707	-	2 882	13 589
Amount corrections according to the correction of the error*	( 4 208)	-	-		(4 208)
<b>Accumulated depreciation on 31.12.2023</b>	<b>-</b>	<b>11 436</b>	<b>-</b>	<b>2 882</b>	<b>14 318</b>
<b>Balance value on 31.12.2023</b>	<b>-</b>	<b>66 141</b>	<b>668</b>	<b>16 331</b>	<b>83 140</b>

\*According to the error correction for the 2022 annual report, the 2023 annual report does not recognize rights to leased long-term investments. But liabilities are recognized only as lease payments. Only the comparative indicators of the financial statement items affected by the error have been adjusted. The error occurred as a result of an incorrect interpretation of the transaction. The corrections do not have a significant impact on the previous period, so they have been carried out in the reporting period.

## 2. Other debtors

	31.12.2023	31.12.2022
Security deposit	127 928	7 928
Overpaid VAT	12 103	3 803
Salary advance	-	678
Other debtors	398	605
<b>Total</b>	<b>140 429</b>	<b>12 208</b>

### 3. Liabilities for leased assets\*

	31.12.2023	31.12.2022
Long-term liabilities	-	13 887
Short-term liabilities	-	8 707
<b>Total</b>	<b>-</b>	<b>22 594</b>

\*According to the error correction for the 2022 annual report, the 2023 annual report does not recognize rights to leased long-term investments. But liabilities are recognized only as lease payments.

### 4. Debts to related companies (short-term)

Related companies	Received goods and services from a related company, EUR	Accounts payable to related company, EUR
Ignitis Renewables UAB	182 428	59 020
Ignitis grupes paslaugu centras UAB	51 235	3 420
		<b>62 440</b>

#### Terms for transactions with related parties

\*Goods and services are sold to related parties and bought according to the terms that would be valid between two independent persons and market prices, followed the transfer pricing policy of the Ignitis Renewables UAB group.

### 5. Taxes and mandatory state social insurance contributions

	31.12.2023	31.12.2022
State social insurance contributions	26 291	5 328
Personal income tax	13 519	3 296
<b>Total</b>	<b>39 810</b>	<b>8 624</b>

### 6. Accrued liabilities

	31.12.2023	31.12.2022
Provision for employee bonuses	79 876	18 010
State social insurance mandatory contributions for bonuses	18 843	4 249
Accruals for unused vacations	32 874	6 075
Accrued liabilities	1 221	557
<b>Total</b>	<b>132 814</b>	<b>28 891</b>

## 7. Costs of administration

	2023	2022
Personnel costs	640 858	115 086
State social insurance contributions	153 472	27 161
Management services	147 532	41 327
Legal services	55 072	19 890
Business trip expenses	52 849	4 631
Accruals for unused vacations	30 671	6 075
IT services	23 580	2 651
Transport costs	19 462	3 124
Other employee expenses	14 636	5 346
Office expenses	57 967	7 139
Accounting Services	12 915	4 250
Depreciation	13 589	729
Other expenses	-	10 587
<b>Total</b>	<b>1 274 675</b>	<b>247 996</b>

## 8. Other costs of economic activity

	2023	2022
Depreciation of right of use assets	-	4 208
Error correction result for right of use assets	23 675	-
Other expenses	406	1 085
<b>Total</b>	<b>24 081</b>	<b>6 022</b>

Gary Charles Bills  
 Member of the Board

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