

AS "VEF Radiotehnika RRR"

Unified Registration No. 40003286712

Address: Kurzemes prospekts 3D, Riga, LV-1067

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020

**AS “VEF Radiotehnika RRR”
Annual accounts for the year ended 31 March 2020**

TABLE OF CONTENTS

	Page
General information	3
Management report	4
Statement of the management's responsibility	5
Income statement	6
Balance sheet	
Assets	7
Liabilities	8
Statement of cash flows	9
Statement of changes in shareholders' equity	10
Notes to the financial statements	11

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

GENERAL INFORMATION

Full name of the Company	<i>AS "VEF Radiotehnika RRR"</i>
Legal status of the Company	<i>Public Joint-Stock Company</i>
Registration No., place and date of issue	<i>40003286712</i> <i>1998.12.11</i>
Legal address of the Company	<i>Kurzemes prospekts 3D, Riga, LV-1067</i>
Phone number	<i>67418087</i>
NACE code	<i>26.40 Manufacture of electronic devices</i> <i>68.20 Real estate management with remuneration</i> <i> or based on agreements</i>
Council members	
Chairman of the Council	
Council Member	<i>Inārs Kļaviņš</i>
Council Member	<i>Mārtiņš Perts</i>
Council Member	<i>Genādijs Hotejevs</i>
Council Member	<i>Vjačeslavs Mihailovins</i>
Board members	
Chairman of the Board	<i>Ēriks Ertmanis</i>
Board Member	<i>Olga Romaņko</i>
Reporting year	<i>from 2020.01.01 till 2020.03.31</i>
Previous reporting year	<i>from 2019.01.01 till 2019.12.31</i>
Chief Accountant	<i>Olga Romaņko</i>
Phone number	<i>67852054</i>
Auditor	<i>SIA Grant Thornton Baltic Audit</i> <i>Certified Auditors Company</i> <i>License No. 183</i> <i>Blaumana Street 22, Riga, LV-1011</i> <i>Responsible certified auditor:</i> <i>Ingrīda Latimira</i> <i>Certificate No. 47</i>

**AS “VEF Radiotehnika RRR”
Annual accounts for the year ended 31 March 2020**

Management report

Types of activities

The main activities of AS “VEF Radiotehnika RRR” in 2019 were:

1. Real estate renting services;
2. Acoustic system purchase and sale of their enclosures.

When compared with the previous reporting period, no new main activities have been included.

In the future ,it is planned to restore acoustic systems development, organization of production and sales.

Operations of the Company during the reporting year

Reporting year results of the Company are the following:

Result before extraordinary items and taxes:	(6 928) EUR
Net result:	(6 928) EUR

In 2019, the Company delivered its products and services for its customers abroad, incl., Italy, the respective markets development activities are implemented by our highly-skilled sales and distribution specialists.

Management of financial risks

In most cases, the company’s financial assets consist of debts of its buyers and customers, given in euros. Its financial liabilities mostly consist of debts to the Company’s suppliers for goods and services, given in various currencies, thus the Company is subject to the currency risk. Funds of the Company are placed in the Latvian financial institutions. There is no substantial difference between the book value and the fair value of the financial assets and liabilities. The Company did not use any financial derivatives in the reporting period.

Post balance sheet events

Apart from the above information, no other events have occurred since the date of the reporting year which could considerably affect the report assessment or which would require additional explanation in this financial statement.

Further operation of the Company

From its core business, the company generated revenue related to the change in revenue structure. In 2019, the company reduced the acoustic system manufacturing and selling it. According to company management estimates, revenues from the pointed activity in 2019 will exceed expenditure by EUR 4 060, so that the positive cash flow from economic activity will be able to solve liquidity financing problems.

Chairman of the Board

Ēriks Ertmanis

Member of the Board

Olga Romāņko

29 May, 2020

**AS “VEF Radiotehnika RRR”
Annual accounts for the year ended 31 March 2020**

Statement of the management's responsibility

Company's management is responsible for the preparation of the financial statements for each reporting period on the basis of the accounting principles and which reflect true and fair view of the company's financial situation as well as operating results.

The management confirms that in the preparation of the annual report for the period ended 31 December 2019, appropriate accounting principles were consistently applied and justified and prudent decisions were made.

Management is responsible for application of appropriate accounting principles, safeguarding of the company's assets as well as prevention of fraud and other unlawful activities.

The management of the Company confirms, that is has provided information and explanations required for the audit.

Chairman of the Board

Ēriks Ertmanis

Member of the Board

Olga Romaņko

29 May, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

Profit or loss account for the year ended 31 March, 2019

	Notes	2020 EUR	2019 EUR
Net sales	1	6 274	50 514
b) other operating activities		6 274	50 514
Cost of sales	2	(6 426)	(46 454)
Gross loss		(152)	4 060
Selling expenses	3	(61)	(327)
Administrative expenses	4	(3 980)	(39 159)
Other operating income	5	1 094	42 719
Other operating expenses	6	-	(1 133)
Interest expenses and similar expenses	7	(3 829)	(8 678)
Profit before taxes		(6 928)	(2 508)
Current year's profit / (loss)		(6 928)	(2 508)
Profit/ (loss) per share		(0,003)	(0 001)

Notes on pages from 11 to 18 are integral part of these financial statements.

Chairman of the Board

Ēriks Ertmanis

Member of the Board/Chief Accountant

Olga Romaņko

29 May, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

Balance sheet as at 31.03.2020

ASSETS	Note	<u>2020</u>	<u>2019</u>
		EUR	EUR
1. Non-current assets			
II. Fixed assets:			
1.Real estate renting services			
Land, buildings and constructions		257 227	258 095
Equipment and vehicles		12 223	37 202
Other fixed assets		917	1 023
Total fixed assets:	8	<u>240 367</u>	<u>295 919</u>
V.Long-term financial investments			
Loans to related parties	13	180 232	180 232
Total non-current financial investments:		<u>180 232</u>	<u>180 232</u>
Total long-term financial investments:		<u>450 590</u>	<u>539 808</u>
2. Current assets			
I. Inventory:			
Raw materials	9	11 802	19 002
Work in progress	10	12 587	16 227
Finished goods and goods for sale	10	30 803	5 291
Advance payments for materials	11	650	615
Total inventory:		<u>55 842</u>	<u>41 135</u>
III. Receivables:			
Trade receivables	12	151 808	144 046
Receivables from related parties	13	71 470	71 470
Other receivables	14	39 361	39 361
Prepaid expenses	15	1 308	494
Accrued revenue	15	-	-
Total receivables:		<u>263 947</u>	<u>255 371</u>
V. Cash			
Total current assets:	16	<u>1 693</u>	<u>1 490</u>
		<u>321 482</u>	<u>297 996</u>
TOTAL ASSETS:		<u>772 081</u>	<u>774 147</u>

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AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

Balance sheet as at 31.03.2020

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2020	2019
		EUR	EUR
1. Shareholders' equity:			
Share capital	17	254 908	254 908
Long term investment revaluation reserve	19	160 202	160 202
Reserves		58 302	58 302
Retained earnings/ (accumulated loss):			
a) accumulated loss of previous years	18	50 302	52 810
b) current year profit/ (loss)	18	(6 928)	(2 508)
Total shareholders' equity:		516 786	523 714
3. Liabilities:			
I. Non-current liabilities:			
Loans from other creditors	20	85 000	85 000
Total non-current liabilities:		85 000	85 000
II. Current liabilities:			
Advances from customers	21	-	1 324
Trade accounts payable	22	67 482	65 631
Payables to related parties	23	-	-
Taxes and social security liabilities	24	89 309	77 757
Other creditors	25	9 426	9 583
Accrued liabilities	26	4 078	11 138
Total current liabilities:		170 295	165 433
Total liabilities:		255 295	250 433
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY:		772 081	774 147

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Chairman of the Board

Ēriks Ertmanis

Member of the Board / Chief Accountant

Olga Romāņko

29 May, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

Cash flow statement for the year ended 31. March, 2020 (indirect method)

I. Cash flow from operating activities	Note	<u>2020</u>	<u>2019</u>
		<u>EUR</u>	<u>EUR</u>
<i>Loss before extraordinary items and taxes</i>		<u>(6 928)</u>	<u>(2 508)</u>
<i>Adjustments for:</i>			
a) depreciation of fixed assets and investment properties		2 162	38 765
i) interest payments and similar activities		3 829	8 678
<i>Loss before working capital and current liabilities adjustments</i>		<u>(937)</u>	<u>44 935</u>
<i>Adjustments for:</i>			
a) debtors increase (-) or decrease (+)		17 825	22 069
b) inventory increase (-) or decrease (+)		(14 707)	5 531
c) accounts payable to suppliers and other creditors increase (+) or decrease (-)		1 851	(62 732)
<i>Gross cash flow from operating activities</i>		<u>4 032</u>	<u>9 803</u>
Interest payments		(3 829)	(8 678)
<i>Cash flow before extraordinary items</i>		<u>203</u>	<u>1 125</u>
<i>Net cash flow from operating activity</i>		<u>203</u>	<u>1 125</u>
V. Net cash flow for the year		<u>203</u>	<u>1 125</u>
VI. Cash and cash equivalents at the beginning of the period		<u>1 490</u>	<u>365</u>
VII. Cash and cash equivalents at the end of the period	16	<u>1 693</u>	<u>1 490</u>

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Chairman of the Board

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29 May, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

Statement of changes in equity for the year ended 31 March, 2019

	Share capital	Reserve	Long term investment revaluation reserve	Result of the reporting year	Previous year's retained earnings/ (accumulated loss)	Total shareholders' equity
	EUR	EUR	EUR	EUR	EUR	EUR
Balance as on December 31, 2018	254 908	58 302	160 202	(15 516)	68 326	526 222
Profit/ loss carried over	-	-	-	15 516	(15 516)	-
Profit/loss for the year	-	-	-	(2 508)	-	(2 508)
Balance as on December 31, 2019	254 908	58 302	160 202	(2 508)	52 810	523 714
Loss carried over	-	-	-	2 508	(2 508)	-
Profit/ loss for the year	-	-	-	(6 928)	-	(6 928)
Balance as on March 31, 2020	254 908	58 302	160 202	(6 928)	50 302	516 786

Notes on pages from 11 to 18 are integral part of these financial statements.

Chairman of the Board

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Member of the Board/Chief Accountant

Olga Romāņko

29 May, 2020

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

Notes

Accounting policies and methods

General Principles

The Annual Report is prepared in accordance with the corresponding laws of the Republic of Latvia - "Law On Accounting" and "Law on Annual Financial Statements and Consolidates Financial Statements", the Cabinet Regulation No 775 "Application of Law on Annual Financial Statements and Consolidates Financial Statements" and other LR legislative acts governing accounting.

Profit and loss statement is prepared using turnover (period) costs method.

Cash flow statement is prepared using indirect method.

Changes to the accounting policies

Compared to the previous year, the accounting policy has not been changed.

Reclassification

In 2019 there have been no changes in classification of items in comparison with the 2019.

Transactions in foreign currency

At the end of the reporting year foreign currency cash balance and balances of advances and loans denominated in foreign currencies as well as other debtors' or creditors' debts payable in foreign currencies are translated from the foreign currency to the euro in accordance with the foreign exchange rates in force on the last date of the reporting year. The resulting profit or loss is charged to the profit and loss account.

Currency rates at the last reporting date for the past two years have been the following:

	2020.03.31	2019.12.31
RUB	85.9486	69.956
USD	1.096	1.123

Long-term and short-term items

The following amount are shown in the current assets:

* that shall be used or realized during the usual working cycle of the Company;

* that are mainly for trading purposes or are of short-term nature and can be realized within 12 months after the Balance Sheet date;

* that are cash or cash equivalents, possessing unlimited usage options.

Other assets are classified as long-term.

The following current liabilities are shown:

* that will be paid off during the usual working cycle of the Company;

* that will be paid off within 12 months after the Balance Sheet date;

Other liabilities are classified as long-term.

Fixed Assets

Fixed assets are physical objects with useful life over 12 calendar months and acquisition value of 70 EUR and more. All fixed assets are valued by their acquisition value.

Fixed assets are shown using their acquisition or revaluations value, less depreciation. Depreciation is calculated using the straight-line method, reducing the net book value of the asset at the end of useful life using the following rates:

* Buildings and constructions	1-5	%
* Technological equipment	5-20	%
* Transport vehicles	10-20	%
* Furniture	10-20	%
* Other fixed assets	10-20	%
* Mobile phones	35	%
* Computers and other data storage units	15-35	%

* Depreciation on land plots is not calculated.

Fixed assets depreciation are calculated from acquisition costs less residual value. If the residual value is immaterial, it is not considered. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

Interest costs on borrowing to finance the fixed assets under construction and other direct charges related to the particular fixed asset under construction are capitalized, during the period of time that is required to complete and prepare the asset for its intended use, as part of the cost of the asset. Capitalization of the borrowing costs is suspended during extended periods in which active developments are interrupted.

Investment property

Investment property is land, buildings, parts of buildings and constructions that the Company (as an owner or lessee in finance lease agreement) holds with the intention to gain rental (lease) income or gain increase in value of the investment by means of market value increase of the asset. The property is not utilized for production purposes. Service provision, administrative needs or other ordinary business activities of the company. Investment properties are initially recognized at acquisition cost, including transaction costs. After initial recognition investment properties are valued at revalued amounts (please see fixed assets recognition and depreciation accounting policy). Investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized. Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Inventory valuation

Inventories are valued using FIFO method.

In case of necessity, outdated, slow turnover or damaged inventories' values decrease is written-off, or provisions are made. Unused material values and stocks at the end of reporting period are valued on historic cost basis, with addition of additional costs.

Inventory items are recorded in the actual volumes at historical cost in the sub account specially dedicated for these purposes.

Inventory balances are checked during annual inventory.

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

Debtors

Accounts receivables are shown in the Balance Sheet on a net (purchase) value, with special provisions for doubtful debts subtracted. The necessary amount of provisions has been set by analyzing each debtor and by performing debt comparison. Bad debts are written off when the likelihood of recovering the debt becomes unrealistic and impossible.

Net turnover

Turnover is the total of goods sold during the year less Value Added Tax.

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue from sale of goods outside Latvia is recognized based on the terms of delivery.

Income and expenses acknowledgment

1. Income from sale of goods is recognized when the transaction complies with the following requirements:

- a) The Company has handed over to the buyer distinctive risks and rewards together with ownership rights of the goods;
- b) The Company no longer executes holding rights or control related to the ownership rights over the goods sold;
- c) can credibly evaluate the income amount;
- d) it is believed that as a result of the transaction, the Company will receive commercial benefits;
- e) can credibly evaluate costs arisen or arising related to the transaction.

Sale of goods is reflected, considering transaction's economic nature, not only legal form.

2. Result of the service supply transaction can credibly calculate, if the following conditions are met:

- a) can credibly evaluate the income amount;
- b) it is believed that as a result of the transaction, the Company will receive commercial benefits;
- c) can credibly evaluate, what is service supply volume in percentage at the Balance Sheet date;
- d) can credibly evaluate costs arisen or arising related to the transaction.

3. Incomes which arise if other parties use Company's assets and thus receive interest, royalties or dividends, can be recognized using the following methods, if:

- a) it is believed that as a result of the transaction, the Company will receive commercial benefits;
- b) can credibly evaluate the income amount;

4. Incomes from rent - at the moment of coming into existence;

All significant cost items are processed per accumulation principle.

Reserves

Reserves are formed in order to cover certain liabilities, which are related to the reporting period or previous periods, can be foreseen at the time of preparation of the Annual Report or known not to exceed these amounts. The level of the reserves is set in accordance with the methods, adopted by the Company.

Provisions for unused vacations

Amount of the provisions is calculated by multiplying the average wage of employees in the last six months per day by the amount of accrued but unused annual leave at the end of the reporting year.

Loans received and loans issued

Loans received and loans issued are initially shown in their original amount, which is stated in corresponding Loan Agreement at the transaction date. Amounts of loans issued from the lending institutions are to be compared with the written statements with acceptance from lending institutions at the end of the reporting year. For loans received in foreign currency, the remaining principal amount is calculated per European Central bank exchange rate on the last day of the reporting year.

Deferred liabilities

All invoices, received or issues after the reporting year yet related to the expenses which have arisen during the reporting year, the costs of which are known at the end of the reporting year, are treated as deferred liabilities. Deferred liabilities are shown in the Balance Sheet in a separate row.

Taxes

Starting from 2018, the corporate income tax will be calculated for distributed profit by applying a tax rate of 20%. The corporate income tax will be accepted at the time when the shareholders of the Company adopt their decision on profit distribution or when such expenses are further development of the Company (deemed profit distribution).

Tax liabilities are compared with State Revenue Service data.

Estimates and assumptions

The preparation of annual accounts requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Thus actual results may differ from these calculations. Legislation of the Republic of Latvia states that when preparing annual accounts, Company's management has to evaluate and to draft assumptions, which affect both Balance Sheet and off-Balance Sheet assets and liabilities on the Balance Sheet date, as well as shown income and expenses for the reporting period. Actual results may differ from these estimates (for example, deferred Corporate Income Tax liabilities, vacation provisions etc.).

Possible liabilities and assets

In these Financial Statements possible liabilities are not displayed but are reflected in the Notes to Financial Statements. As liabilities are recognized only when, if possibility that the funds will be paid out becomes founded. Possible assets in these Financial Statements are not recognized. Possible assets are shown in the Financial Statements only when there is enough proof that the economic benefits will reach the company.

Events after the end of the reporting year

Certain events which give additional information about Company's financial standing at the Balance Sheet date (correcting factors) have been considered during the preparation of the Financial Statements. If post Balance Sheet date events are not correcting factors, they are included in the Financial Statements only if they are substantial.

Related parties

The following sides are treated as "related parties": shareholders of the Company, Board Members, their close family members and companies which are under control or significant influence to the aforementioned related parties.

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

(1) Net Turnover

Type of activity	2020	2019
	EUR	EUR
Income from exports of finished goods	-	2 622
Income from rent of premises	687	2 929
Income from sale of finished goods in the local market	5 587	32 669
Income from utilities service provided to third parties	-	3 181
Income from sale of materials	-	9 113
Total	6 274	50 514

(2) Cost of goods sold

Cost type	2020	2019
	EUR	EUR
Write-off of low-value inventory	2 162	38 765
Change in stocks of finished goods	-	(14 520)
Change in stock of purchased materials and goods	3 003	236
Real estate maintenance, including utilities	135	17 927
Other taxes	1 072	3 696
Other costs	54	350
Total	6 426	46 454

(3) Selling expenses

Cost type	2020	2019
	EUR	EUR
Other selling expenses (marketing)	61	317
Total	61	317

(4) Administrative expenses

Cost type	2020	2019
	EUR	EUR
Personnel costs	1 814	26 308
Representation costs	-	630
Office expenses	41	490
Communication expenses	171	1 987
Bank expenses	16	778
Accounting and legal expenses	18	2 121
Other administrative costs	1 920	6 845
Total	3 980	39 159

(5) Other operating income

Type on income	2020	2019
	EUR	EUR
Net income from sale of real estate	1 094	-
Other income	-	44 756
Total	1 094	44 756

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

(6) Other operating expenses		2020	2019
Type of income/expense		EUR	EUR
	Penalties	-	1 133
	Total	-	1 133

(7) Interest expense and similar expenses		2020	2019
Type of costs		EUR	EUR
	Loan interest paid	3 829	8 678
	Kopā	3 829	8 678

(8) Fixed Assets

	Real estate	Technological equipment	Other fixed assets	Total EUR
Historical cost				
31.12.2019.	294 270	622 548	23 875	940 693
Vērtības palielinājums				-
Disposed	-	(83 215)	-	(83 215)
Historical cost				
31.03.2020.	294 270	539 333	23 875	857 478
Depreciation				
31.12.2019.	36 576	585 346	22 852	644 774
Depreciation charge	467	1 589	106	2 162
Disposed	-	(59 825)	-	(59 825)
Depreciation				
31.03.2020.	37 043	527 110	22 958	587 111
Net book value				
31.12.2019.	257 694	37 202	1 023	295 919
Net book value				
31.03.2020	257 227	12 223	917	270 367

(9) Raw materials		2020	2019
		EUR	EUR
	Raw materials	13 927	21 127
	Provision for inventory loss	(2 125)	(2 125)
	Total	11 802	19 002

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

(10) Work in progress and finished goods		2020	2019
		EUR	EUR
Work in progress		12 587	16 227
	Total	12 587	16 227
Finished goods and in warehouse		102 655	77 143
Provision for decrease in value		(71 852)	(71 852)
	Total	30 803	5 291

(11) Advance payments for goods		2020	2019
		EUR	EUR
Advance (residents)		2 581	2 546
Advance (non-residents)		8 450	8 450
Provision for unsecured debts		(10 381)	(10 381)
	Total	650	615

(12) Trade receivables		2020	2019
		EUR	EUR
Receivables(non-residents)		43 635	43 635
Receivables (residents)		112 981	105 219
Provisions for doubtful debtors		(4 808)	(4 808)
	Total	151 808	144 046

(13) Receivables from related parties		2020	2019
		EUR	EUR
Loans (non-current)*		180 232	180 232
Payments for goods		42 491	72 184
Total current receivables:		42 491	72 184
	Total	222 723	252 416

*
On 02 November 2018 the Company issued non-interest bearing unsecured loan of EUR 180 232 to the related company SIA "Imanta Retail Park" with maturity on 25 November 2028, because SIA "Imanta Retail Park" was subordinated loan in relation to its loan from AS LPB Bank. According to SIA "Imanta Retail Park" audited 2018 annual accounts, the Company's net cash flow is negative and its short-term liabilities significantly exceed its current assets. Although SIA "Imanta Retail Park" net result of 2018 is positive, it is not from the main operations, but from sale of real estate.

(14) Other receivables		2020	2019
		EUR	EUR
Settlements with employees		525	525
Settlement of guarantee amounts		2 563	2 563
Other debtors		22 400	22 400
Settlements with management		13 873	13 873
	Total	39 361	39 361

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

(15) Deferred expenses		2020	2019
		EUR	EUR
Other expenses		1 308	449
Total		1 308	449

(16) Cash and cash equivalents		2020	2019
		EUR	EUR
Cash in bank accounts		1 693	1 490
Kopā		1 693	1 490

(17) Information on the Company's share capital

As at 31 December 2018 the subscribed and fully paid share capital consists of 2 549 084 ordinary shares with a nominal value of 0.10 EUR each.

On 9 January 2018, the extraordinary meeting of shareholders of AS "VEF Radiotehnika RRR" decided to reduce the equity capital of the Company, the meeting also approved the rules for equity capital reduction and the amendments to the Articles of Association of the Company by specifying the reduced equity capital. The equity capital of the Company is reduced by EUR 3,313,809,20. The equity capital is reduced in accordance with Section 262, Paragraph one, Clause 3 of Commercial Law-by reducing the nominal value of stock of the Company. Following the reduction, the Company's equity is EUR 254,908.40.

Shareholders	Number of shares	Value	
		EUR	
		31.03.2020	31.12.2019
Eduards Maļejevs	741 880	74 188	74 188
Jurijs Maļejevs	864 512	86 451	86 451
Armands Maļejevs	264 519	26 452	26 452
Inga Sprūga	65 567	6 557	6 557
Jekaterina Maļejeva	270 000	27 000	27 000
Ēriks Ertmanis	200 000	20 000	20 000
Others (<5%)	142 606	14 261	14 261
Total:	2 549 084	254 908	254 908

AS "VEF Radiotehnika RRR" shares are listed on the list of shares are quoted on the AS Nasdag Riga second list.

Chairman of the Board Ēriks Ertmanis owns 200 00 shares;

Members of the Council Genadijs Hotejevs owns 1 624 shares;

Member of the Council Vjacheslavs Mihailovins owns 695 shares.

(18) Retained earnings/(accumulated loss)

In accordance with decisions of Shareholders' meetings, the accumulated loss of previous years to be covered with the next years' profits.

	2020	2019
	EUR	EUR
Previous years' accumulated loss	50302)	52810
Current year's profit/(loss)	(6928)	(2508)
Total	43374	50302

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

(19) Long-term investment revaluation reserve

	2020	2019
	EUR	EUR
Opening balance	160 202	160 202
Closing balance	160 202	160 202

The Company's fixed assets (land and buildings) were revalued according to Ober Haus Real Estate Company report on the real estate market value dated with 29.08.2016.

The Company's fixed assets (land and buildings) were revalued according to VCG ekspertu group Company report on the real estate market value dated with 17.05.2017

(20) Other loans	%	Repayment deadline	9	2020	2019
				EUR	EUR
Loan from EstateGuru tagatisagent	11,00%	2021.07.06		85 000	85 000
Total long-term loans				85 000	85 000

(21) Advances from customers

	2020	2019
	EUR	EUR
Advances from residents	-	1324
Total	-	1324

(22) Trade accounts payable

	2020	2019
	EUR	EUR
Short-term part:		
Trade accounts payable to residents	67 482	65 631
Trade accounts payable total	67 482	65 631

(24) Taxes and social insurance payments

	2020	2019
	EUR	EUR
Short-term part:		
31.12.2019	77 757	51 389
Changes in the reference year 31.03.2020	11 552	26 368
Total	89 309	77 757

(25) Other creditors

	2020	2019
	EUR	EUR
Salaries	6 106	6 253
Security	3 320	3 320
Total	9 426	9 583

AS "VEF Radiotehnika RRR"
Annual accounts for the year ended 31 March 2020

(26) Accrued liabilities	2020	2019
	EUR	EUR
Current expense	199	286
Provision for unused vacation leave	3 879	10 852
Total	4 078	11 138

	2020	2019
(27) Average number of employees during the year		
Average number of employees during the year	6	8

(28) Transactions with related parties

The Company's shareholders have significant impact on SIA "Imanta Retail Park" .

The goods are sold to related parties and bought from related parties on market based prices. Outstanding commitments at the end of the year not secured and settlement is made in cash. No guaranties have been received or issued in respect of related party transactions neither in 2019..

Related party		Sales to related parties	Purchases from related parties	Loans received	Amounts owed by related parties as at 31 December	Amounts owed to related parties as at 31 December
SIA Imanta Retail Park"	2020	-	-	-	251 702	-
	2019	20 691	7 095	-	251 702	-
TOTAL	2020	-	-	-	251 702	-
TOTAL	2019	20 691	7 095	-	251 702	-

Post balance sheet events

Apart from the above information, no other events have occurred since the date of the reporting year which could considerably affect the report assessment or which would require additional explanation in this financial statement.

Further operation of the Company

From its core business, the company generated revenue related to the change in revenue structure. In 2019, the company reduced the acoustic system manufacturing and selling it. According to company management estimates, revenue from the pointed activity in 2019 will exceed expenditure by EUR 4 060, so that the positive cash flow from economic activity will be able to solve liquidity financing problems.

Chairman of the Board

Ēriks Ertmanis

Member of the Board/Chief Accountant

Olga Romaņko

29 May, 2020