

**AS "VEF Radiotehnika RRR"**

**Unified Registration No. 40003286712**

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

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

AS "VEF Radiotehnika RRR"  
Annual accounts for the year ended 30 September 2020

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**AS "VEF Radiotehnika RRR"**  
**Annual accounts for the year ended 30 September 2020**

**GENERAL INFORMATION**

<b>Full name of the Company</b>	<i>AS "VEF Radiotehnika RRR"</i>			
<b>Legal status of the Company</b>	<i>Public Joint-Stock Company</i>			
<b>Registration No., place and date of issue</b>	<i>40003286712</i> <i>1998.12.11</i>			
<b>Legal address of the Company</b>	<i>Kurzemes prospekts 3D, Rīga, LV-1067</i>			
<b>Phone number</b>	<i>67418087</i>			
<b>NACE code</b>	<i>26.40</i>	<i>Manufacture of electronic devices</i>		
	<i>68.20</i>	<i>Real estate management with remuneration</i> <i>or based on agreements</i>		
<b>Council members</b>				
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>			
<b>Board members</b>				
Chairman of the Board	<i>Ēriks Ertmanis</i>			
Board Member	<i>Olga Romaņko</i>			
<b>Reporting year</b>	<i>from</i>	<i>2020.01.01</i>	<i>till</i>	<i>2020.09.30</i>
<b>Previous reporting year</b>	<i>from</i>	<i>2019.01.01</i>	<i>till</i>	<i>2019.09.30</i>
<b>Chief Accountant</b>	<i>Olga Romaņko</i>			
<b>Phone number</b>	<i>67852054</i>			

**AS "VEF Radiotehnika RRR"**  
**Annual accounts for the year ended 30 September 2020**

**Management report**

**Types of activi**

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

1. Real estate renting services;
2. Manufacturing of acoustic systems; purchase and sale of their enclosures.

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

**Operations of the Company during the reporting year**

Reporting year results of the Company are the following:

Result before extraordinary items and taxes:	34 702 EUR
Net result:	34 702 EUR

In 2020, 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.

On September 10, 2020, the Company sold the building with cadastral number 0100 058 0300. Proceeds from the sale of real estate are used to repay the tax debt and repay the loan.

The Company has liabilities to JSC "Nasdaq Riga" in the amount of EUR 38,794.27. In order to settle accounts with JSC "Nasdaq Riga", the Board decided to convene an extraordinary shareholders' meeting on November 20, 2020 and offer shareholders to invest funds to repay the debt.

**Post balance sheet events**

On November 20, 2020, an extraordinary shareholders' meeting was held, which considered the issue of attracting financial resources from shareholders to pay the debts of JSC "Nasdaq Riga". The meeting decided not to attract financial resources from the shareholders with 84.28% of the votes of the present shareholders with the right to vote.

From the last day of the reporting period to the present day there have been no other events that could significantly affect the assessment of the report or that should be further explained in these financial statements.

**Further operation of the Company**

We have carefully evaluated all information available to us, including the impact of the coronavir crisis on the Company's operations, and believe that the going concern basis of preparation is fully applicable.

Chairman of the Board

Ēriks Ertmanis

Member of the Board

Olga Romaņko

30 November, 2020

**AS "VEF Radiotehnika RRR"**  
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**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 30 September 2020, 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.

Chairman of the Board

Ēriks Ertmanis

Member of the Board

Olga Romāņko

30 November, 2020

**AS "VEF Radiotehnika RRR"**  
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**Profit or loss account for the year ended 30 September, 2020**

	Notes	2020 EUR	2019 EUR
Net sales	1	11 403	62 055
b) other operating activities		11 403	62 055
Cost of sales	2	(11 391)	(49 243)
<b>Gross loss</b>		<b>2</b>	<b>12 812</b>
Selling expenses	3	(263)	(217)
Administrative expenses	4	(22 919)	(32 223)
Other operating income	5	133 064	44 756
Other operating expenses	6	(65 494)	(70)
Interest expenses and similar expenses	7	(9 698)	(7 098)
<b>Profit before taxes</b>		<b>34 702</b>	<b>17 960</b>
<b>Current year's profit / (loss)</b>		<b>34 702</b>	<b>17 960</b>
Profit/ (loss) per share		<b>0,014</b>	<b>0,007</b>

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

30 November, 2020

**AS "VEF Radiotehnika RRR"**  
**Annual accounts for the year ended 30 September 2020**

**Balance sheet as at 30.09.2020**

ASSETS	Note	<u>2020</u>	<u>2019</u>
		EUR	EUR
<b>1. Non-current assets</b>			
<b>II. Fixed assets:</b>			
<b>1.Real estate renting services</b>			
Land, buildings and constructions		41 616	256 720
Equipment and vehicles		13 101	82 568
Other fixed assets		1 023	20 288
<b>Total fixed assets:</b>	<b>8</b>	<b><u>55 740</u></b>	<b><u>359 579</u></b>
<b>V.Long-term financial investments</b>			
Loans to related parties	13	180 232	180 232
<b>Total non-current financial investments:</b>		<b><u>180 232</u></b>	<b><u>180 232</u></b>
<b>Total long-term financial investments:</b>		<b><u>235 972</u></b>	<b><u>539 808</u></b>
<b>2. Current assets</b>			
<b>I. Inventory:</b>			
Raw materials	9	11 791	18 893
Work in progress	10	12 174	16 394
Finished goods and goods for sale	10	30 319	10 266
Advance payments for materials	11	234	1 634
<b>Total inventory:</b>		<b><u>54 518</u></b>	<b><u>47 187</u></b>
<b>III. Receivables:</b>			
Trade receivables	12	65 667	113 120
Receivables from related parties	13	63 108	42 491
Other receivables	14	11 981	39 361
Prepaid expenses	15	349	436
<b>Total receivables:</b>		<b><u>141 105</u></b>	<b><u>195 408</u></b>
<b>V. Cash</b>			
<b>Total current assets:</b>	<b>16</b>	<b><u>1 991</u></b>	<b><u>219</u></b>
		<b><u>197 614</u></b>	<b><u>242 814</u></b>
<b>TOTAL ASSETS:</b>		<b><u>433 586</u></b>	<b><u>782 622</u></b>

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

**AS "VEF Radiotehnika RRR"**  
**Annual accounts for the year ended 30 September 2020**

**Balance sheet as at 30.09.2020**

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>EUR</b>	<b>EUR</b>
<b>1. Shareholders' equity:</b>			
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	(8 143)	52 810
b) current year profit/ (loss)	18	34 702	17 960
<b>Total shareholders' equity:</b>		<b>353 275</b>	<b>544 182</b>
<b>3. Liabilities:</b>			
<b>I. Non-current liabilities:</b>			
Loans from other creditors	20	-	85 000
<b>Total non-current liabilities:</b>		<b>-</b>	<b>85 000</b>
<b>II. Current liabilities:</b>			
Advances from customers	21	488	412
Trade accounts payable	22	68 707	67 210
Taxes and social security liabilities	24	2	64 403
Other creditors	25	7 221	9 974
Accrued liabilities	26	3 893	11 441
<b>Total current liabilities:</b>		<b>80 311</b>	<b>153 440</b>
<b>Total liabilities:</b>		<b>80 331</b>	<b>238 440</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		<b>433 586</b>	<b>782 622</b>

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

30 November, 2020



**AS "VEF Radiotehnika RRR"**  
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**Cash flow statement for the year ended 30 September, 2020 (indirect method)**

<b>I. Cash flow from operating activities</b>	Note	<u>2020</u>	<u>2019</u>
		<u>EUR</u>	<u>EUR</u>
<b><i>Loss before extraordinary items and taxes</i></b>		<b>34 702</b>	<b>17 960</b>
<b><i>Adjustments for:</i></b>			
a) depreciation of fixed assets and investment properties		2 054	13 046
h) profit/loss from sale of fixed assets		60 438	-
i) interest payments and similar activities		9 698	7 098
<b><i>Loss before working capital and current liabilities adjustments</i></b>		<b>106 892</b>	<b>38 104</b>
<b><i>Adjustments for:</i></b>			
a) debtors increase (-) or decrease (+)		47 453	35 969
b) inventory increase (-) or decrease (+)		(7 331)	(522)
c) accounts payable to suppliers and other creditors increase (+) or decrease (-)		(33 159)	(66 599)
<b><i>Gross cash flow from operating activities</i></b>		<b>113 855</b>	<b>6 952</b>
Interest payments		(9 698)	(7 098)
Real estate tax payments		(19 985)	-
<b><i>Cash flow before extraordinary items</i></b>		<b>86 772</b>	<b>(146)</b>
<b><i>Net cash flow from operating activity</i></b>		<b>86 772</b>	<b>(146)</b>
<b>III. Cash flow from financing activities</b>			
Loans repaid		(85 000)	-
<b>Net cash flow from financing activities</b>		<b>(85 000)</b>	<b>-</b>
<b>V. Net cash flow for the year</b>		<b>1 772</b>	<b>(146)</b>
<b>VI. Cash and cash equivalents at the beginning of the period</b>		<b>219</b>	<b>365</b>
<b>VII. Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>1 991</b>	<b>219</b>

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30 November, 2020

**AS "VEF Radiotehnika RRR"**  
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**Statement of changes in equity for the year ended 30 September, 2020**

	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
<b>Balance as on December 31, 2018</b>	<b>254 908</b>	<b>58 302</b>	<b>160 202</b>	<b>(15 516)</b>	<b>68 326</b>	<b>526 222</b>
Profit/ loss carried over	-	-	-	15 516	(15 516)	-
Profit/loss for the year	-	-	-	17 960	-	17 960
<b>Balance as on September 30, 2019</b>	<b>254 908</b>	<b>58 302</b>	<b>160 202</b>	<b>17 960</b>	<b>52 810</b>	<b>544 182</b>
Loss carried over	-	-	-	(17 960)	17 960	-
Profit/ loss for the year	-	-	-	34 702	(78 913)	(44 211)
Change in revaluation reserve			(146 696)			(146 696)
<b>Balance as on September 30, 2020</b>	<b>254 908</b>	<b>58 302</b>	<b>13 506</b>	<b>34 702</b>	<b>(8 143)</b>	<b>353 275</b>

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 Romāņko

30 November, 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.

#### Reclassifications

In 2020 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:

	2020.09.30	2019.09.30
RUB	91,7763	70,756
USD	1,1708	1,089

#### 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.

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**Annual accounts for the year ended 30 September 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 acknowledgement**

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.

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**Annual accounts for the year ended 30 September 2020**

**(1) Net Turnover**

<b>Type of activity</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Income from exports of finished goods	-	2 000
Income from rent of premises	2 528	2 000
Income from sale of finished goods in the local market	8 525	12 500

**(2) Cost of goods sold**

<b>Cost type</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Depreciation of fixed assets	2 054	13 046
Change in stocks of finished goods	5 179	(4 906)
Change in stock of purchased materials and goods	-	12 514
Real estate maintenance, including utilities	898	24 543
Other taxes	3 217	3 696
Other costs	43	350
<b>Total</b>	<b>11 391</b>	<b>49 243</b>

**(3) Selling expenses**

<b>Cost type</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Other selling expenses (marketing)	263	217
<b>Total</b>	<b>263</b>	<b>217</b>

**(4) Administrative expenses**

<b>Cost type</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Personnel costs	5 440	21 794
Representation costs	-	630
Office expenses	186	428
Communication expenses	72	1 511
Bank expenses	49	728
Accounting and legal expenses	10 575	2 121
Other administrative costs	6 597	5 011
<b>Total</b>	<b>22 919</b>	<b>32 223</b>

**(5) Other operating income**

<b>Type on income</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Net income from sale of real estate	126 438	-
Other income	6 626	44 756
<b>Total</b>	<b>133 064</b>	<b>44 756</b>

**(6) Other operating expenses**

<b>Type of income/expense</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Net loss from foreign exchange rate fluctuations	5 667	-
Penalties	9 827	70
Expenditure of previous years	50 000	-
<b>Total</b>	<b>65 494</b>	<b>70</b>

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(7) Interest expense and similar expenses		2020	2019
Type of costs		EUR	EUR
Loan interest paid		9 698	7 098
	<b>Kopā</b>	<b>9 698</b>	<b>7 098</b>

(8) Fixed Assets

	Real estate	Technological equipment	Other fixed assets	Total EUR
<b>Historical cost</b>				
<b>30.09.2019</b>	291 870	1 003 042	42 824	1 337 736
Disposed	(244 518)	(286 565)	(19 581)	(550 664)
<b>Historical cost</b>				
<b>30.09.2020</b>	47 352	716 477	23 243	787 072
<b>Depreciation</b>				
<b>30.09.2019</b>	35 150	920 474	22 536	978 160
Depreciation charge	2 054	-	-	2 054
Disposed	(31 468)	(217 098)	(316)	(248 882)
<b>Depreciation</b>				
<b>30.09.2019.</b>	5 736	703 376	22 220	731 332
<b>Net book value</b>				
<b>30.09.2019</b>	256 720	82 568	20 288	359 576
<b>Net book value</b>				
<b>30.09.2020</b>	41 616	13 101	1 023	55 740

(9) Raw materials		2020	2019
		EUR	EUR
Raw materials		13 916	21 018
Provision for inventory loss		(2 125)	(2 125)
<b>Total</b>		<b>11 791</b>	<b>18 893</b>

(10) Work in progress and finished goods		2020	2019
		EUR	EUR
Work in progress		12 174	16 394
<b>Total</b>		<b>12 174</b>	<b>16 394</b>
Finished goods and in warehouse		102 171	82 118
Provision for decrease in value		(71 852)	(71 852)
<b>Total</b>		<b>30 319</b>	<b>10 266</b>

**AS "VEF Radiotehnika RRR"**  
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<b>(11) Advance payments for goods</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Advance (residents)	234	3 565
Advance (non-residents)	-	8 132
Provision for unsecured debts	-	(10 063)
<b>Total</b>	<b>234</b>	<b>1 634</b>

<b>(12) Trade receivables</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Receivables(non-residents)	-	43 635
Receivables (residents)	65 667	74 293
Provisions for doubtful debtors	-	(4 808)
<b>Total</b>	<b>65 667</b>	<b>113 120</b>

<b>(13) Receivables from related parties</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>Loans (non-current)*</b>	<b>180 232</b>	<b>180 232</b>
Payments for goods	63 108	42 491
<b>Total current receivables:</b>	<b>63 108</b>	<b>42 491</b>
<b>Total</b>	<b>243 340</b>	<b>222 723</b>

\*

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 2019 annual accounts, the Company's net cash flow is negative and its short-term liabilities significantly exceed its current assets.

<b>(14) Other receivables</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Settlements with employees	-	525
Settlement of guarantee amounts	63	2 563
Other debtors	350	22 400
Settlements with management	11 568	13 873
<b>Total</b>	<b>11 981</b>	<b>39 361</b>

<b>(15) Deferred expenses</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Other expenses	349	436
<b>Total</b>	<b>349</b>	<b>436</b>

<b>(16) Cash and cash equivalents</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Cash in bank accounts	1 991	219
<b>Kopā</b>	<b>1 991</b>	<b>219</b>

**AS "VEF Radiotehnika RRR"**  
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**(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.

AS "VEF Radiotehnika RRR" major shareholders are:

Shareholders	Number of shares	Value	
		EUR	
	30.09.2019	30.09.2019	31.12.2018
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
<b>Total:</b>	<b>2 549 084</b>	<b>254 908</b>	<b>254 908</b>

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 Eriks 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)**

	2020	2019
	EUR	EUR
Previous years' accumulated loss	(8 143 )	52 810
Current year's profit/(loss)	34 702	17 960
<b>Total</b>	<b>26 559</b>	<b>70 770</b>

**(19) Long-term investment revaluation reserve**

	2020	2019
	EUR	EUR
<b>Opening balance</b>	<b>160 202</b>	<b>160 202</b>
<b>Disposed</b>	(146 696)	
<b>Closing balance</b>	<b>13 506</b>	<b>160 202</b>

%	Repayment deadline	9	2020	2019
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**(20) Other loans**

	EU R	EUR
Loan from EstateGuru tagatisagent 11,00% 2021.07.06	-	85 000
<b>Total long-term loans</b>	<b>-</b>	<b>85 000</b>



**AS "VEF Radiotehnika RRR"**  
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<b>(21) Advances from customers</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Advances from residents	488	412
<b>Total</b>	<b>488</b>	<b>412</b>

<b>(22) Trade accounts payable</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>Short-term part:</b>		
Trade accounts payable to residents	68 707	67 210
<b>Trade accounts payable total</b>	<b>68 707</b>	<b>67 210</b>

<b>(23) Taxes and social insurance payments</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
<b>Short-term part:</b>		
01.01.2020	96 315	51 389
Changes in the reference year	(96 313)	13 014
30.09.2019	<b>2</b>	<b>64 403</b>
<b>Total</b>	<b>2</b>	<b>64 403</b>

<b>(24) Other creditors</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Salaries	5 610	6 654
Security	1 611	3 320
<b>Total</b>	<b>7 221</b>	<b>9 974</b>

<b>(25) Accrued liabilities</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Current expense	17	589
Provision for unused vacation leave	3 878	10 852
<b>Total</b>	<b>3 895</b>	<b>11 441</b>

	<b>2020</b>	<b>2019</b>
<b>(26) Average number of employees during the year</b>		
Average number of employees during the year	7	8

**AS "VEF Radiotehnika RRR"**  
**Annual accounts for the year ended 30 September 2020**

**(27) Transactions with related parties**

Related party		Sales to related parties	Purchases from related parties	Amounts owed by related parties as at 30 September	Amounts owed to related parties as at 30 September
SIA Imanta Retail Park"	2019	20 691	7 095	222 723	-
	2020	1 263	-	243 340	-
<b>TOTAL</b>	<b>2019</b>	<b>20 691</b>	<b>7 095</b>	<b>222 723</b>	<b>-</b>
<b>TOTAL</b>	<b>2020</b>	<b>1 263</b>	<b>-</b>	<b>243 340</b>	<b>-</b>

**Post balance sheet events**

On November 20, 2020, an extraordinary shareholders' meeting was held, which considered the issue of attracting financial resources from shareholders to pay the debts of JSC "Nasdag Riga". The meeting decided not to attract financial resources from the shareholders with 84.28% of the votes of the present shareholders with the right to vote.

From the last day of the reporting period to the present day there have been no other events that could significantly affect the assessment of the report or that should be further explained in these financial statements.

**Further operation of the Company**

We have carefully evaluated all information available to us, including the impact of the coronavirus crisis on the Company's operations, and believe that the going concern basis of preparation is fully applicable.

Chairman of the Board

Ēriks Ertmanis

Member of the Board/Chief Accountant

Olga Romāņko

30 November, 2020