

Riga, 30th of April, 2021

“LATVIAN BUILDING ENERGY EFFICIENCY FACILITY” JSC

Annual report for year from 01.01.2020 - 31.12.2020
and an Independent Auditors' Report

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Annual Report for the period 01.01.2020 - 31.12.2020 of "LATVIAN BUILDING ENERGY EFFICIENCY FACILITY" JSC

Registration No. 40103960646, Registered office: Noliktavas iela 3 -2, Riga

COMPANY INFORMATION

Name of the Company	"LATVIAN BUILDING ENERGY EFFICIENCY FACILITY" JSC		
Legal status of the Company	Join Stock Company		
Registration No., place and date	40103960646, Rīga, 12.01.2016		
Registered office	Noliktavas iela 3 -2, Rīga, LV-1010		
Major shareholder	Funding for Future B.V. - 100% Reg. No. 853870317 Reg. address: Stetweg 43 b, 1901JD Castricum, The Netherlands		
Member of the Board	Nicolas Stancioff	–	Board member
Members of the Council	Gunta Cekule Fawkes Steven Derrick Jūlija Bistrova	–	Council member – Council member – Council member
Annual report prepared by	Inese Plūme-Rubiķe SIA" Shared Services" Reģ.Nr. 40103749736 Noliktavas iela 3 -2, Rīga	–	outsourced accountant
Reporting year	from 01.01.2020	to	31.12.2020
Previous reporting year	from 01.01.2018	to	31.12.2018
Type of company's activity	Other financial service activities, except insurance and pension funding n.e.c		
NACE classification code	64.99		
Auditors	Grant Thornton Baltic Audit SIA	Certified Auditor	
	Blaumana str. 22 Riga, LV - 1011 License No. 183	Raivis Irbitis Certificate No. 205	

INCOME STATEMENT
(classified per function of expenditure)

	Note	01.01.2020 -	01.01.2019-
	number	31.12.2020	31.12.2019
		EUR	EUR
Gross profit or loss		-	-
Administrative expenses	2	(12 504)	(7 586)
Other operating expenses	3	(1 100)	(1 602)
Other interest and similar income:	4	43 764	45 812
b) from other persons.		<i>43 764</i>	<i>45 812</i>
Interest payments and similar expenses:	5	(10 551)	(11 710)
b) to other persons.		<i>(10 551)</i>	<i>(11 710)</i>
Profit or loss before the corporate income tax		19 609	24 914
Corporate income tax for the reporting year		(50)	(50)
Profit or loss after calculating the corporate income tax		19 559	24 864
Profit or loss of the reporting year		19 559	24 864

Notes on pages 7 to 12 form are integral part of these financial statements.

Nicolas Stancioff
(Board member)

signature

30th of April, 2021

Annual report prepared by:

Inese Plūme-Rubiķe
(outsourced accountant)

signature

BALANCE SHEET

ASSETS	Note number	31.12.2020 EUR	31.12.2019 EUR
Long-term investments			
Long-term financial investments			
Other securities and investments	6	620 628	655 445
Total long-term financial investments		620 628	655 445
Total long-term investments		620 628	655 445
Current assets			
Short-term financial investments			
Other securities and investments	6	34 817	32 631
Total short-term financial investments		34 817	32 631
Cash and cash equivalents		83 535	69 362
Total current assets		118 352	101 993
TOTAL ASSETS		738 980	757 438

BALANCE SHEET

EQUITY AND LIABILITIES	Note number	31.12.2020 EUR	31.12.2019 EUR
Equity			
Share capital	7	452 163	452 163
Retained earnings or uncovered losses of previous years		(69 694)	(94 558)
Profit or loss of the reporting year		19 559	24 864
Total equity capital		402 028	382 469
Creditors			
Long-term liabilities			
Borrowings from credit institutions	8	280 751	320 778
Total long-term liabilities		280 751	320 778
Short-term liabilities			
Borrowings from credit institutions	8	40 107	40 187
Trade payables		3 372	781
Taxes and mandatory state social insurance contributions	9	50	50
Other liabilities	10	8 014	8 014
Accrued liabilities	11	4 658	5 159
Total short-term liabilities		56 201	54 191
Total liabilities		336 952	374 969
TOTAL EQUITY AND LIABILITIES		738 980	757 438

Notes on pages 7 to 12 form are integral part of these financial statements.

Nicolas Stancioff
(Board member)

signature

30th of April, 2021

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(outsourced accountant)

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Receivables

Receivables are recognized according to the amount of initial invoices, less accruals for doubtful debts. Accruals are made if receipt of full amount of the debt is doubtful. Debts are written off if their recovery is considered as impossible.

Cash

Cash is non-cash in payment accounts and deposit accounts. Company doesn't have transactions in cash.

Accrued liabilities

Accrued liabilities are clearly known trade liability sums for the goods or services received within the reporting year when a relevant payment document (an invoice) has failed to be received on the date of drawing up the balance sheet. The liability sums are calculated, based on the price, which is defined in the relevant agreement, and on the documents that approve actual receipt of the goods or services.

Recognition of income

Revenue recognition from the sale of goods is recognised as soon as a significant portion of ownership and risks of goods are transferred to the customer, and the reward can be measured reliably. Revenue from rendering of services is recognised in proportion to the stage of completion of the order. Dividend income is recognised when the shareholder's right to receive payment is established. Interest income is recognised in the corresponding period of time.

Corporate income tax

The corporate income tax for the reporting period consists of the calculated tax for such period. The corporate income tax is recognised in the profit or loss statement. The tax for the reporting period is calculated according to the provisions of the law "Enterprise Income Tax Law".

Corporate income tax is calculated for distributed profit (dividends) and conditionally distributed profit by applying the rate 20%. Corporate income tax is recognized at the moment when the participants of the Company will make a decision on distribution of profit, or when the costs not promoting further development of the Company (conditionally distributed profit) will be recorded.

(2) Administrative expenses

	01.01.2020 - 31.12.2020	01.01.2019- 31.12.2019
	EUR	EUR
Lawyers expenses	5 420	605
Audit expenses	4 658	4 658
Accounting expenses	2 178	2 178
Bank charges	155	133
Other administration costs	93	12
Total	12 504	7 586

(3) Other operating expenses

	01.01.2020 - 31.12.2020	01.01.2019- 31.12.2019
	EUR	EUR
Commission Charge (Nasdaq)	1 100	1 600
Paid fines and penalties	-	2
Total	1 100	1 602

(4) Other interest and similar income:

	01.01.2020 - 31.12.2020	01.01.2019- 31.12.2019
	EUR	EUR
Interest income	43 764	45 812
Total	43 764	45 812

(5) Interest payments and similar expenses:

	01.01.2020 - 31.12.2020	01.01.2019- 31.12.2019
	EUR	EUR
Interest expenses	10 551	11 710
Total	10 551	11 710

(6) Other securities and investments

	31.12.2020	31.12.2019
	EUR	EUR
Opening balance	688 076	718 659
Acquisition in the reporting year (+):	-	-
Repaid in the reporting year (-):	(32 631)	(30 583)
Other securities and investments at the end of the period	655 445	688 076
Including:		
Long-term part to receive after more than 1 years	620 628	655 445
Short-term part to receive in 1 year	34 817	32 631
Total	655 445	688 076

Information long-term financial investments

Long-term financial investments consists of monthly pay amortizing Energy Performance Contracts backed financial instrument. The financial instrument is with monthly amortization, 6.69% interest rate, maturity - 15 years, acquisition value - 726,000.00 EUR.

(7) Share capital

	31.12.2020	31.12.2019
	EUR	EUR
Share capital at the beginning of the year	452 163	395 000
Changes within the reporting year	-	57 163
Share capital at the end of the year	452 163	452 163

On 31 December 2019, the share capital has been fully paid. It consists of 452 163 shares with the nominal value of 1,00 EUR. On September 26, 2019, the share capital was increased by EUR 57,163 by a shareholder of the Company investing a property investment, paying the share capital with a property investment (previously issued loan) and receiving a corresponding number of new shares.

(8) Borrowings from credit institutions

	% rate	Date of payment	31.12.2020 Currency	31.12.2020 EUR	31.12.2019 EUR
Long-term borrowings (from 1 to 5 years)					
A loan from the European Bank for Reconstruction and Development > 1 year	3	01.06.2030	280 751	280 751	320 778
Total	X	X	X	280 751	320 778
Total long-term borrowings	X	X	X	280 751	320 778

	31.12.2020	31.12.2019
	EUR	EUR
Including long-term:		
The loans covered by security — type and form of the security.	280 751	320 778

	% rate	Date of payment	31.12.2020 Currency	31.12.2020 EUR	31.12.2019 EUR
Short-term borrowings					
A loan from the European Bank for Reconstruction and Development	3	31.12.2021	40 107	40 107	40 187
Total	X	X	X	40 107	40 187

The outstanding amounts of loans at the end of the reporting period are shown in the table above. The repayment of the remaining loan amount is determined according to the payment schedule with maturity set in 2030. The loan is priced with a ratio linked interest rate (ceiling 3% p.a.) and 6 month EURIBOR (floor of 0%). The Company has pledged all of its assets current and future as a security for its obligations.

(9) Taxes and mandatory state social insurance contributions

	31.12.2020	31.12.2019
	EUR	EUR
Corporate income tax	50	50
Total	50	50

(10) Other liabilities

	31.12.2020	31.12.2019
	EUR	EUR
Short-term other creditors		
Security and storage money	8 014	8 014
Total short-term other creditors	8 014	8 014

(11) Accrued liabilities

	31.12.2020	31.12.2019
	EUR	EUR
Audit expenses	4 477	4 477
Accounting expenses	181	182
Commission Charge (Nasdaq)	-	500
Total	4 658	5 159

(12) Average number of employees

	01.01.2020 - 31.12.2020	01.01.2019- 31.12.2019
Average number of employees	-	-

(13) Important events after the end of the report year

During the period between the last day of the reporting year and the date of signing this financial statement, there have been no events that would require adjustment or explanation in the financial statement. Current situation with COVID-19 pandemic does not affect the Company.

(14) Going concern

For the reporting year, the Company has incurred a profit of EUR 19 559. Compared to 2019, the company's liquidity has remained stable and the liquidity of the Company will improve year on year as the income from forfeiting and/or transactions with financial instruments will increase faster than the expense of purchasing the same. By forfeiting transactions the Company will buy future receivables stemming from Energy Performance Contracting (EPC contracts) signed between energy efficiency service providers and building owners. Similarly, by investing in financial instruments the Company will buy bonds issued by energy efficiency service providers and backed by EPC contracts. The Company will use the EBRD loan and private capital invested by equity investors to carry out transactions in future.

Nicolas Stancioff
(Board member)

signature

30th of April, 2021

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