

**LIMITED LIABILITY COMPANY**

**“JUNO ESTATE”**

**(Small company)**

**TRANSLATION OF ANNUAL REPORT FOR 2023**

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

**WITH INDEPENDENT AUDITORS' REPORT**

Riga, 2024

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## Balance Sheet

		<b>31.12.2023</b>
		<b>EUR</b>
<b>Current assets</b>		
<b>Inventories</b>		
Ready-made products and goods for sale	3	4,512,051
Advance payments for inventories	4	131,672
<b>Total inventories</b>		<b>4,643,723</b>
<b>Receivables</b>		
Trade receivables	5	345,904
Other receivables	6	3,465
<b>Total receivables</b>		<b>349,369</b>
<b>Cash</b>	7	199,098
<b>Total current assets</b>		<b>5,192,190</b>
<b>Total assets</b>		<b>5,192,190</b>

The accompanying notes on pages 6 to 17 form an integral part of these financial statements.

\_\_\_\_\_  
Gatis Melderis  
Member of the Board

\_\_\_\_\_  
Rūta Lacberga  
Chief Accountant

*Date in the time stamp*

## LIABILITIES

	Note	31.12.2023 EUR
<b>Shareholders' equity</b>		
Share or equity capital	8	2,800
Profit and loss of the reporting year		(93,923)
<b>Total shareholders' equity</b>		<b>(91,123)</b>
<b>Liabilities</b>		
<b>Short-term liabilities</b>		
Other loans	9	2,129,744
Trade payables	10	952,180
Due to related companies	11	2,191,043
Taxes and state social insurance mandatory contributions	12	2,422
Other liabilities	13	3,020
Accrued liabilities	14	4,904
<b>Total short-term liabilities</b>		<b>5,283,313</b>
<b>Total liabilities</b>		<b>5,283,313</b>
<b>Total liabilities</b>		<b>5,192,190</b>

The accompanying notes on pages 6 to 17 form an integral part of these financial statements.

\_\_\_\_\_  
Gatis Melderis  
Member of the Board

\_\_\_\_\_  
Rūta Lacberga  
Chief Accountant

*Date in the time stamp*

**Profit and Loss Statement**  
(according to the costing method)

	<b>Note</b>	<b>2023 EUR</b>
Net turnover		
c) from other types of principal activities	15	1,253,598
Costs of goods sold, purchase costs of goods sold or services provided	16	(1,172,736)
<b>Gross profit and loss</b>		<b>80,862</b>
Administrative costs	17	(24,547)
Other operating income	18	500
Interest and similar expenses:		
a) related parties		(20,600)
b) other persons	19	(130,138)
<b>Profit and loss before Corporate Income Tax</b>		<b>(93,923)</b>
Corporate Income Tax for the reporting year		-
<b>Profit and loss after Corporate Income Tax</b>		<b>(93,923)</b>
<b>Profit and loss of the reporting year</b>		<b>(93,923)</b>

The accompanying notes on pages 6 to 17 form an integral part of these financial statements.

\_\_\_\_\_  
Gatis Melderis  
Member of the Board

\_\_\_\_\_  
Rūta Lacberga  
Chief Accountant

*Date in the time stamp*

## Notes to the financial statements

### General information

Name of the Company	SIA "JUNO ESTATE"	
Legal status	Limited Liability Company	
Registration number,	40203475516	
place and date	Commercial Register Riga, April 6, 2023	
Legal address	15-4 Audēju Street, Riga, LV-1050	
Composition of the Board	Gatis Melderis Helvijs Babris	Member of the Board from April 11, 2024 Member of the Board from April 06, 2023 to April 11, 2024
Annual Report prepared by	Rūta Lacberga	Chief Accountant
Shareholders	AS "Juno"	100%
Type of principal activity	Other financial service activities, except insurance and pension funding n.e.c. (64.99 NACE Rev. 2)  Sales and acquisition of own or leased real estate  (68.10 NACE Rev. 2)	
Reporting year	April 6, 2023–December 31, 2023	
Auditor	Ingrīda Latimira Sworn Auditor LZRA Certificate No. 47	SIA "Latimira un partneri" 27 Vēlavu Street, Riga Latvia, LV-1030 Reg. No. 40103294769 License No. 156 of commercial company of sworn auditors

*Notes to the financial statements (continued)*

**Basis of the preparation**

The financial statements of the Company have been prepared in accordance with the Law on Accounting in force in the Republic of Latvia, Law on the Annual Financial Statements and Consolidated Financial Statements, Cabinet Regulation No. 775 of December 22, 2015 on Regulations for Application of the Law on the Annual Financial Statements and Consolidated Financial Statements.

The financial statements are prepared on a historical cost basis. The currency of the Republic of Latvia, i.e., euro (EUR) has been used in the financial statements. In comparison with the previous reporting year, the methods for accounting and assessment applied by the Company have not been changed.

The Profit and Loss Statement was prepared according to the costing method.

**Accounting principles**

The financial statements were prepared in accordance with the following policies:

- a) Going concern assumption that the Company will continue as a going concern;
- b) Consistent valuation principles with those used in the prior year;
- c) Items were valued in accordance with the principle of prudence:
  - The financial statements reflect only the profit generated to the date of the balance sheet;
  - All incurred liabilities and current or prior year loss have been taken into consideration even if identified within the period after the date of the balance sheet and preparation of the financial statements;
  - All amounts of impairment and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit;
- d) Income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses were matched with revenue for the reporting period;
- e) Assets and liabilities have been valued separately;
- f) The opening balances of the reporting year does not agree with the prior year closing balance due to changes in balances due to corrections of errors, see explanatory information in Note 25 "Notes on adjustments of numbers of previous Annual Report".
- g) All material items, which would influence the decision-making process of users of the financial statements, have been recognized and insignificant items have been combined and their details disclosed in the notes;
- h) Business transactions have been reflected in the annual financial statement, taking into account their economic content and nature, not only the legal form;
- i) The items of the Balance Sheet or Profit and Loss Statement are evaluated in line with the acquisition costs or production costs. Purchase costs include the purchase price of a product or service (less the applied discounts) and additional costs related to the purchase. The production costs are made up of the purchase costs of raw materials, direct materials and auxiliary materials and other expenses directly related to the production of the respective object. The production costs can include parts of such expenses that are related indirectly to the production of the respective object, unless these expenses are applicable to the same period.

**Reporting period**

The financial statement covers the period from **April 6, 2023 to December 31, 2023**.

**Use of estimates**

When preparing the financial statements, the management must use certain estimates and assumptions as the basis that influence item balances reflected in the Balance Sheet and Profit and Loss Statement of separate statements, as well as the amount of contingent liabilities. Future events may impact assumptions that were used as the basis for estimates. Any impact from changes in the estimates is reflected in the financial statements as determined.

### **Going concern**

The Company's result for the year is a loss of EUR 93,922 and Shareholders' equity is negative.

Sanctions (restrictive measures on activities undermining or threatening the territorial integrity, sovereignty, and independence of Ukraine) do not impact the Company's ability to continue as a going concern.

The management forecasts that the Company will not have liquidity problems and it will be able to cover liabilities with the rest creditors in due time. The management forecasts that the Company will not have liquidity problems and it will be able to cover liabilities with the rest creditors in due time.

### **Contingent liabilities and assets**

Contingent liabilities have been recognized in these financial statements. As the contingent liabilities are recognized as liabilities only when there is reasonable likelihood that an outflow of funds will be required. Contingent assets are recognized in these financial statements to the extent that when there is reasonable likelihood that the Company will receive an inflow of funds.

### **Currency unit and revaluation of foreign currency**

The functional currency and the currency used in the financial statement of the Company is the monetary unit of the Republic of Latvia euro. All foreign currency transactions are translated into euro according to the official exchange rate of the European Central Bank for the relevant currency against euro, which is in force at the beginning of the day of economic transaction. Monetary assets and liabilities in foreign currencies are translated into euro according to the used foreign exchange rate in force at the end of the last day of the reporting year.

Differences arising on payments in currencies or disclosures of assets and liabilities using exchange rates other than those used for initial booking of transactions are recognized in the Profit and Loss Statement at net amount.

	31.12.2023	31.12.2022
USD	1.10500	1.06660

### **Long-term and short-term classification**

Amounts whose terms of receipt or payment are due more than one year after the balance sheet date are classified as long term. Amounts to be received, paid or written off within one year of the balance sheet date are classified as short term.

### **Related party transactions**

Related parties are shareholders of the Company, members of the Board (officials of senior management of the Company) and companies that control the Company and have significant influence over the Company through operational decisions, and close family members of the aforementioned individuals, as well as companies controlled by or having significant influence over them.

Related parties include companies where the Company has significant influence or control.

### **Affiliated companies**

An affiliated 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 the respective company). The parent company controls the financial and business policies of the subsidiary. The company recognizes revenue from an investment only if it receives a distribution of the profits arising after the acquisition date from an affiliated company. Distributions in excess of this profit are treated as a recovery of investment and are presented as a decrease in the purchase costs of investment in the equity of the affiliated company.

### **Intangible assets and fixed assets**

All intangible assets and fixed assets are initially recognized at cost.

Fixed assets are purchased assets whose value exceeds EUR 300. Purchased assets the value of which is less than EUR 300 are accounted as low value inventory.

The acquisition value of the fixed assets includes purchase price, import duty, and non-deductible purchase taxes, other expenses directly related to the purchase to bring the asset to its location and prepare it for operations in line with the planned use.

Rights obtained in return for compensation are represented as "Concessions, patents, licenses, trademarks, and similar rights".

Intangible assets and fixed assets are recognized at carrying amount, less depreciation. Depreciation of fixed assets and intangible assets is calculated on straight-line basis over the useful lives of the respective fixed assets and intangible assets to write off the

value of the intangible asset and fixed asset up to its estimated residual value at the end of its useful life, applying the following rates provided by the management:

<u>Intangible assets:</u>		
Data storage equipment	35.00	%

  

<u>Fixed assets:</u>		
Immovable property	5.00	%
Cars	20.00	%
Other fixed assets and equipment	20.00	%

Depreciation is calculated as of the first day of the month following the month when the intangible asset or fixed asset can be used for its intended purpose. Land is not subject to calculation of depreciation. Depreciation should be calculated separately for each fixed asset component the cost of which is material in comparison with the total cost of respective fixed asset. If certain components of a fixed asset item are depreciated on an individual basis, other components of that same fixed asset item are also depreciated on an individual basis. The remainder represents components that are not material individually. Depreciation of the remaining components is calculated using approximation methods to make proper disclosures of the useful life.

Should any events or changes in circumstances indicate that the carrying amount of fixed assets is no longer recoverable the respective fixed assets are reviewed for impairment. In the presence of non-recoverability indications and when the book value of an asset exceeds its recoverable amount, the asset or the cash-generating unit is written down to its recoverable amount. The recoverable amount of property and equipment is the greater of net sales value and value in use.

Revenues and losses on disposals of fixed assets are presented in the profit and loss statement as incurred.

Repairs and renewals extending the useful life of fixed assets or increasing their value are depreciated over their useful economic life. Other repairs and renewals are recognized directly in the expenses of the reporting period.

If an investment is made in a leased asset (for example, reconstruction, improvement, or restoration), such costs are recognized under the Balance Sheet item "Long-Term Investments in Leased Fixed Assets" and depreciated over the lease term.

### **Inventories**

Inventories are stated at the lower of cost or net realizable value based on the periodic stock accounting method.

Expenses incurred to deliver inventories to their current location and condition are recognized in the following way:

- Materials and purchased goods are accounted for at cost applying the first-in, first-out (FIFO) method;
- Biological assets (stocks, wood felling site) and immovable property are carried at cost. Net realizable value represents the estimated sales price in the ordinary course of business less estimated cost to complete and sell the goods. Net realizable value is reflected as cost less allowances.

### **Receivables**

Receivables are recognized at initial amounts invoices, less doubtful debt allowances. Doubtful debt allowances are estimated when the recovery of the full amount is doubtful. Receivables are written off when their recoverability is considered impossible.

Indications that receivables are non-recoverable include the following:

- A debt is in arrears after repeated reminders the debtor still does not pay the debt or the debtor questions the Company's right to collect the debt;
- The debtor's poor financial situation and negative performance or other circumstances that indicate the debtor's inability to pay the full amount of the debt (the debtor is known to be the subject of bankruptcy proceedings), etc.

### **Trade receivables**

The Company presents trade receivables at net amount, less doubtful debt allowances.

### **Other receivables**

The item "Other receivables" includes receivables that cannot be presented under other items, including overpaid taxes, balances of liabilities.

### **Deferred expense and income**

The payments that have been made before the balance sheet date but refer to next years are presented under item "Deferred expenses".

Payments received before the balance sheet date but were related to next year or years are presented as deferred income.

### **Cash**

Cash and its equivalents include non-cash in payment accounts.

### **Share capital**

The item "Share capital" presents the size of the shares according to the size registered with the Commercial Register.

### **Trade payables**

Trade payables are disclosed by the Company in accordance with supporting documents and are agreed with the creditor.

### **Loans and borrowings**

Loans and borrowings are initially disclosed at cost which is calculated as the fair value of loans and borrowings plus or minus costs connected with issuing or receiving the loan.

### **Lease**

Finance lease transactions under which the Company assumes substantially all the risks and rewards of ownership of the lease object are recognized in the balance sheet as fixed assets at an amount that represents the fair value of the leased object at inception or at the present value of the minimum lease payments if the fair value is lower. Finance lease payments are allocated between financial expenses and reduction of liabilities in order to ensure consistent interest rate on the balance of liabilities in each period. Financial expenses are disclosed in the profit and loss statement as interest expenses.

When there is reason to believe that at the end of the lease term the object will become the property of the lessee the useful life of the asset is set as the expected period of use. In all other cases depreciation of capitalized leased assets is calculated on a straight line basis over the short of the estimated period of use or period of lease.

Lease of assets under which substantially all the risks and rewards of ownership the lease object are assumed by the lessor is classified as operating lease. Payments under operating lease are treated as expenses over the entire period of lease on a straight line basis. The Company's liabilities arising from the operating lease transactions are disclosed as contingent liabilities.

### **Accrued income**

Accrued income includes certain settlement amounts with clients and suppliers for the supply of goods or provision of services within the reporting year are presented in the balance sheet "Accrued income", in relation to which, according to the conditions of the contract on the balance sheet date, the term for submission of the supporting document (invoice) to be paid has not yet arrived.

### **Accrued liabilities**

Accrued liabilities specify clearly known amounts of liabilities towards suppliers and contractors for the goods or services received in the reporting year, for which respective document supporting the payment (invoice) has not been received as at the Balance Sheet date due to supply, purchase or contractual provisions, or other reasons.

### **Accrued liabilities for unused vacations**

Provisions for unused vacations calculated by multiplying the average employee's daily salary during the last six months of the reporting year and the number of accrued vacation days at the end of the reporting year.

### **Advance payments received from buyers**

An advance payment received from a buyer is a payment made by the buyer to the seller in accordance with the contract until the goods or services are received.

### **Other liabilities**

Under the item "Other liabilities", the Company has included creditors that cannot be reported under other items, including credit balances of receivables.

### **Dividends**

Dividend claims and liabilities are recognized when the members' or shareholders' right to receive dividends arises, i.e., only when a resolution of the shareholders' meeting has been passed to determine the share of the profits to be distributed as dividends and the amount of the dividend has been determined and calculated.

### **Taxes and state social insurance mandatory contributions**

The Company shall coordinate tax information with the tax administration. The Company presents only tax debts under the accounts payable, with any overpayments included in other receivables.

### **Revenue recognition**

Revenue is recognized based on the likelihood of gaining economic benefit and to the extent it is reasonably measurable, less value added tax and discounts on sales. Revenue is recognized based on the following conditions:

#### ***Sales of goods***

Revenue from sales of goods is recognized if the following conditions have been complied with:

- 1) The Company has transferred inherent risks and rewards incidental to ownership of the goods to the buyer;
- 2) The Company does not retain further management rights related to ownership rights and actual control over the goods;
- 3) It is likely that the benefits related to the transaction would flow into the Company;
- 4) Costs incurred or future costs in relation to the transaction can be estimated reliably.

The Company presents sales of goods by reference to the economic nature of the transaction, rather than just the legal form.

#### ***Provision of services***

Income from services is recognized in the period when the services are provided.

Income from services and related expenses are recognized with reference to the degree of completion of the transaction at the reporting date.

If the outcome of the services transaction cannot be reasonably assessed income is recognized to the extent that the expenses recognized can be recovered.

#### ***Other income***

Other income includes income, which is not included in net turnover, has occurred as a result of economic activity, or related to it, or directly arising from it. Other income is recognized as follows:

- Income from penalties and delayed fees, when received;
- Income from sale of fixed assets — at net value, profit and loss from the sale of long-term investments is calculated as a difference between the book value of the fixed asset and the income gained from its sale, and is included in the profit and loss statement in the period, when they occurred;
- Income from exchange rate fluctuations — at net value, profit and loss from exchange rate fluctuations is calculated as a difference between revenues from exchange rate fluctuations and losses from exchange rate fluctuations, and is included in the profit and loss statement in the period, when they occurred;
- Interest income from credit institutions registered in the Republic of Latvia for balances of current accounts — upon receipt;
- Income from dividends — when legitimate rights to their receipt start to apply;
- Other income, when it occurred.

### **Principles of expense recognition**

Costs in the Profit and Loss Statement are specified on an accrual basis taking into consideration the moment of occurrence thereof, and not the moment of spending. Expenses related to the reporting year are recognized irrespective of the date of payment or invoice. Costs are reconciled with the revenue in the respective reporting periods.

### **Corporate Income Tax**

Corporate Income Tax comprises current tax calculated for the reporting year. Corporate Income Tax is recognized in the Profit and Loss Statement. The tax for the reporting period has been calculated in accordance with the requirements of the Corporate Income Tax Law, determining the taxable base by dividing the value of taxable objects by a factor of 0.8 and applying the statutory rate of 20%.

**Subsequent events**

Financial statements reflect events that occurred subsequent to the year end and that provide additional information on the Company's financial position at the Balance Sheet date (adjusting events). If subsequent events do not have an adjusting nature, they are disclosed in the notes to the financial statements only if they are significant.

**1. Average number of employees**

	2023
Other personnel	3
<b>Total</b>	<b>3</b>

**2. Personnel**

	2023
	EUR
Remuneration	28,214
State social insurance mandatory contributions	6,656
<b>Total</b>	<b>34,870</b>

**3. Ready-made products and goods for sale**

	31.12.2023
	EUR
Wood felling sites for sale	2,713,220
Immovable property acquired for sale	1,798,831
<b>Total</b>	<b>4,512,051</b>

**4. Advance payments for inventories**

	31.12.2023
	EUR
Advance payments for immovable property	131,672
<b>Total</b>	<b>131,672</b>

**5. Trade receivables**

	31.12.2023
	EUR
Carrying amount of customers	345,904
<b>Total</b>	<b>345,904</b>

**6. Other receivables**

	31.12.2023
	EUR
Overpayment of Value Added Tax	252
Advance payments for services	3,213
<b>Total</b>	<b>3,465</b>

## 7. Cash

	31.12.2023
	EUR
Cash on current accounts	199,098
<b>Total</b>	<b>199,099</b>

## 8. Share capital

The Company's registered and fully paid-up share capital of EUR 2,800 as at December 31, 2023 consists of 2,800 shares with the nominal value of EUR 1 per share.

Type of shares or parts	Quantity	Nominal value	Book value (if nominal value has not been determined).
Ordinary	2,800	1	-

## 9. Other loans (short-term)

	31.12.2023
	EUR
Loans from legal entities	2,129,744
<b>Total</b>	<b>2,129,744</b>

## 10. Trade payables

	31.12.2023
	EUR
Due for goods and services from Latvian partners	952,180
<b>Total</b>	<b>952,180</b>

## 11. Due to related companies

	31.12.2023
	EUR
Loan from the parent company	600,000
Due for goods and services to the parent company	1,591,043
<b>Total</b>	<b>2,191,043</b>

## 12. Taxes and state social insurance mandatory contributions

	31.12.2023
	EUR
State social insurance mandatory contributions	1,501
Personal Income Tax	920
Business risk state duty	1
<b>Total</b>	<b>2,422</b>

### 13. Other liabilities

	31.12.2023
	EUR
Remuneration	3,020
<b>Total</b>	<b>3,020</b>

### 14. Accrued liabilities

	31.12.2023
	EUR
Accrued liabilities for expenses for unused vacations	1,121
Accrued liabilities for suppliers, and services	3,783
<b>Total</b>	<b>4,904</b>

### Notes to the Profit and Loss Statement

### 15. Net turnover

	2023
	EUR
<i>By type of operating activity</i>	
Income from disposal of immovable property	809,333
Income from sales of wood felling sites	440,500
Other income	3,765
<b>Total</b>	<b>1,253,598</b>

### 16. Costs of goods sold, purchase costs of goods sold or services provided

	2023
	EUR
Cost of materials	1,064,418
Cost of purchased services	16,863
Salaries	28,214
State social insurance mandatory contributions	6,656
Accrued liabilities for unused vacations	1,121
State duties on immovable property	38,691
Legal services	16,522
Real Estate Tax on buildings and land	240
Other expenses	11
<b>Total</b>	<b>1,172,736</b>

### 17. Administrative costs

	2023
	EUR
Banking services	4,845
Office maintenance	4,241
Other administrative expenses	15,461
<b>Total</b>	<b>24,547</b>

## 18. Other operating income

	2023
	EUR
Fines and contractual penalties received	500
<b>Total</b>	<b>500</b>

## 19. Interest and similar expenses

	2023
	EUR
a) related parties	20,600
b) other persons	130,138
<b>Total</b>	<b>150,738</b>

## 20. Financial risk management

The Company is working with such financial instruments as loans from legal entities, trade receivables, and other receivables; trade and other payables, and other liabilities that arise directly from the Company's operating activity.

### *Financial risks*

The key financial risks related to the Company's financial instruments are: currency risk, liquidity risk and credit risk.

### *Currency risk*

The Company's monetary assets and liabilities exposed to the foreign currency risk include cash, and trade payables. The Company is mainly exposed to foreign currency risk due to the euro currency.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations fully and in a timely manner. Liquidity risk arises when the repayment term of financial assets and liabilities does not match. The objective of the Company's liquidity risk management is to maintain adequate amount of cash and cash equivalents and to ensure adequate funding to enable the Company to meet its obligations within the provided term. The Company regularly assesses the maturity profile of its financial assets and liabilities and the stability of its funding sources of long-term investments. The management of the Company believes sufficient resources will be available to maintain the Company's liquidity position. As at December 31, 2023, the Company's liquidity coefficient is 0.98.

### *Credit risk*

The Company is exposed to credit risk in relation to its trade receivables and cash. The Company controls the credit risk by regular assessment of customer debt history and individual lending terms for each customer. The Company does not have any significant credit exposures in relation to a single business partner or a group of business partners.

## 21. Information on contingent liabilities and pledged assets

The Company has no unrecognized rights and liabilities. There are no material events not included in the Balance Sheet or Profit and Loss Statement. All existing liabilities are accounted in the books and explained in the financial statements.

The Company has not issued any guarantees to natural persons or legal entities.

## 22. Subsequent events

No significant subsequent events have occurred in the period from the year-end to the date of these financial statements that would require adjustments to be made to these financial statements and additional information to be disclosed.

**The Board and Chief accountant have prepared and signed the Annual Report for 2023 of the Company.**

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Gatis Melderis  
Member of the Board

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Rūta Lacberga  
Chief Accountant

## Management Report

### Company's activities during the reporting period

During the reporting year, the Company's main income was from the sale of forest properties, purchase and sales of wood felling sites.

The Annual Report gives a true and fair view of the Company's assets, liabilities and the results of its operations for the reporting year in accordance with the Law on the Annual Financial Statements and Consolidated Financial Statements.

The Company has a good current assets circulation. The financial management of the Company is carried out by the Member of the Board, and the accounting is performed by the Company's Chief Accountant. The accounting and financial management of the Company is carried out with the accounting software Microsoft Dynamics NAV.

### Company's financial results and position

In 2023, the income from sales of SIA "Juno Estate" amounted to EUR 1,253,598.

The Company's financial result of 2023 is a loss of EUR 93,923. The Company's financial statement analysis indicators provide a general overview of the current financial position.

*Financial results:*

#### Liquidity (solvency, i.e., ability to settle current liabilities in time and completely):

		<b>2023</b>
Total liquidity ratio		
(recommended margin of the ratio 1–2).	Current assets / current liabilities	0.98
Liquidity coverage ratio		
(recommended margin of the ratio 0.7–0.8).	(Cash + Receivables) / Current liabilities	0.10

#### Profitability (Company's ability to generate profit):

Gross profit index	(Turnover – Cost of goods sold) / Turnover (%)	6.45%
Net profit index	Net profit / Turnover (%)	7.49%

#### Ratio of equity coverage

Current assets coverage with short-term liabilities	Current liabilities / Current assets	1.02
Net working capital (EUR)	Current assets – current liabilities	(91,122)

#### Liability or solvency indexes (Company's ability to cover short-term and long-term liabilities):

Proportion of liabilities in the Balance Sheet	Total liabilities / Balance Sheet total	1.02
Liability to equity ratio	Total liabilities / Shareholders' equity	(57.98)

### Impact of the Russia–Ukraine conflict on the Company's operations and results

The Company's customer portfolio did not include any suppliers or customers from sanctioned entities and accordingly there was no direct adverse impact on the Company's operations and operating results. The implementation of sanctions had an indirect impact on the sector as a whole.

**Further development and future perspective of the Company**

The Company continues working on attracting new customers and improving its services.

**Research and development activities**

Measures are taken in all possible information resources to offer customers improved services and tools. Investments are also made in technology solutions aimed at automating processes and improving public monitoring.

**Company's share capital**

The Company's share capital of EUR 2,800 consists of the shareholders' cash contributions, consisting of 2,800 shares with the nominal value of EUR 1.00 per share. Share capital is fully paid-up.

**Subsequent events**

No significant subsequent events have occurred in the period from the year-end to the date of these financial statements that would require adjustments to be made to these financial statements and additional information to be disclosed.

**Distribution of the Company's profit or cover of losses recommended by the Board**

The Board recommends covering the loss of the reporting year in the amount of EUR 93,923 by the profit of the following year.

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Gatis Melderis  
Member of the Board

THE SIGNATURE OF THE MEMBER OF THE BOARD APPLIES TO THE MANAGEMENT REPORT FROM PAGE 18 TO 19, AND THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 3 TO 20.

THE ELECTRONIC SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTING APPLIES TO THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 3 TO 17.

## **Independent Auditors' Report**

### **To the shareholders of SIA "JUNO ESTATE"**

#### *Our opinion on the financial statements*

We have conducted audit of the financial statements, from page 3 to 17, attached to the Annual Report of SIA "JUNO ESTATE" ("Company"). The attached financial statements include:

- Balance Sheet as at December 31, 2023;
- Profit and Loss Statement for the year ended December 31, 2023;
- Notes to the financial statements including a summary of significant accounting principles and other explanatory information.

In our opinion, the attached financial statements provide a true and fair view on the financial position of SIA "JUNO ESTATE" as at December 31, 2023 and the financial performance and cash flow of the year ending on December 31, 2023 in accordance with the Law On the Annual Financial Statements and Consolidated Financial Statements of the Republic of Latvia ("Law on the Annual Financial Statements and Consolidated Financial Statements").

#### *Background to the opinion*

According to the Law on Audit Services of the Republic of Latvia ("Law on Audit Services"), we conducted audit in accordance with the International Standards on Auditing (hereinafter — ISA) recognized in the Republic of Latvia. Our duties laid down in these standards have been further described in our report's chapter *Responsibility of the Auditor for the Audit of Financial Statements*.

We are independent of the Company in accordance with the requirements of the Code of Ethics for Professional Accountants (including the International Standard of Independence) developed by the International Ethics Standards Board for Accountants ("IESBA Code") and the independence requirements included in the Law on Audit Services of the Republic of Latvia applicable to the audit of financial statements conducted by us in the Republic of Latvia. We have followed the International Code of Ethics for Professional Accountants (including the International Standard of Independence) and the other principles of professional ethics laid down in the Law on Audit Services.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Reporting on other information*

Other information is the responsibility of the Company's management. Other information consists of:

[?] The management report provided from page 18 to 19 of the attached Annual Report.

Our opinion on the financial statements does not apply to this other information included in the Annual Report, and we do not provide any kind of certification thereon, except as specified in our report's chapter *Other reporting requirements in accordance with the requirements laid down in the laws of the Republic of Latvia*.

In relation to the audit of the financial statements our duty is to familiarize ourselves with other information and, when doing so, assess, whether such other information is significantly different from the information on the financial statements or our knowledge acquired during the course of the audit and whether it contains significant discrepancies of other kind.

If, on the basis of the performed work and taking into account the knowledge and understanding on the Company and the operational environment thereof acquired during the course of the audit, we come to conclusion that other information contains significant discrepancies, our duty is to report thereon. No reportable circumstances have come to our attention.

*Other reporting requirements in accordance with the requirements of the laws of the Republic of Latvia*

Furthermore, in accordance with the Law on Audit Services, our duty is to provide opinion on whether the management report has been prepared in accordance with the requirements of the regulatory enactment governing the preparation thereof and the Law on the Annual Financial Statements and Consolidated Financial Statements.

On the basis of the procedures carried out within the framework of our audit solely, in our opinion:

- Information provided in the management report for the reporting year that the financial statements have been prepared for corresponds to the financial statements; and
- The management report has been prepared in accordance with the requirements laid down in the Law on the Annual Financial Statements and Consolidated Financial Statements.

*Responsibility of the management and the persons, who have been entrusted supervision of the Company, for the financial statements*

The management is responsible for the preparation of such financial statements that provide a true and fair view in accordance with the Law on the Annual Financial Statements and Consolidated Financial Statements, as well as for the maintenance of such internal control as management deems necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

During the preparation of the financial statements, the management is obliged to assess the Company's ability to continue its activity, as necessary, providing information on the circumstances related to the Company's ability to continue its activity and application of the going concern, unless the management is planning the Company's liquidation or winding-up, or it has other real alternative than the Company's liquidation or winding-up.

Persons, who have been entrusted administration of the Company, are responsible for the supervision of the preparation process of the Company's financial statements.

*Auditor's responsibility for the audit of the financial statements*

Our goal is to acquire sufficient assurance that the financial statements in general do not contain any errors or significant discrepancies due to fraud, and to provide auditors' report containing the opinion. Sufficient assurance is assurance of high level; however it does not guarantee definite detection of significant discrepancy, if any exists, during the audit conducted in accordance with the ISA. Discrepancies may be caused due to fraud or mistake, and they should be considered as significant, if it may be justifiably considered that such discrepancies, separately or all together, might affect economic decisions adopted by the users on the basis of these financial statements..

During the audit conducted in accordance with the ISA, we make professional judgments and maintain professional skepticism. Besides, we:

- Identify and assess the risks that the financial statements may contain significant discrepancies due to fraud or mistake, develop and carry out audit procedures for the mitigation of such risks, as well as obtain audit evidence providing sufficient and appropriate justification for our opinion. Risk of non-detection of significant discrepancies caused by fraud is higher than the risk of non-detection of discrepancies due to mistake, since fraud may contain secret agreements, forgery of documents, intentional concealment of information, wrongful reflection of information or violations of internal control;

- Acquire understanding on the internal control, which is significant for the carrying out of audit to develop audit procedures appropriate to the particular circumstances, but not for the provision of opinion on the efficiency of the Company's internal control;
- Assess conformity of the applied accounting policies and justification of accounting estimates and the respective information presented by the management;
- Make conclusion on conformity of the going concern assumption applied by the management and, on the basis of the acquired audit evidence, on whether there is a significant uncertainty in relation to events or circumstances, which may cast significant doubt on the Company's ability to continue its activity. If we conclude there is significant uncertainty, the auditors' report pays attention to the information provided in the financial statements on such circumstances, or, if such information has not been provided, we provide modified opinion. Our conclusions are based on audit evidence obtained before the date of the Auditors' Report. However, the Company may suspend its activity under the influence of future events or circumstances;
- Assess general structure and content of the financial statements, including the information revealed in the Annex and whether the financial statements presents a true view of the transactions and events it has been based on.

We contact the persons, who have been entrusted supervision of the Company, and provide, inter alia, information on the planned volume and duration of the audit, as well as on important audit observations, including significant deficiencies of internal control we have identified during the audit.

Riga, July 9, 2024

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Ingrīda Latimira, Member of the Board, Sworn Auditor,  
Certificate No. 47