

SIA RĪGAS ŪDENS 2020 ANNUAL ACCOUNTS



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Extract of 2020 ANNUAL ACCOUNTS

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**SIA RĪGAS ŪDENS 2020 ANNUAL ACCOUNTS
SEPARATE FINANCIAL STATEMENTS**

Separate comprehensive income statement for 2020

		2020 EUR	2019 EUR
Income	(1)	55 656 154	58 259 250
Expenses to achieve income		(46 168 014)	(49 036 537)
Gross profit		9 488 140	9 222 713
Sales costs		(1 993 490)	(1 856 616)
Administrative costs		(3 924 765)	(3 801 675)
Other operating income		5 265 566	6 024 025
Other operating expenses		(420 259)	(872 041)
Financial income		12 224	23 016
Financial costs		(329 625)	(292 872)
Profit for the reporting year		8 097 791	8 446 550

Dagnija Kalniņa
Board chairman

Krišjānis Krūmiņš
Board member

Normunds Zvaunis
Board member

Sandijs Māliņš
Head of Finance Department

Rīga, 30 April 2021

**SIA RĪGAS ŪDENS 2020 ANNUAL ACCOUNTS
 SEPARATE FINANCIAL STATEMENTS**

Separate statement on the financial standing at 31 December 2020

	31.12.2020.	31.12.2019.
Asset	EUR	EUR
Non-current assets		
Intangible investments:		
Concessions, licenses and similar rights	969 359	677 678
Total intangible investments:	969 359	677 678
Fixed assets:		
Fixed assets:		
land plots, buildings and engineering structures	250 291 008	254 413 510
Use right assets	800 456	328 260
Equipment	8 378 921	8 261 443
Other fixed assets	4 730 812	5 520 513
Fixed asset under construction	4 508 961	5 807 148
Advance payments for fixed assets	5 139 417	1 140 981
Total fixed asset:	273 849 575	275 471 855
Other long-term investment:		
Investment into related company's share capital	-	-
Other loans and other long-term debtors	-	90 303
Total long-term investment::	-	90 303
Total non-current assets:	274 818 934	276 239 836
Current assets		
Stock:		
Raw materials	1 746 062	2 224 797
Stock for sale	260 093	4 600
Total stock:	2 006 155	2 229 397
Account receivable:		
Receivables from contracts with clients	6 172 958	6 411 955
Other receivables	299 726	809 533
Deferred expenses	250 119	281 643
Total Account receivable:	6 722 803	7 503 131
Cash:	18 318 728	15 300 798
Total current assets:	27 047 686	25 033 326
Total assets	301 866 620	301 273 162

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 SEPARATE FINANCIAL STATEMENTS**

Separate statement on the financial standing at 31 December 2020

		31.12.2020. EUR	31.12.2019. EUR
<u>Liabilities</u>			
Equity:			
Share capital (fixed capital)		127 586 633	127 578 573
Profit retained in previous years		30 651 310	22 204 760
Profit for the reporting year		8 097 791	8 446 550
Total equity:		166 335 734	158 229 883
Accruals		1 284 614	1 466 902
Payables:			
Long-term payables:			
Loans from credit institutions	(2)	29 527 778	34 472 223
Advance payments received		2 979 818	-
Trade payables		249 884	496 185
Deferred income	(3)	83 408 190	84 239 858
Dividends unpaid		-	-
Total long-term payables:		116 165 670	119 208 266
Short-term payables:			
Loans from credit institutions	(2)	4 944 444	4 944 444
Advance payments from customers		897 555	3 291 442
Trade payables		2 152 587	2 211 803
Taxes and state social security contributions		1 487 771	1 780 958
Other payables		665 152	633 868
Deferred income		3 433 720	3 381 065
Dividends unpaid		-	300 000
Accrued liabilities		4 499 373	5 824 531
Total short-term payables:		18 080 602	22 368 111
Total creditors:		135 530 886	143 043 279
<u>Total liabilities</u>		301 866 620	301 273 162

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**SIA RĪGAS ŪDENS 2020 ANNUAL ACCOUNTS
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Separate statement on changes in equity for 2020

	Share capital	Retained profit	Equity
	EUR	EUR	EUR
31.12.2018	127 578 573	22 204 760	149 783 333
Profit for the reporting year	-	8 446 550	8 446 550
31.12.2019	127 578 573	30 651 310	158 229 883
Increase in share capital	8 060	-	8 060
Profit for the reporting year	-	8 097 791	8 097 791
31.12.2020	127 586 633	38 749 101	166 335 734

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SIA RĪGAS ŪDENS 2020. GADA PĀRSKATS FINANŠU PĀRSKATS

Finanšu pārskata pielikums

	2020 EUR	2019 EUR
I. Cash flow from main business		
Profit before enterprise income tax	8 097 791	8 446 550
Adjustments:		
a) Fixed asset depreciation and fixed assets exclusion result	14 602 568	14 401 317
b) Depreciation of intangible investments	146 049	142 287
c) Result on the exclusion of short-term investments	8 000	176 401
d) changes in accruals	(182 288)	(464 229)
e) other interest income and similar income	(12 224)	(23 016)
f) interest payments and similar costs	308 878	246 625
Profit before adjustments for the effects of changes in the balances of short-term assets and liabilities	22 968 774	22 925 935
Adjustments:		
a) increase or reduction of the balance values of account receivables	690 027	(648 216)
b) increase or reduction of the balance values of stock	481 426	206 922
c) increase or reduction of the balance values of trade and other payables	(5 090 354)	(1 757 919)
Gross cash flow from main business	19 049 873	20 726 722
Interest payment costs	(310 757)	(240 300)
Enterprise income tax payments expenses	-	(4 215)
Net cash flow from main business	18 739 116	20 482 207
II. Cash flow from investment activities		
Purchase of shares in a subsidiary	(8 000)	-
Acquisition of fixed assets and intangible assets	(13 763 335)	(17 936 862)
Income from the sale of fixed assets and intangible investments	121 947	175 987
Received interest	12 224	23 016
Income from the repayment of loans	180 604	239 959
Net cash flow from investment activities	(13 456 560)	(17 497 900)
III. Cash flow from financing activity		
Financing received	-	24 991 501
Cohesion Fund co-financing received or other grant	2 979 818	-
Loan repayment	(4 944 444)	(15 253 440)
Dividends paid	(300 000)	(1 100 000)
Net cash flow from financing activity	(2 264 626)	8 638 061
V. Net cash flow for the reporting year	3 017 930	11 622 368
VI. Cash and its equivalent balance at the beginning of the reporting year	15 300 798	3 678 430
VII. Cash and its equivalent balance at the end of the reporting year	18 318 728	15 300 798

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**SIA RĪGAS ŪDENS 2020 ANNUAL ACCOUNTS
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Separate statement on the financial standing at 31 December 2020

Annexes

(1) Neto apgrozījums

	2020 EUR	2019 EUR
Income from water supply services	27 123 622	28 610 673
Income from sewer services	26 925 220	28 160 051
Income from sewer services	221 848	84 338
Other income from contracts with clients	1 385 464	1 404 188
	<u>55 656 154</u>	<u>58 259 250</u>

All of the Company's income from contracts with clients is generated in Latvia.
 Income from construction services consists of income from from the construction of water main lines and sewer branch lines in areas of Riga where water management infrastructure had been constructed with the co-financing of the Cohesion Fund.

(2) Loans from credit institutions

	31.12.2020. EUR	31.12.2019. EUR
Loan from Swedbank AS with a repayment period of 2–5 years *	10 416 666	12 916 667
Loan from OP Corporate Bank Plc branch in Latvia with repayment period 2–5 years **	19 111 112	21 555 556
Long-term part	<u>29 527 778</u>	<u>34 472 223</u>
Loan from Swedbank AS — short-term part *	2 500 000	2 500 000
OP Corporate Bank Plc branch in Latvia **	2 444 444	2 444 444
Short-term part	<u>4 944 444</u>	<u>4 944 444</u>
	<u>34 472 222</u>	<u>39 416 667</u>

*On 27 February 2015, a loan agreement was signed with Swedbank AS for a loan of EUR 25,000,000, to finance investments. According to the agreement, the loan is repayable in equal monthly instalments of EUR 2,500,000 every year, with the remaining amount to be repaid at maturity. The loan maturity date was 1 March 2022. The loan bears interest at three-month EURIBOR plus 0.698% per annum. A financial security agreement was concluded as a guarantee of the fulfilment of the obligations, with the financial assets in any currency held or to be held in the Company's accounts with Swedbank AS as the security.

**On 8 February 2019, a long-term loan agreement was signed with the OP Corporate Bank Plc branch in Latvia. The loan of EUR 24,000,000 was granted to cover obligations under a credit line agreement that expired in 2019, and to finance investments in the renovation and development of the infrastructure for the provision of public water services. The loan repayment deadline is 7 February 2024. The loan must be repaid in equal monthly instalments, starting from 1 January 2020, with EUR 2,444,444 to be repaid every year, and the remaining loan amount to be repaid with the final instalment at the maturity date of the loan. The loan bears interest at three-month EURIBOR plus 0.899% per annum. No security is provided.

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(3) Deferred income

	Balance 31.12.2020.	Received In 2020	Included as income in 2020	Balance 31.12.2019.
Co-financing from Cohesion Fund *	72 564 359	-	(2 977 091)	75 541 450
Value of fixed assets received from Latvian parties without compensation**	7 017 709	26 754	(264 805)	7 255 760
Fixed assets received from abroad without compensation	59 653	-	(31 125)	90 778
Other deferred income ***	7 200 189	2 601 422	(134 168)	4 732 935
	86 841 910	2 628 176	(3 407 189)	87 620 923
Including:				
- short-term part	3 433 720			3 381 065
- long-term part	83 408 190			84 239 858

* Information on Cohesion Fund funding received:

Purpose of the funding	Funding period	Amount received	Year of meeting the conditions	Balance sheet amount 31.12.2020
1) Cohesion Fund co-financing round 2 (ISPA)	2004-2006	20 702 530	2012	11 651 711
2) Cohesion Fund co-financing round 3	2007-2010	58 838 450	2015	42 874 216
3) K Cohesion Fund co-financing round 4	2011-2016	20 620 150	2021	18 038 431
				<u>72 564 358</u>

**Water and/or sewer connections built by Latvian parties (households) accepted free of charge.

*** Other deferred income represents payments for connecting to the Company's water and/or sewer lines that were reclassified from advance payments. This connection service fee is included as deferred income and is gradually transferred to income in the period in which the service is provided, i.e. over the useful life of the fixed assets constructed by the Company to provide the service.

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