

Roja

"Banga Ltd" SIA

Reg. No. 41203031343

Akas street 74B, Roja, Roja parish, Talsi county, LV-3264

Annual report for the year 2022

prepared in accordance with Latvian legislation
and an Independent Auditors' Report

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COMPANY INFORMATION

Name of the Company	"Banga Ltd" SIA		
Legal status of the Company	Limited liability company		
Registration No., place and date	41203031343, Ventspils, November 22, 2007		
Registered office	Akas street 74B, Roja, Roja parish, Talsi county, LV-3264		
Major shareholders	Curlandia SIA -50%, 40103629334, Akas street 74B, Roja, Roja parish, Talsi county, LV-3264		
Members of the Board	Ingus Veckāgans	–	Member of the Board
Annual report prepared by	Inita Andriksone	–	Chief Accountant
Reporting year	from 01.01.2022	to	31.12.2022
Previous reporting year	from 01.01.2021	to	31.12.2021
Information on group's subsidiary companies	LLC Banga Ukraine, Reg. No. 43981828, Hotkeviča Gnata 12, Office Nr.177, Kyiv, Ukraine, 02094		
Type of company's activity	Processing and preserving of fish, crustaceans and molluscs		
NACE classification code	10.20		
Auditors	Grant Thornton Baltic Audit SIA Blaumana str. 22 Riga, LV - 1011 License No. 183		Certified Auditor Silvija Gulbe Certificate No. 142

MANAGEMENT REPORT

Type of activity

"Banga Ltd" SIA (hereinafter - the Company) manufactures and sells canned sterilised fish.

Performance and Financial Situation of the Company

The reporting year is the 12th active year of the Company. During the year, the Company continued its core business, increasing turnover, profitability, output and product mix. Active participation in export markets has expanded the sales regions to over 30 countries worldwide and created the conditions for a promising new product launch. The Company's financial position is stable, with a significant increase in equity capital, which is invested in the Company's long-term assets.

Future Development Plans

The substantial investments made in the Company's production facilities, equipment and infrastructure during the year under review have created the basis to continue to increase output while reducing costs and to develop new products. The production of new ranges and the use of new equipment efficiencies will enable the Company to be more competitive in world markets - increasing turnover and improving profitability. Future development includes continued investment in the Company's real estate, infrastructure, personnel and digitalisation.

Use of Financial Instruments

Most significant financial instruments of the Company are issued bonds, loans from credit institutions and credit lines, trade and other payables. The main task of these financial instruments is to provide financing for the company's business operations. The Company is also exposed to a number of other financial instruments, such as trade receivables and cash arising directly from operating activities.

Financial risk management

The main financial risks arising from the Company's financial instruments are foreign currency risk, interest rate risk, liquidity risk, and credit risk.

Foreign currency risk

Most Company revenue in the reporting period is in euros (in 2021 - in euros); most Company expenses in the reporting period are in euros (in 2021 - euros). Trade receivables that are potentially exposed to currency risk are managed using appropriate pricing policies.

The Company's financial assets and liabilities, which are exposed to foreign currency risk, comprise cash and cash equivalents, trade receivables, trade payables, as well as current and non-current borrowings. The Company is mainly exposed to foreign currency risk of the US dollar (USD) and the Australian dollar (AUD).

Interest rate risk

Interest rate risk arises from changes in interest rates that affect the Company's net profit and future cash flows.

The Company is exposed to interest rate risk mainly through its current and non-current borrowings, that are at a fixed (or floating) rate. The average interest rate payable on the Company's borrowings is disclosed in Notes 17 and 19.

Liquidity risk

Liquidity risk is related to the Company's ability to meet short-term and long-term liabilities in a timely manner.

The Company manages its liquidity risk by arranging an adequate amount of committed credit facilities with banks, planning the repayment terms of trade receivables, and developing and analysing future cash flows.

At the end of the reporting period, the Company's current liabilities do not exceed the Company's current assets.

Credit risk

The Company is exposed to credit risk through its trade receivables, issued current loans, as well as cash and cash equivalents. The Company manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is minimised.

Ingus Veckāgans
(Member of the Board)

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INCOME STATEMENT
 (classified per function of expenditure)

	Note number	2022 EUR	2021 EUR
Net turnover:	3	11 807 628	8 870 662
<i>c) from other types of principal activity</i>		11 807 628	8 870 662
Cost of goods sold or services provided	4	(10 611 772)	(8 023 656)
Gross profit or loss		1 195 856	847 006
Selling costs		(161 961)	(175 777)
Administrative costs	5	(429 694)	(280 917)
Other operating income	6	37 265	95 842
Other operating expense	7	(25 017)	(11 527)
Interest and similar income:	8	126 934	86 033
<i>a) from related parties</i>		3 092	3 324
<i>b) from other persons</i>		123 842	82 709
Interest expense and similar costs:	9	(134 360)	(58 720)
<i>b) to other persons</i>		(134 360)	(58 720)
Profit or loss before corporate income tax		609 023	501 940
Corporate income tax for the reporting year		(9 580)	(675)
Profit or loss for the reporting year		599 443	501 265

Notes on pages 11 to 23 form an integral part of these financial statements.

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 (Member of the Board)

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 (Chief Accountant)

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BALANCE SHEET

ASSETS	Note number	31.12.2022 EUR	31.12.2021 EUR
Non-current assets			
Intangible assets			
Other intangible assets		21 050	23 234
Total intangible assets	10	21 050	23 234
Property, plant and equipment			
Real estate:		894 620	724 217
<i>a) land, buildings and engineering structures</i>		894 620	724 217
Equipment and machinery		690 065	679 107
Other fixtures and fittings, tools and equipment		616 252	313 917
Construction in progress		652 138	33 085
Prepayments for property, plant and equipment		278 769	43 045
Total property, plant and equipment	11	3 131 844	1 793 371
Non-current financial investments			
Investments in subsidiaries	12	30 722	30 722
Total non-current financial investments		30 722	30 722
Total non-current assets		3 183 616	1 847 327
Current assets			
Inventories			
Raw materials and consumables		1 421 439	555 309
Work in progress		6 877	3 831
Finished products and goods for sale		928 267	875 378
Prepayments for inventories		163 864	6 059
Total inventories		2 520 447	1 440 577
Debtors			
Trade receivables		589 660	802 652
Due from related parties	13	279 090	282 472
Other receivables	14	72 685	39 895
Deferred expenses		6 444	7 957
Total debtors		947 879	1 132 976
Cash		431 835	27 410
Total current assets		3 900 161	2 600 963
TOTAL ASSETS		7 083 777	4 448 290

BALANCE SHEET

EQUITY AND LIABILITIES	Note number	31.12.2022 EUR	31.12.2021 EUR
Equity			
Share capital	15	547 565	547 565
Long-term investments revaluation reserve	16	53 497	54 265
Reserves:		2	2
<i>f) other reserves</i>		2	2
Previous years' retained earnings or accumulated loss		1 144 585	693 320
Profit or loss for the reporting year		599 443	501 265
Total equity		2 345 092	1 796 417
Liabilities			
Non-current creditors			
Loans against bonds	17	2 500 000	-
Loans from credit institutions	18	-	189 260
Other loans	19	229 395	253 036
Deferred income	21	433 880	199 368
Total non-current creditors		3 163 275	641 664
Short-term creditors			
Loans from credit institutions	18	-	253 408
Other loans	19	93 667	145 931
Prepayments received from customers		81 666	10 408
Trade payables		977 324	1 270 193
Taxes and State mandatory social insurance contributions	20	64 990	53 120
Other creditors		96 325	72 808
Deferred income	21	77 559	71 234
Accrued liabilities	22	183 879	133 107
Total short-term creditors		1 575 410	2 010 209
Total liabilities		4 738 685	2 651 873
TOTAL EQUITY AND LIABILITIES		7 083 777	4 448 290

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CASH FLOW STATEMENT

(direct method)

	2022	2021
	EUR	EUR
Cash flows to/ from operating activities		
Revenue from the sale of goods and provision of services	12 633 637	9 278 938
Payments to suppliers, employees, other expenses of principal	(12 990 479)	(8 702 609)
Other revenue (+) or expenses (-) of principal activity.	25 662	549
Gross cash flow of principal activity	(331 180)	576 878
Interest paid	(74 499)	(26 177)
Corporate income tax paid	(9 330)	-
Net cash flow of principal activity	(415 009)	550 701
Investment activity cash flow		
Acquisition of stocks or shares of related undertakings, associated undertakings, or other undertakings	-	(29 500)
Acquisition of fixed assets and intangible assets	(1 465 157)	(531 470)
Revenue from sale of fixed assets and intangible investments	83	-
Loans issued	(101 400)	(114 250)
Revenue from repayment of loans	104 235	128 145
Interest received	-	2 101
Investment activity cash flow	(1 462 239)	(544 974)
Financing activity cash flow		
Revenue from stock and debenture issue or investments of capital participatory shares	2 500 000	-
Loans received	700	22 473
Subsidies, grants, gifts or donations received	335 539	186 297
Expenses for repayment of loans	(502 174)	(210 411)
Disbursed dividends	(50 000)	-
Net cash flow from financing activity	2 284 065	(1 641)
Result of fluctuations of foreign currency exchange rates	(2 392)	(1 209)
Net increase /(decrease) in cash and its equivalents	404 425	2 877
Balance of cash and its equivalents at the beginning of the reporting year	27 410	24 533
Balance of cash and its equivalents at the end of the reporting year	431 835	27 410

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Long-term investments revaluation	Reserves	Retained profits	Total equity
	EUR	EUR	EUR	EUR	EUR
As at 31.12.2020	547 565	54 265	2	693 320	1 295 152
Increase/decrease in retained profit	-	-	-	501 265	501 265
As at 31.12.2021	547 565	54 265	2	1 194 585	1 796 417
Decrease in the balance of long-term investment revaluation reserve	-	(768)	-	-	(768)
Dividends	-	-	-	(50 000)	(50 000)
Increase/decrease in retained profit	-	-	-	599 443	599 443
As at 31.12.2022	547 565	53 497	2	1 744 028	2 345 092

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NOTES TO THE FINANCIAL STATEMENTS

(1) Corporate information

"Banga Ltd" SIA (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on November 22., 2007. The registered office of the Company is at Akas street 74B, Roja, Roja parish, Talsi county. The core business activity of the Company is the processing and preserving of fish, crustaceans and molluscs.

This is a separate financial statement. The consolidated financial statements are not prepared in accordance with Article 65 (1) of the Law on Annual Reports and Consolidated Annual Reports.

The member of the Company that prepares the consolidated annual report, which includes the Company as its subsidiary, is "Curlandia" SIA, Reg. No.40103629334 (registered office: Akas street 74B, Roja, LV-3264). Copies of the consolidated annual report are available at "Curlandia" SIA, Reg. No.40103629334 (registered office: Akas street 74B, Roja, LV-3264).

(2) Significant accounting principles

Principles of preparation of financial statements

The annual report has been prepared in accordance with laws of the Republic of Latvia – the Accounting Law and the Law on Annual Reports and Consolidated Annual Reports.

The statement of profit or loss has been prepared according to the function of expense method.

The statement of cash flows has been prepared in accordance with indirect method.

Reporting period

The reporting period is 12 months	01.01.2022	to	31.12.2022
The previous reporting period is 12 months from	01.01.2021	to	31.12.2021

Accounting principles

These financial statements are prepared on the going concern basis, the accounting and measurement methods applied are consistent with those of the previous financial year, and prudent estimates have been made in preparing these financial statements.

Transactions in foreign currencies

The presentation currency of the Company is the euro (EUR), the monetary unit of the European Union.

Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the euro applying the euro foreign exchange reference rate published by the European Central Bank at the last day of the reporting year.

Foreign exchange gains and losses are recognised in the statement of profit or loss for the respective reporting period.

Related parties

A related party is a person or an entity that is related to the reporting Company.

A person or a close member of that person's family is related to the reporting Company if that person has control, joint control or significant influence over the reporting Company or is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

An entity is related to the reporting Company if both are members of the same group. Besides, an entity is related to the reporting Company if the entity is controlled, jointly controlled or significantly influenced by a related party of the reporting Company or this related party of the reporting Company is a member of the key management personnel of that entity or of a parent of that entity.

Intangible assets and property, plant and equipment

Property, plant and equipment are recognised at their acquisition value less depreciation and impairment, if applicable. The acquisition value of property, plant and equipment consists of purchase price, import duties and non-refundable purchase taxes, other costs directly attributable to delivery of the assets to their location and getting in the working condition pursuant to the suggested use. Depreciation is calculated over the useful life of the asset according to the linear method applying the following depreciation rates as the basis of calculation:

Buildings and structures	4-5%
Technological equipment	20-33%
Office equipment	20-33%
Computer hardware	20-33%
Motor vehicles	20-33%
Other fixed assets	14-50%

Land is not depreciated.

Intangible assets are recognised at their acquisition value less amortisation. Amortisation is calculated within the period of useful life of an asset according to the linear method, applying the following rates:

Licenses	10-20%
Other intangible investments	10-20%

Gains or losses from sales of property, plant and equipment are displayed in the income statement of the respective period. Repair or renovation expenses that increase the useful life of property, plant and equipment or their value are capitalised and written off within the period of useful life of assets. Other repair or renovation expenses are recognised as expense in profit and loss statement.

Expenses related to leasehold improvements are capitalised and displayed in the property, plant and equipment. Depreciation is calculated over the lease period using the linear method. Loan issue expenses that are directly related to formation of property, plant and equipment and construction in progress are capitalised, if such expenses are reasonably attributable and directly related. Loan issue expenses are capitalised before putting the property, plant and equipment into operation.

If any events or changes in circumstances indicate that the carrying value of fixed assets may be irrecoverable, the value of the relevant fixed assets is reviewed to determine their impairment. If there are indications of irrecoverability and if the asset's carrying amount exceeds the estimated recoverable amount, the asset's value is written down to its recoverable amount.

Unfinished construction comprises the cost of construction and work-in-progress and is carried at cost. The initial value includes the cost of materials and other directly attributable costs. Depreciation is not calculated for objects under construction until the relevant asset is completed and put into operation.

Non-current financial investments

Related parties

A related party is a company which is directly or indirectly controlled by another company (the parent company – more than 50% of the shareholders' voting rights in this company). The parent company controls the subsidiary company's financial and business policy. The company recognizes income from investments only in case if it receives distribution of profit from the related company after the purchase date. The received distribution which exceeds this profit shall be considered as investment recovery costs and is recognized as a decrease of purchase costs in the related company's investment.

Valuation of Inventories

Inventory cost price is determined using the FIFO method.

Inventory balances at the balance sheet date are valued at the purchase or production value, or the lowest market price, depending on which of the prices is lower.

If inventory units are damaged, have become partly or totally obsolete, or the expenses of production completion or selling increase substantially - corresponding inventory units has to be valued at the net sales price. (Net sales price is the estimated sales price in ordinary transactions, less estimated expense till completion).

Revaluation of the full cost of finished products is performed every month. Revaluations are made using ratios whose compliance with actual expenditure is checked once a year.

Debtors

Debtors are recognized according to the amount of initial invoices, less allowances for doubtful debts. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts. Receivables are written off if their recovery is considered as impossible.

Provisions for bad and doubtful debtors

Provisions for bad and doubtful debtors are assessed individually based on repayment analysis and information available regarding debt recoverability. Doubtful accounts receivable are written off in profit and loss or for those with previously established provisions - provisions are decreased.

Deferred expenses

Deferred expenses reflect the payments made during the accounting year, but the use of expenditure is referring to the following reporting periods. The balance value of the balance sheet asset is assessed to the extent that the expected economic benefit is expected in the following reporting periods.

Cash

Cash is cash in hand and non-cash in payment accounts and deposit accounts.

Loans and borrowings

All borrowings are recognized initially at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. In subsequent periods, borrowings are recognized at amortized cost.

A borrowing is classified as long-term if the payment or write-off occurs later than one year after the end of the respective reporting year. Amounts payable or written off during the year are presented under short-term borrowings.

Financial leasing liabilities

Leases of assets under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease. Lease interest payments are included in the income statement for the period in order to reflect a constant rate of lease liability.

Lease is classified as a financial lease if in fact all risks and remunerations that are a characteristic of ownership are transferred to a tenant and if it corresponds to at least one of the following conditions:

- a) ownership to the leased asset will be transferred to the tenant upon expiration of the leasing term;
- b) the lease term includes the majority of the asset's time of useful use;
- c) the leased assets are so specific that only the tenant is entitled to use them without a significant modification.

Financial leasing liabilities

The assets for financial lease are initially recognised as the Company's assets after their true value or after the current value of the minimum leasing payments if it is lower than the true value. Each of these values are determined on the date of acquiring the lease asset. Lease liabilities are included in the balance sheet as long-term and short-term liabilities of financial lease. Financial expenditure are reflected in the income statement on the relevant period so that a regular and periodic cost rate from the liability surplus would be provided for each reporting period.

Accrued liabilities

Accrued liabilities for unused vacation compensation

Accrued liabilities for unused vacation compensations are established by multiplying the average salary for the last six months of the reporting period with the number of days of unused annual leaves on the end date of the reporting period, including also the mandatory state social insurance contributions made by the employer.

Accrued liabilities for not received expense invoices

Accrued liabilities for unreceived invoices 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.

Deferred income

Payments received before the balance sheet date, but referring to the next reporting periods or further reporting periods, is recognized as deferred income.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, less value added tax and sales-related discounts. Revenue is recognized by reference to the economic nature and substance of the transaction rather than its legal form.

Sale of goods

The Company mainly sells canned fish products produced by itself and purchased from other producers.

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, and amounts of income earned and expense incurred in connection with the sale of the relevant goods can be measured reliably.

Corporate income tax

Corporate income tax expenses are included in financial statement based on management calculations according to laws of Republic of Latvia. Based on the Corporate Income tax law of the Republic of Latvia, starting from 1 January 2018 corporate income tax is applicable to distributed profits and several expenses that would be treated as profit distribution. The applicable corporate income tax rate is 20% or 20/80 from net expense. Corporate income tax on the payment of dividends is recognized in the profit or loss statement as a cost in the accounting period when the respective dividends are declared, while for other objects - at the time when the costs occurred within the accounting year.

Prior to the declaration of dividends, no provision for corporate income tax is recognized for the payment of dividends.

Subsequent events

Subsequent events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

(3) Net turnover

Net turnover - proceeds from Company's major activity - sale of goods and provision of services without value added tax.

Type of activity	NACE code 10.20	2022 EUR	2021 EUR
Revenue from the sale of canned fish and by-products		11 807 628	8 870 662
Total		11 807 628	8 870 662

(4) Cost of goods sold or services provided

	2022 EUR	2021 EUR
Costs of purchased raw materials	8 267 803	6 129 876
Depreciation and amortization of fixed and intangible assets	304 837	257 922
Personnel costs	1 468 799	1 335 967
Other cost of sales	570 333	299 891
Total	10 611 772	8 023 656

(5) Administrative costs

	2022 EUR	2021 EUR
Personnel costs	239 152	183 155
Other administrative costs	102 070	41 815
Office expenses	79 245	47 068
Cost of professional services	8 000	8 091
Representation expenses	1 227	788
Total	429 694	280 917

(6) Other operating income

	2022 EUR	2021 EUR
Income from decrease of accrued liabilities for vacation reserve	23 821	74 218
Profit from sale of fixed assets*	83	3 896
Other income	13 361	17 728
Total	37 265	95 842

***Information on profit or loss from disposal of long-term investment objects in the reporting year**

Long-term investment object	Balance value at time of disposal	Proceeds from disposal	Disposal costs	Gross profit	Profit or loss from disposal of the object
	EUR	EUR	EUR	EUR	EUR
Other fixed assets Object nr.2	-	83	-	83	83
Kopā	-	83	-	83	83

(7) Other operating expense

	2022	2021
	EUR	EUR
Provisions for bad and doubtful debts	6 922	4 619
Other costs	-	686
Donations	10 638	2 444
Property tax	3 262	3 002
Other expenses	4 195	776
Total	25 017	11 527

(8) Interest and similar income

	2022	2021
	EUR	EUR
Interest income	3 092	3 324
Income from exchange rate fluctuations	-	1 324
Income from EU structural fund support	82 761	81 088
Income from LAD support programme	26 896	-
Other income	14 185	297
Total	126 934	86 033

(9) Interest expense and similar costs

	2022	2021
	EUR	EUR
Interest costs	125 980	48 666
Fines and contractual penalties	5 112	10 054
Losses from exchange rate fluctuations	3 264	-
Other costs	4	-
Total	134 360	58 720

Provider of financial support	Year of receipt	Sum, EUR	Receipt objective	Conditions	The sum to be paid back in the reporting year if any of the conditions is not reached
LAD	2015	189 229	Production facilities and equipment		-
LAD	2016	33 959	Production facilities and equipment		-
LAD	2020	37 002	Production facilities and equipment		-
LAD	2021	179 343	Production facilities and equipment		-
LAD	2022	323 599	Production facilities and equipment		-

(10) Intangible assets

		Other intangible assets	Total intangible assets
		EUR	EUR
Acquisition value			
31.12.2020		61 586	61 586
Additions		-	-
Disposal		-	-
31.12.2021		61 586	61 586
Additions		415	415
31.12.2022		62 001	62 001
Accumulated amortization			
31.12.2020		36 269	36 269
Amortization charge		2 083	2 083
31.12.2021		38 352	38 352
Amortization charge		2 599	2 599
31.12.2022		40 951	40 951
Net book value	31.12.2021	23 234	23 234
Net book value	31.12.2022	21 050	21 050

(11) Property, plant and equipment

	Real estate	Equipment and machinery	Other fixtures and fittings, tools and equipment	Construction in progress	Prepayments for property, plant and equipment	Total fixed assets
	EUR	EUR	EUR	EUR	EUR	EUR
Acquisition value						
31.12.2020	694 469	1 233 915	339 486	22 581	23 590	2 314 041
Additions	160 010	189 751	215 575	18 504	11 455	595 295
Disposal	-	-	(69 008)	-	-	(69 008)
31.12.2021	854 479	1 423 666	486 053	41 085	35 045	2 840 328
Additions	199 239	224 671	364 363	611 053	243 724	1 643 050
Disposal	-	-	(6 545)	-	-	(6 545)
31.12.2022	1 053 718	1 648 337	843 871	652 138	278 769	4 476 833
Accumulated depreciation						
31.12.2020	110 205	559 738	148 021	-	-	817 964
Depreciation charge	20 057	184 821	50 961	-	-	255 839
Depreciation of fixed assets that have been liquidated or reclassified	-	-	(26 846)	-	-	(26 846)
31.12.2021	130 262	744 559	172 136	-	-	1 046 957
Depreciation charge	28 836	213 713	62 028	-	-	304 577
Depreciation of fixed assets that have been liquidated or reclassified	-	-	(6 545)	-	-	(6 545)
31.12.2022	159 098	958 272	227 619	-	-	1 344 989
Net book value 31.12.2021	724 217	679 107	313 917	41 085	35 045	1 793 371
Net book value 31.12.2022	894 620	690 065	616 252	652 138	278 769	3 131 844

(12) Investments in subsidiaries

	31.12.2022	31.12.2021
	EUR	EUR
Acquisition value at the beginning of the reporting year	30 722	30 722
Net carrying amount as at the beginning of the reporting year	30 722	30 722
Acquisition value at the end of the reporting period	30 722	30 722
Net carrying amount as at the end of the reporting period	30 722	30 722

Company name, reg.no., registered office	Owned shares	Acquisition value	Investment book value	Profit or loss	Subsidiary company's equity value on 31.12.2022
	%	EUR	EUR	EUR	EUR
LLC Banga Ukraine, ID nr.43981828, Hotkeviča Gnata 12, Office Nr.177, Kiev, Ukraine, 02094	100	30 722	30 722	4 097	29 622
Total	X	30 722	30 722	4 097	29 622

(13) Receivables from related parties

	31.12.2022	31.12.2021
	EUR	EUR
Trade receivables from related parties	172 194	175 833
Short term loan	106 896	106 639
Total	279 090	282 472

(14) Other receivables

	31.12.2022	31.12.2021
	EUR	EUR
Guarantee deposits	40 088	17 086
Settlements with employees	91	-
Tax overpayment	32 506	22 809
Total	72 685	39 895

(15) Share capital

On 31 December 2021 and 2022, the share capital has been fully paid. It consists of 5 47 565 shares with the nominal value of 1 EUR.

(16) Long-term investments revaluation reserve

Item of fixed assets (object name)	Revaluation reserve surplus at the period's		Value of the fixed asset in the beginning of the period	Decrease of revaluating reserve	Value of fixed assets at the end of the period	
	beginning	end			without revaluating	with revaluating
	31.12.2021 EUR	31.12.2022 EUR	31.12.2021 EUR	2022 EUR	31.12.2022 EUR	31.12.2022 EUR
<u>Technology devices and equipment:</u>						
Nr.1	47 427	46 660	23 778	767	(34 823)	11 856
<u>Other fixed assets and inventory:</u>						
Nr.1	6 838	6 837	6 685	-	(2 116)	4 722
Total	54 265	53 497	30 463	767 -	36 939	16 578

(17) Loans against debentures

	% rate	Maturity date	31.12.2022 EUR	31.12.2021 EUR
Loans to be paid in 1 to 5 years*	6%	09.05.2025	2 500 000	-
Kopā	X	X	2 500 000	-

Including long-term:

*In May 2022, the Company completed a covered bond issue of EUR 2.5 million. The property owned by SIA Banga Ltd as a group of assets as at the pledge date as well as the subsequent components of the group of assets are pledged to ZAB VILGERTS SIA, registration no. 40203309933, with a first ranking commercial mortgage thereon, as security for the bonds issued by AS Signet Bank (ISIN:LV0000860088).

(18) Loans from credit institutions

	% rate	Maturity date	31.12.2022 EUR	31.12.2021 EUR
Long-term loans (from 1 to 5 years)				
EUR	-	-	-	189 260
Total long-term borrowings	X	X	-	189 260
Short-term loans				
EUR	-	-	-	253 408
Total	X	X	-	253 408

In 2022, the 2019 and 2020 Loan Agreements with Swedbank AS were repaid early.

(19) Other loans

	Maturity date	31.12.2022 EUR	31.12.2021 EUR
Long-term loans (from 1 to 5 years)			
AS Swedbank Līzings financial lease agreements:	2024-2027	197 262	158 137
AS Citadele Leasing financial lease agreements:	2024-2027	32 133	43 936
ALTUM loan*	2027	-	50 963
Total	X	229 395	253 036

	% rate	Maturity date	31.12.2022 EUR	31.12.2021 EUR
Short-term loans				
AS Swedbank Līzings financial lease agreements:		2023	81 786	106 583
AS Citadele Leasing financial lease agreements:		2023	11 802	27 583
EUR Factoring contracts			79	-
ALTUM loan*	6%	2027	-	11 765
Total	X	X	93 667	145 931

* Loan agreement with JSC "Development Finance Institution ALTUM" cancelled before maturity

(20) Taxes and State mandatory social insurance contributions

Till 1 year	31.12.2022 EUR	31.12.2021 EUR
Personal income tax	17 315	14 499
State mandatory social insurance contributions	45 306	35 238
Corporate income tax	240	534
Risk duties	51	48
Company car tax	1 020	1 997
Natural resources tax	1 058	804
Total	64 990	53 120

(21) Deferred income

	31.12.2022 EUR	31.12.2021 EUR
Long-term Next period revenue		
LAD support*	433 880	199 368
Total long-term Next period revenue	433 880	199 368

	31.12.2022 EUR	31.12.2021 EUR
Short-term Next period revenue		
LAD support*	77 559	71 234
Total short-term Next period revenue	77 559	71 234

* Under the European Maritime and Fisheries Fund measure "Processing of fishery and aquaculture products."

(22) Accrued liabilities

	31.12.2022	31.12.2021
	EUR	EUR
Accrued vacation pay	98 140	110 450
Accrued liabilities to suppliers	64 906	22 657
Accrued interest expense	20 833	-
Total	183 879	133 107

(23) Transactions with related parties

Related party	Services rendered and goods sold	Services rendered and goods purchased	Amounts owed by related parties as at 31 December	Payables to related parties as at 31 December
	EUR	EUR	EUR	EUR
2021				
Curlandia SIA	177 208	29 040	164 280	7 260
Banga Ukraine LLC	293 312	29 837	118 192	-
ZS Popes pagasta z/s Tīrumi	-	605	-	-
Other	520	884	-	-
2022				
Curlandia SIA	104 492	359 167	106 897	1 936
Banga Ukraine LLC	438 123	-	170 000	-
Other	700	3 500	-	-
Total in 2021	471 560	60 366	282 472	7 260
Total in 2022	544 015	362 667	276 897	1 936

(24) Average number of employees

	2022	2021
Members of the Board	1	1
Other employees	126	128
Average number of employees	127	129

(25) Personnel costs

	2022	2021
	EUR	EUR
Salary	1 353 317	1 195 750
Mandatory state social insurance contributions	317 068	279 605
Other personnel expenses	1 670 385	1 475 355

(26) Information on the payments for members of the council and the board

The remuneration of members of the Supervisory Board and Board for fulfilment of their duties at the Supervisory Board and Board, as well as for performance of their work obligations is as follows:

	2022	2021
	EUR	EUR
Members of the Board	45 274	32 903
Total	45 274	32 903

(27) Information on pledged or otherwise encumbered assets

The property belonging to Banga Ltd as a community of things at the time of the commercial pledge, as well as the future components of the community of things, are pledged in favor of ZAB VILGERTS SIA, Reg. No. 40203309933, establishing a first-order commercial pledge on it, as security for bonds issued by AS Signet Bank (ISIN:LV0000860088).

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

The Russian invasion in Ukraine started in February 2022 has significantly changed the political and economic situation in the world, and it has affected and will keep affecting the economies of the Baltic States. When developing the strategy for 2023, the Company has taken into account the risk of further inflation and increase in interest rates.. The management and the owners of the Company follow the situation and believe that the Company will continue to operate stably. This conclusion is based on information available at the time of approval of these financial statements and the impact of future events on future operations may differ from the current assessment. In the period between the last day of the accounting year to the date of signing the financial report no other events have occurred, as a result of which these financial statements should be adjusted.

(29) Significant events not included in the balance sheet or income statement

In the time period from the last day of the reporting year to the signing of this report, there have been no events that would significantly affect the Company's financial position on December 31, 2022.

(30) Proposal for Distribution of Profit or Covering of Loss

The management of the Company proposes to leave the profit undistributed.

(31) Going concern

The financial statements are prepared on the assumption that the Company will continue as a going concern.

Ingus Veckāgans
(Member of the Board)

Annual report prepared by:

Inita Andriksone
(Chief Accountant)

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CONTAINS TIMESTAMP

INDEPENDENT AUDITORS' REPORT

To the shareholder of "Banga Ltd" SIA

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of SIA **"Banga Ltd"** ("the Company") set out on pages 6 to 23 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 2022,
- the profit and loss statement for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of SIA "Banga Ltd" as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

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

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:

- Information about the Company, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages from 4 to 5 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the other reporting responsibilities in accordance with the legislation of the Republic of Latvia section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Silvija Gulbe
Sworn auditor
Certificate No. 142
Member of the Board