



# INTERIM REPORT

FOR THE Q4  
AND 12 MONTHS 2023

UNAUDITED

Roja, 2024

# STATEMENT OF THE MANAGEMENT BOARD

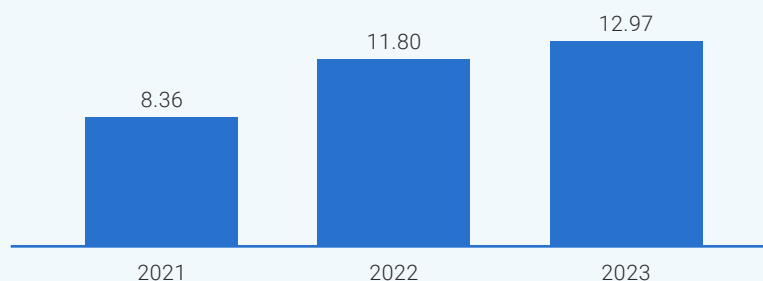
29 February 2024

## Key events in Q4 and 12 Months 2023

### Type of activity

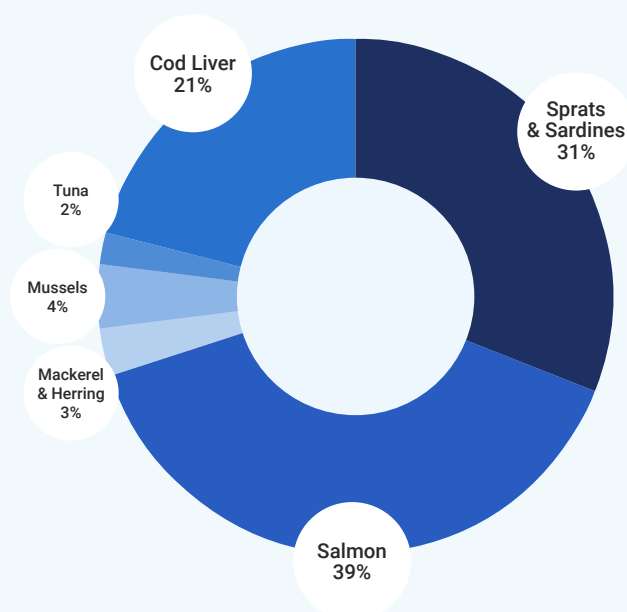
The Company's sales turnover in 2023 was EUR 12 975 716, the highest in its history and 9.89% higher than in 2022.

Sales 2021 - 2023,  
M EUR



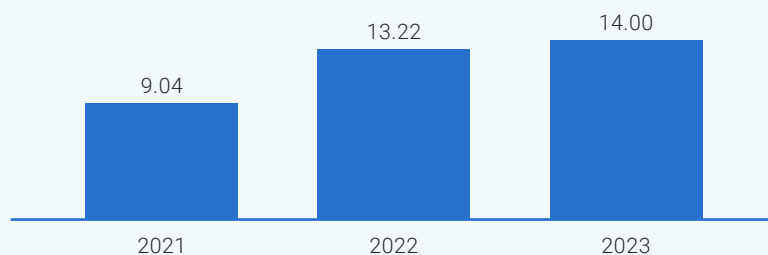
On the second half of 2023, demand remained at the same level as in the previous period, thus enabling the company to maintain its sales growth momentum. As a part of the sales strategy, cooperation with new customers was launched, with export shipments to new countries, including South America and Asia. The Company's customer basis is expanding, both among distributors and retail chains. In 2023, the company's management invested more resources in the development of new products to strengthen the company's position in the Atlantic fish group.

By the end of 2023, the company sells more than 50 products in 37 countries. The Company's product range includes the following fish products: Baltic Sea sprats and Baltic herrings, mussels, mackerels, sardines and herrings, salmon, cod liver and tuna.



In 2023, volume of the company's unit sales amounted to 14 million tins, representing 5.8% over the indicator of 2022.

**Total sales growth,  
Million tins**



In Q4 2023, the company started production in the industrial food segment, starting deliveries to the Scandinavian market and securing additional business opportunities for the future.

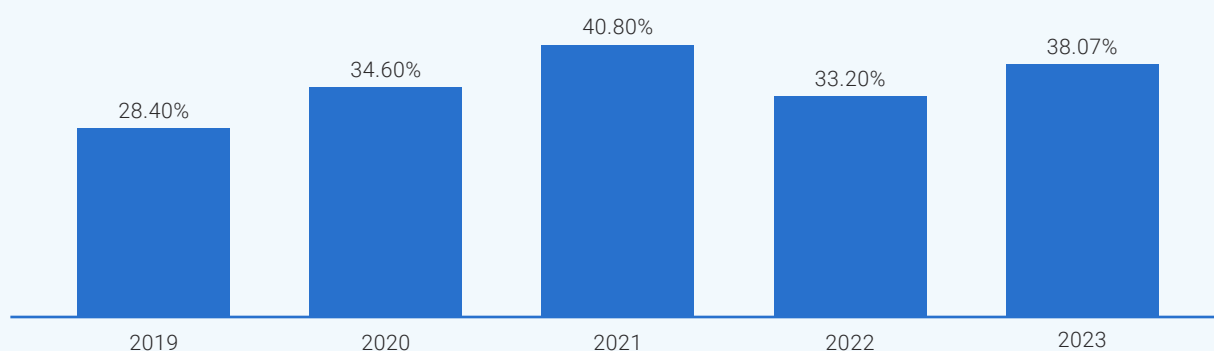


## Performance and Financial situation of the Company

In 12 months of 2023, according to operational data, the company generated profit in the amount of EUR 1 063 385, including in the 4th quarter in the amount of EUR 225 656. Exceptional income received within the framework of support of the European Maritime, Fisheries and Aquaculture Fund has a significant impact on profit from, in addition to the partial reimbursement of costs, which totalled to EUR 501 654 in 2023, including Q4: EUR 97 960. Excluding the cost growth compensation component, from the profit statement, in 2023, profit amounted to EUR 561 731, including EUR 127 696 in Q4.

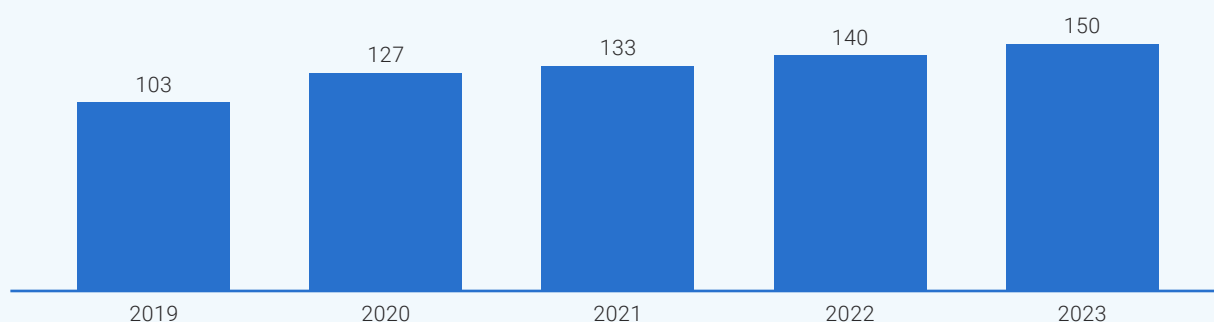
The Company's equity at the end of 2023 was EUR 3.40 million or 38.07% of total assets, representing 4.87% over the indicator at the end of 2022.

### Equity Ratio



In 2023, the company continued investment project implemented with the support of the European Maritime, Fisheries and Aquaculture Fund, thus ensuring not only increase in production capacity, but also additional jobs for the municipality's residents and tax payments to the state and municipal budgets. In 2023, the amount of labour taxes paid to the budget was EUR 812 101.

### The number of employees at the end of the period





Due to the protracted hostilities in Ukraine and the difficulties related to operative management of activities, the company's management decided to exit direct business in Ukraine by disposing of the capital shares in the subsidiary "Banga Ukraina" LLC. Within the framework of the aforementioned transaction, according to the accounting data, losses amounting to EUR 30 721 were fixed. Further deliveries to Ukrainian customers will be made directly to retail chains or to the company's distributor.

In cooperation with the Rural Support Service, in 2023 the investment project - expansion of the fish canning plant - Phase 8 was fully completed - general construction works of the new production unit, construction of networks, installation of equipment. Likewise, the finished goods warehouse was also expanded in the second half of 2023, providing additional storage capacity for finished goods. Completion of the investment project is also reflected in the balance sheet items, with the total value of fixed assets at the end of 2023 reaching EUR 4.24 million representing 35.5% over the beginning of the year. Fixed assets in the company's assets amount to 47.6% of total assets.



### Future development plans

The Company's immediate plans for 2024 - 2025 foresees activation of business operations in the current markets, offering a new range of products to the existing partners. Increased new production reserves combined with new products will ensure the achievement of long-term objectives in expanding market share and increasing sales.

### Ingus Veckāgans

(Member of the Board)

*This document is signed electronically with a secure electronic signature and contains a timestamp.*

# INCOME STATEMENT

EURO

	12 m 2023	12 m 2022
<b>SALES</b>	<b>12 975 716</b>	<b>11 807 628</b>
COST OF SALES *	-11 613 635	-10 611 772
DISTRIBUTION EXPENSES	-160 772	-161 961
ADMINISTRATION EXPENSES*	-491 120	-429 694
OTHER OPERATING INCOME****	546 571	64 161
OTHER OPERATING EXPENSES	-46 191	-25 017
<b>OPERATING PROFIT</b>	<b>1 210 569</b>	<b>643 345</b>
FINANCE INCOME **	98 712	100 038
FINANCE EXPENSES ***	-245 489	-134 360
INCOME TAX	-407	-9 580
<b>NET PROFIT</b>	<b>1 063 385</b>	<b>599 443</b>

\* included

DEPRECIATION	425 000	307 634
--------------	---------	---------

\*\* included

INTEREST INCOME	4 662	3 092
INCOME FROM EU PROJECT SUPPORT	93 868	82 761
OTHERS	182	14 185

\*\*\* included

FOREIGN EXCHANGE	-5 904	-3 268
INTEREST COSTS	-206 280	-125 980
INVESTMENT LOSSES	-30 721	
OTHERS	-2 584	-5 112

\*\*\*\* included

STATE SUPPORT	501 654	26 896
---------------	---------	--------

# BALANCE SHEET

EURO

	31/12/2023	31/12/2022
INTANGIBLE ASSETS	29 948	21 050
PROPERTY	1 739 443	894 620
MACHINERY	1 653 677	690 065
OTHER FIXED ASSETS AND INVENTORY	207 283	616 252
CREATION OF FIXED ASSETS AND CONSTRUCTION EXPENSES	591 655	652 138
ADVANCE PAYMENTS FOR FIXED ASSETS	50 960	278 769
FINANCIAL ASSETS	0	30 722
INVENTORIES	3 400 733	2 520 447
RECEIVABLES	1 044 078	947 879
CASH	235 016	431 835
<b>TOTAL ASSETS</b>	<b>8 952 793</b>	<b>7 083 777</b>
<b>OWNERS' EQUITY</b>		
SHARE CAPITAL	547 565	547 565
LONG-TERM INVESTMENTS REVALUATION RESERVE	51 634	53 497
OTHER RESERVE	2	2
RETAINED EARNINGS	2 809 276	1 744 028
<b>TOTAL EQUITY</b>	<b>3 408 477</b>	<b>2 345 092</b>
<b>LIABILITIES</b>		
DEBT LONG-TERM	2 974 042	2 729 395
DEBT SHORT-TERM	164 346	93 667
OTHER LIABILITIES	1 331 164	938 299
ACCOUNTS PAYABLE	1 074 764	977 324
<b>TOTAL LIABILITIES</b>	<b>5 544 316</b>	<b>4 738 685</b>
<b>TOTAL LIABILITIES &amp; OWNERS' EQUITY</b>	<b>8 952 793</b>	<b>7 083 777</b>

# STATEMENT OF CHANGES IN EQUITY

EURO

	SHARE CAPITAL	LONG-TERM INVESTMENTS REVALUATION RESERVE	OTHER RESERVE	RETAINED EARNINGS	TOTAL EQUITY
<b>BALANCE AT 31.12.2021</b>	<b>547 565</b>	<b>54 265</b>	<b>2</b>	<b>1 194 585</b>	<b>1 796 417</b>
EXCLUSION OF LONG-TERM INVESTMENTS		-768			-768
DIVIDENDS DECLARED				-50 000	-50 000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				599 443	599 443
<b>BALANCE AT 31.12.2022</b>	<b>547 565</b>	<b>53 497</b>	<b>2</b>	<b>1 744 028</b>	<b>2 345 092</b>
EXCLUSION OF LONG-TERM INVESTMENTS		-1 863		1 863	0
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				1 063 385	1 063 385
<b>BALANCE AT 31.12.2023</b>	<b>547 565</b>	<b>51 634</b>	<b>2</b>	<b>2 809 276</b>	<b>3 408 477</b>



# CASH FLOW STATEMENT

EURO

	12 m 2023	12 m 2022
<b>OPERATING ACTIVITIES</b>		
INCOME FROM SALE OF GOODS AND SERVICES	14 286 746	12 659 299
PAYMENTS TO SUPPLIERS AND EMPLOYEES	-13 041 320	-12 990 479
INTEREST PAID	-139 500	-74 499
INCOME TAX	-570	-9 330
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1 105 356</b>	<b>-415 009</b>
<b>INVESTING ACTIVITIES</b>		
ACQUISITION OF PARTS OF RELATED OR ASSOCIATED COMPANIES		
INVESTMENTS IN TANGIBLE AND INTANGIBLE ASSETS	-1 687 338	-1 465 074
LOANS GRANTED	-99 529	-101 400
REPAYMENT OF LOANS GRANTED	102 700	104 235
INTEREST RECEIVED	1 658	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-1 682 509</b>	<b>-1 462 239</b>
<b>FINANCING ACTIVITIES</b>		
LOANS RECEIVED	0	2 500 700
SUPPORT FROM EU FUNDS RECEIVED	380 089	335 539
LOANS REPAYED	0	-502 174
DIVIDENDS PAID		-50 000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>380 089</b>	<b>2 284 065</b>
RESULT OF FLUCTUATIONS IN FOREIGN EXCHANGE RATES	245	-2 392
<b>CHANGE IN CASH</b>	<b>-196 819</b>	<b>404 425</b>
<b>CASH AT PERIOD-START</b>	<b>431 835</b>	<b>27 410</b>
<b>CASH AT PERIOD-END</b>	<b>235 016</b>	<b>431 835</b>

# FINANCIAL INDICATORS

Financial Indicator	Calculation formula	Result
Interest coverage Ratio (IRC)	EBITDA/Net finance Charges	6
Equity Ratio	Ratio of Adjusted Equity/Assets	38%
Net Debt to EBITDA	Net Debt/EBITDA	2.65
EBITDA	<p>Net profit for the Relevant Period calculated according to the most recent Financial Reports:</p> <p>(a) before deducting any Net Finance Charges;</p> <p>(b) before taking into account any exceptional items which are not in line with the ordinary course of business;</p> <p>(c) not including any accrued interest on Subordinated Debt;</p> <p>(d) before taking into account any gains or losses on any foreign exchange gains or losses; and</p> <p>(e) after adding back any amount attributable to the amortisation, depreciation or depletion of assets.</p>	1 124 871 EUR