

Roja, 2025



ANNUAL REPORT FOR THE YEAR 2024

Prepared in accordance with International Financial
Reporting Standards as adopted by the European
Union and an Independent Auditors' Report

"Banga Ltd" SIA
Reg. No. 41203031343

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

20
24

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Information on the Company

| | | |
|-----------------------------|---|--|
| Name of the Company | "Banga Ltd" SIA | |
| Legal status of the Company | Limited liability company | |
| Registration No. and date | 41203031343, November 22, 2007 | |
| Registered office | Akas street 74B, Roja, Roja parish, Talsi county, LV-3264 | |
| Major shareholders | Curlandia SIA -100% 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 01.01.2024 to 31.12.2024 | |
| Previous reporting year | from 01.01.2023 to 31.12.2023 | |
| 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 Ieva Aizsila Certificate No. 233 |



Management Report

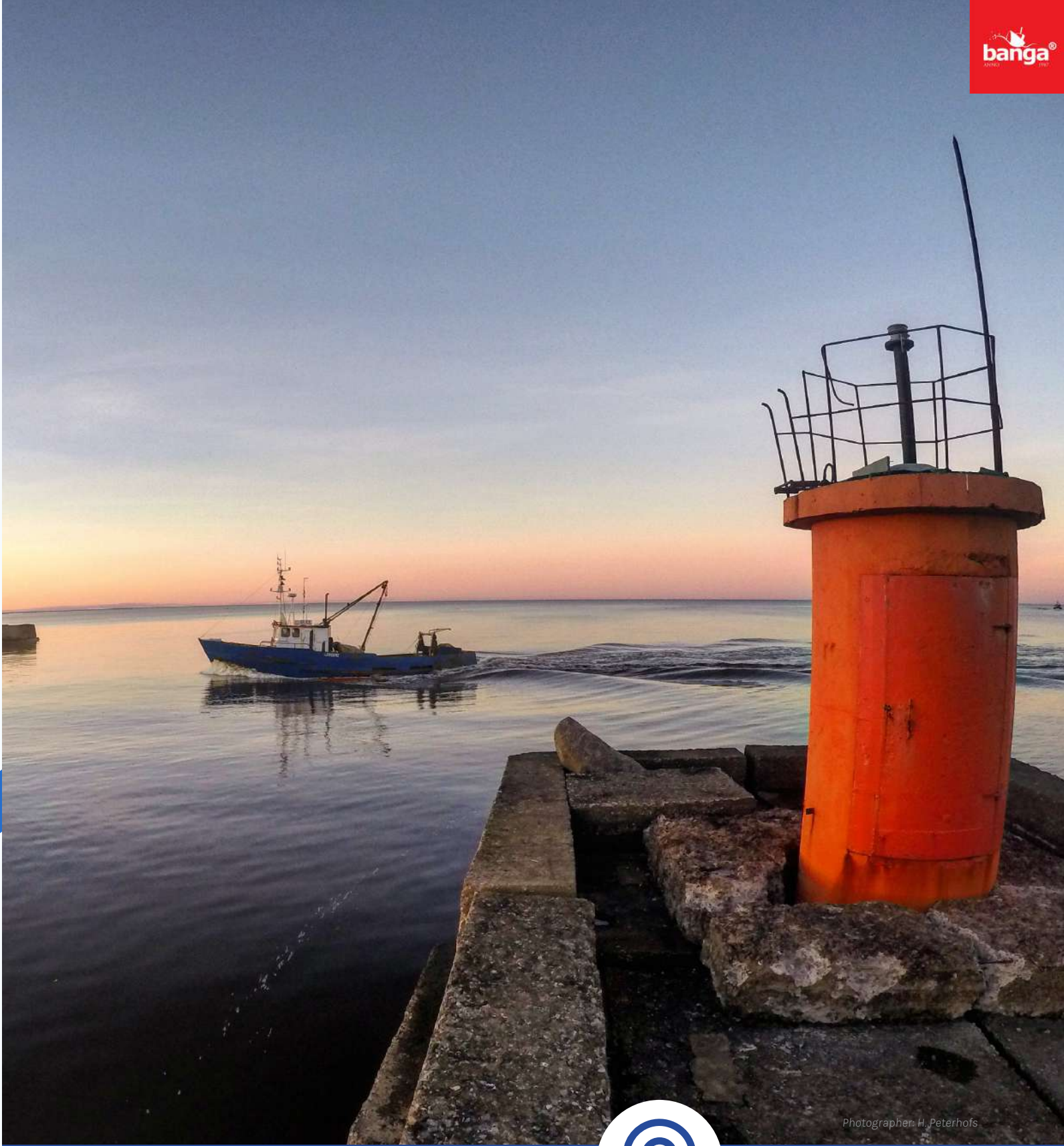
TYPE OF ACTIVITY



Fishermen from Roja fishing in the Gulf of Riga.
Year 1992. Photographer: Uldis Briedis.

Since 1947, when fishermen from the Roja area began establishing collective farms and industrial fish processing, generations, state institutions, and principles of economic activity have changed, but the traditions of fish processing have retained their identity and recognition, and the company SIA “Banga Ltd” successfully continues the production of sterilized canned fish.

Since 2011, when a new stage of development began in the company, the company’s shareholders and management have transformed the company into a sustainable food production company - a significant regional player - with a clear vision of operation as an internationally renowned canned fish producer.



Photographer: H. Peterhofs.



Factory location - ideal place for fish product processing

Located on the shores of the Gulf of Riga
1 km from the port of Roja, ensuring easy
access to fresh fish raw materials - Baltic
sprat and herring.

The company's mission is the sustainable production and sale of high-quality and healthy canned fish worldwide.

Since its founding, the company has remained true to its values - experienced and professional staff - currently the company provides work for more than 165 local specialists with many years of experience in the fishing industry, taking a leading position among the largest employers in the region. Social sustainability is the most important value for the viability, growth and development of the local community.



165+

Local specialists with many years of experience in the fishing industry



Core component of company operations and success



Extensive experience within fish processing industry



Contributing to company's reputation and consistency



The production of healthy and tasty canned fish as a value is unthinkable without the priority established in the company's procurement policy - to use only the highest quality raw materials and product components - including fresh Baltic Sea fish (sprat and herring), as well as the products of the world's leading Atlantic salmon farmers from Norway, Scotland, and other countries.

The shelf life of the company's products can reach 4-5 years, which opens up wide opportunities to offer products worldwide using land transport, as well as shipping goods in containers along sea trade routes. The implementation of the strategy of expanding the geography of product sales has resulted in the acquisition of new markets, in accordance with the company's mission, strengthening the company's recognition at the international level and ensuring further opportunities for sales growth.

By the end of 2024, the company's products can already be purchased on 5 continents in 47 countries around the world.



SIA “Banga Ltd” offers products under its own brands, as well as private labels of customers, depending on the market and partner profile and the needs in a particular market.

The company's customer base includes distributor companies that offer customers – store chains and retail outlets – Banga brand products, as well as international store chains that often purchase products under their own brands, such as ALDI, METRO, and others. Regardless of the customer profile, in accordance with the company's core values, the products are manufactured in accordance with the highest certification standards. The quality of the products in the company is confirmed by IFS (International Featured Standards), MSC (Marine Stewardship Council) and ASC (Aquaculture Stewardship Council) certificates.

Quality management

- Sustainable fishing – high quality suppliers
- High quality ingredients
- Own laboratory
- HACCAP quality standards integrated in all business processes



SUPPLY CHAIN



SUPPLY CHAIN

NATURALLY
SMOKED



HAND
MADE



KOSHER
CERTIFICATE



SIA “Banga Ltd” demonstrates sustainability to its consumers by providing them with high-quality canned fish, is a stable partner to its suppliers, responsibly cooperates with state and local government institutions, and ensures long-term stability for employees.



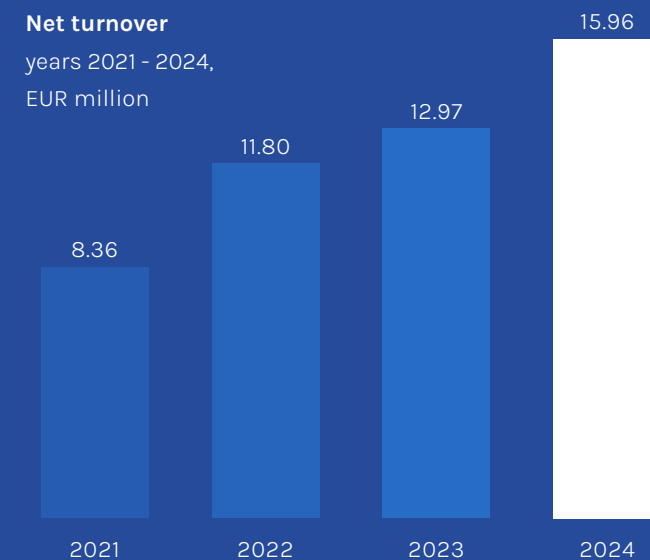
Visit of the President of the Republic of Latvia, Edgars Rinkēvičs, to the SIA “Banga Ltd” factory



From 2022, the company is a participant in the Baltic capital market, issuing corporate bonds that are listed on the Nasdaq Riga Baltic First North market. Thus, the company demonstrates sustainability not only in food production, but also financial sustainability, compliance with the highest governance principles, transparency, openness to the public and investors.

PERFORMANCE AND FINANCIAL SITUATION OF THE COMPANY

The company's sales turnover in 2024 amounted to EUR 15,958,867, which is the largest sales volume in the company's history and exceeded the 2023 figure by 23%.



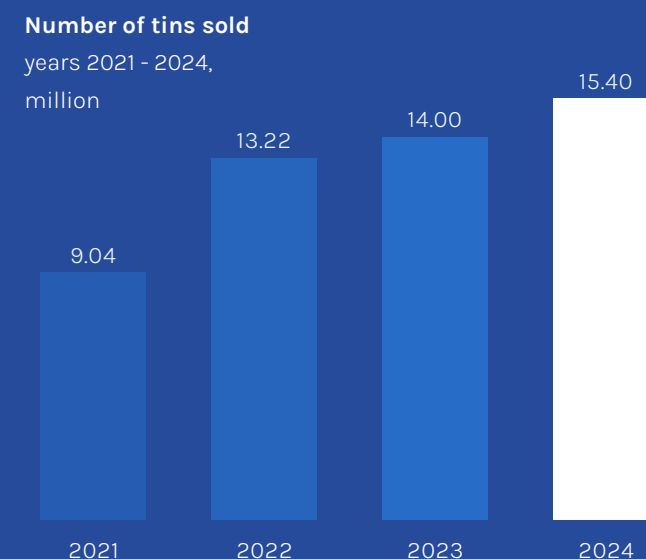
41%

IN THE 4TH QUARTER OF 2024, THE COMPANY'S SALES AMOUNTED TO **5,079,078 EUR**, WHICH IS 41% MORE THAN IN THE 4TH QUARTER OF 2023.

15.4 M

IN 2024, THE COMPANY'S SALES VOLUME AMOUNTED TO **15.4 MILLION CANS**, WHICH IS 10% HIGHER THAN THE 2023 FIGURES.

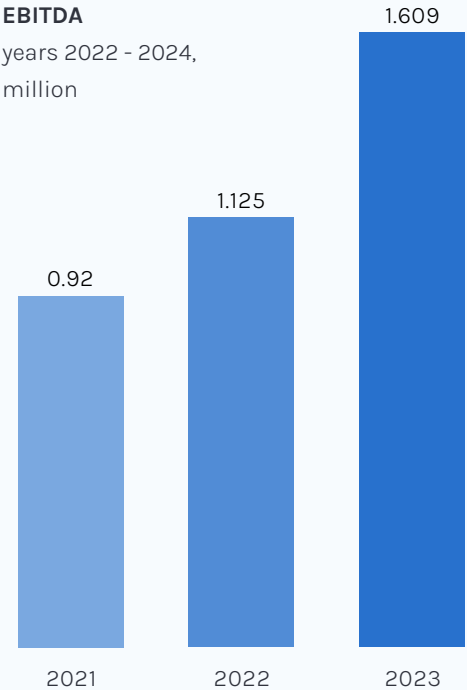
The successful reporting period is the result of a combination of several factors that, especially at the end of 2024, influenced the increase in sales volumes to historically high levels: including, an increase in production volumes due to increased efficiency, an increase in product sales prices, especially for raw materials from the Baltic Sea, as well as an increase in export volumes. Sales in the industrial food segment maintained a stable growth trend.



Photographer: M. Silmanis

In the 12 months of 2024, according to the company's operational reports, it made a profit of EUR 1,041,693, including EUR 433,618 in the 4th quarter. Compared to the 4th quarter of 2023, the company's profit increased by 88%. Compared to 2023, the impact of extraordinary income received under the support of the European Maritime, Fisheries and Aquaculture Fund, in addition to partial compensation of costs, was much smaller, in 2024 it amounted to EUR 88,624 in total. Without including the cost increase compensation component in the profit calculation, in 2024 it amounted to EUR 955,167 in total, which is 69% higher compared to 2023 (without the above-mentioned extraordinary income).

The successful development and financial position of a company is characterized by the dynamics of financial indicators over the years, such as EBIDTA (Earnings before interest, taxes, depreciation and amortization).



During 2024, the company continued to invest in technological equipment and infrastructure. The main investment areas were as follows - Construction and equipment of a finished product warehouse with a warehouse shelf system, a new set of biological treatment equipment, fish packaging and can sealing equipment and other equipment.

Special attention was paid to IT investments in 2024. The company has developed a digital development roadmap, which includes the development of IT infrastructure, the development of usable software, process digitalization and data security, and the use of AI tools in business processes has begun.

Infrastructure Highlights

6.2 ha

THE COMPANY SPANS 6.2 HECTARES, OFFERING EXTENSIVE SPACE FOR OPERATIONS, LOGISTICS, AND FUTURE EXPANSION.

4000 m²

WITH 4,000 M2 OF BUILT FACILITIES, THE SITE ACCOMMODATES PRODUCTION UNITS, ADMINISTRATIVE OFFICES, AND STORAGE AREAS.



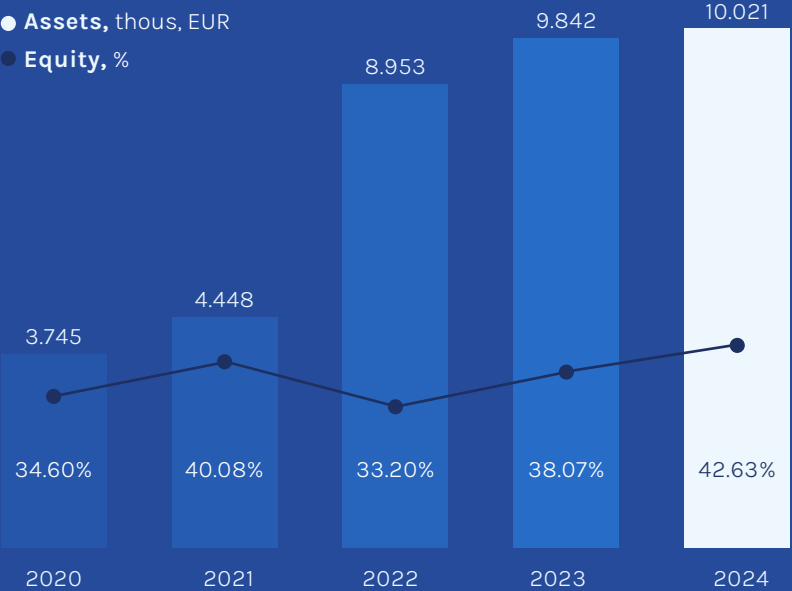
OIL/GAS STORAGE TANKS ENSURE A STEADY AND SECURE SUPPLY, SUPPORTING OPERATIONAL EFFICIENCY.



WASTEWATER TREATMENT PLANT MANAGES WASTEWATER RESPONSIBLY, MEETING ENVIRONMENTAL STANDARDS AND SUPPORTING SUSTAINABILITY.

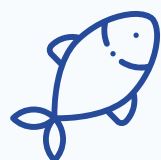


The company's equity at the end of 2024 amounted to EUR 4.35 million, or 42.63% of total assets, which is 27.5% more than in the corresponding period at the end of 2023.



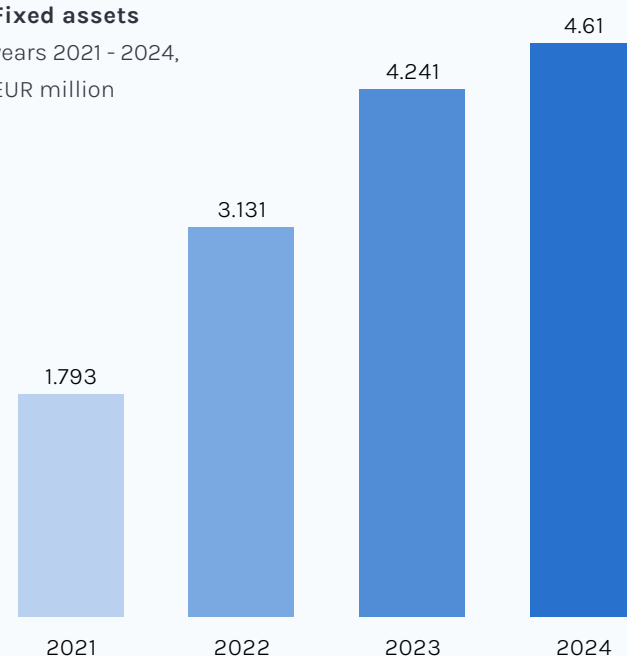
General Development Plan





To ensure the sustainability of production and product quality, the company has increased investments in fixed assets more than 2 times since 2021.

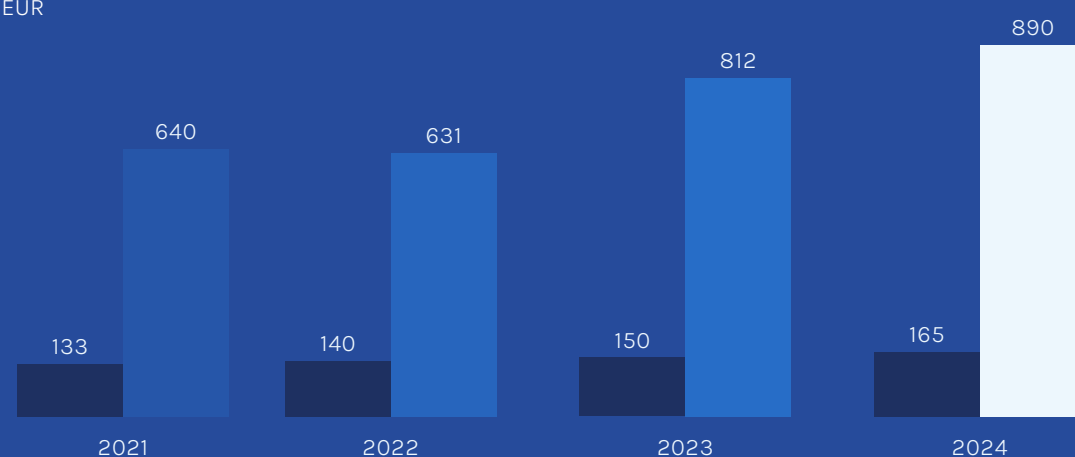
Fixed assets
years 2021 - 2024,
EUR million



In 2024, the company continued to increase the number of jobs, employing 165 regional employees at the end of the reporting period. At the end of the year, the expansion of the office space required for the company's administrative staff was initiated.

In 2024, the amount of labor taxes paid to the budgets amounted to 890,090 EUR, which is 10% more than in 2023.

● Staff
● Labour taxes paid,
thous, EUR



The company is active in the field of corporate social responsibility, providing support to regional educational institutions, voluntary groups, the municipality, the disabled association and the animal shelter.

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

Foreign currency exchange risk is the probability that fluctuations in exchange rates will affect the Company's financial position and cash flow. Considering the introduction of the euro and insignificant operating cash flows in foreign currencies, the Company is not exposed to significant exchange rate fluctuations. The financial statements are prepared in the single currency of the European Union – the euro (EUR).

All transactions in foreign currencies are valued in euros at the exchange rate officially determined by the European Central Bank on the day of the transaction. All monetary assets and liabilities are converted into euros at the exchange rate set by the European Central Bank on the last day of the reporting year. Gains or losses arising from fluctuations in foreign exchange rates are recognized in the income statement for the period.

INTEREST RATE RISK

Interest rate risk arises from changes in interest rates that affect a company's net income and future cash flows. It is the Company's policy to ensure that most loans have a fixed rate.

LIQUIDITY RISK

The Company implements a prudent liquidity risk management policy, according to which sufficient credit resources are provided to meet obligations as they fall due. The management of the group manages the liquidity and cash flow risks, keeping them appropriate cash reserves and ensuring sufficient funding, monitoring forecasted and actual cash flows and constantly harmonizing the maturities of financial assets and liabilities.

CREDIT RISK

The Company is exposed to credit risk through trade receivables and cash and cash equivalents. The Company's receivables mainly consist of receivables from customers. The Company manages credit risk by constantly evaluating the credit history of customers and individually determining credit conditions. In addition, accounts receivable balances are constantly monitored to ensure that the company's risk of bad debts is minimized.



Future perspectives

The company's plans for 2025 - 2027 in the field of commercial activities provide for the establishment of long-term sustainable cooperation with buyers in existing markets, as well as the development of new markets by increasing the geography to 50-55 countries with the goal of selling 20 million cans per year. In 2025, company representatives plan to participate in food exhibitions in Europe, Asia and North America.

In regards to production, the company plans to implement the next investment project to improve production technology, including the construction of a cold store for storing fish raw materials, the purchase of industrial food production lines, the purchase of fish pre-processing equipment and can collection equipment. The total cost of the project will be 2 million EUR, and it will be implemented in cooperation with the Rural Support Service, attracting co-financing from the European Maritime, Fisheries and Aquaculture Fund.

In the 2nd quarter of 2025, the company plans to issue bonds with the aim of implementing the above-mentioned investment project, as well as refinancing the company's existing bonds issued in 2022.

31.03.2025.


Ingus Veckāgans
Member of the Board



Financial Statements

Statement of Comprehensive Income

Classified per function of expenditure

| | Note number | 2024 EUR | 2023 EUR |
|---|----------------|------------------|------------------|
| Net turnover: | 3 | 15 958 867 | 12 975 716 |
| <i>c) from other types of principal activity</i> | | 15 958 867 | 12 975 716 |
| Cost of goods sold or services provided | 4 | (14 386 471) | (11 582 530) |
| GROSS PROFIT OR LOSS | | 1 572 396 | 1 393 186 |
| Selling costs | | (144 528) | (160 772) |
| Administrative costs | 5 | (532 386) | (488 871) |
| Other operating income | 6 | 286 023 | 540 902 |
| Other operating expense | 7 | (64 994) | (69 348) |
| Interest and similar income: | 8 | 180 049 | 98 751 |
| <i>a) from related parties</i> | | 2 856 | 3 004 |
| <i>b) from other persons</i> | | 177 193 | 95 747 |
| Interest expense and similar costs: | 9 | (223 211) | (245 504) |
| <i>b) to other persons</i> | | (223 211) | (245 504) |
| PROFIT OR LOSS BEFORE CORPORATE INCOME TAX | | 1 073 349 | 1 068 344 |
| Corporate income tax for the reporting year | | (31 656) | (407) |
| PROFIT OR LOSS FOR THE REPORTING YEAR | | 1 041 693 | 1 067 937 |

Notes on pages 30 to 47 form an integral part of these financial statements.
31.03.2025.


Ingus Veckāgans
Member of the Board


Inita Andriksone
Chief Accountant



Balance Sheet

Assets

| | Note number | 31.12.2024 EUR | 31.12.2023 EUR |
|---|----------------|-------------------|-------------------|
| Non-current investments | | | |
| Intangible assets | | | |
| Other intangible assets | | 26 168 | 29 948 |
| Advance payments for intangibles | | 1 130 | - |
| Total intangible assets | 10 | 27 298 | 29 948 |
| Property, plant and equipment | | | |
| Real estate: | | 2 298 556 | 1 739 443 |
| <i>a) land, buildings and engineering structures</i> | | 2 298 556 | 1 739 443 |
| Equipment and machinery | | 1 702 529 | 1 653 630 |
| Other fixtures and fittings, tools and equipment | | 301 544 | 207 283 |
| Construction in progress | | 31 228 | 591 655 |
| Prepayments for property, plant and equipment | | 246 486 | 50 960 |
| Total property, plant and equipment | 11 | 4 580 343 | 4 242 971 |
| TOTAL NON-CURRENT INVESTMENTS | | 4 607 641 | 4 272 919 |
| Current assets | | | |
| Inventories | | | |
| Raw materials and consumables | | 1 959 550 | 1 483 534 |
| Work in progress | | 1 773 | 1 424 |
| Finished products and goods for sale | | 1 920 291 | 1 875 671 |
| Prepayments for inventories | | 97 493 | 39 262 |
| Total inventories | | 3 979 107 | 3 399 891 |
| Debtors | | | |
| Trade receivables | | 763 513 | 821 930 |
| Due from related parties | 12 | 129 428 | 140 973 |
| Other receivables | 13 | 139 054 | 80 479 |
| Short-term loans to stockholders or members, and management | | 16 678 | - |
| Deferred expenses | | 11 862 | 6 783 |
| Total debtors | | 1 060 535 | 1 050 165 |
| Cash | | 562 345 | 235 016 |
| TOTAL CURRENT ASSETS | | 5 601 987 | 4 685 072 |
| TOTAL ASSETS | | 10 209 628 | 8 957 991 |

Liabilities and Equity

| | Note number | 31.12.2024 EUR | 31.12.2023 EUR |
|--|----------------|-------------------|-------------------|
| Equity | | | |
| Share capital | 14 | 547 565 | 547 565 |
| Long-term investments revaluation reserve | 15 | 41 819 | 51 634 |
| Reserves: | | 2 | 2 |
| <i>f) other reserves</i> | | 2 | 2 |
| Previous years' retained earnings or accumulated loss | | 2 719 398 | 1 745 891 |
| Profit or loss for the reporting year | | 1 041 693 | 1 067 937 |
| TOTAL EQUITY | | 4 350 477 | 3 413 029 |
| Liabilities | | | |
| Non-current creditors | | | |
| Loans against bonds | 16 | - | 2 500 000 |
| Other loans | 17 | 344 766 | 474 042 |
| Deferred income | 19 | 986 754 | 674 528 |
| Total non-current creditors | | 1 331 520 | 3 648 570 |
| Short-term creditors | | | |
| Loans against debentures | 16 | 2 500 000 | - |
| Other loans | 17 | 164 722 | 164 346 |
| Prepayments received from customers | | 251 347 | 203 511 |
| Trade payables | | 1 098 367 | 1 075 334 |
| Taxes and State mandatory social insurance contributions | 18 | 78 815 | 67 960 |
| Other creditors | | 106 630 | 96 397 |
| Deferred income | 19 | 132 147 | 102 738 |
| Accrued liabilities | 20 | 195 603 | 186 106 |
| Total short-term creditors | | 4 527 631 | 1 896 392 |
| TOTAL LIABILITIES | | 5 859 151 | 5 544 962 |
| TOTAL LIABILITIES AND EQUITY | | 10 209 628 | 8 957 991 |

Notes on pages 30 to 47 form an integral part of these financial statements.

31.03.2025.


Ingus Veckāgans
Member of the Board


Inita Andriksone
Chief Accountant

Cash Flow Statement

Direct method

| | Note number | 2024 EUR | 2023 EUR |
|---|-------------|------------------|--------------------|
| Cash flows to/ from operating activities | | | |
| Revenue from the sale of goods and provision of services | | 16 561 025 | 13 779 592 |
| Payments to suppliers, employees, other expenses of principal activity | | (15 823 795) | (13 041 320) |
| Other revenue (+) or expenses (-) of principal activity | | 71 754 | 501 654 |
| Gross cash flow of principal activity | | 808 984 | 1 239 926 |
| Interest paid | | (141 738) | (139 500) |
| Corporate income tax paid | | (27 606) | (570) |
| NET CASH FLOW OF PRINCIPAL ACTIVITY | | 639 640 | 1 099 856 |
| Investment activity cash flow | | | |
| Acquisition of fixed assets and intangible assets | | (715 499) | (1 687 338) |
| Revenue from sale of fixed assets and intangible investments | | - | 5 500 |
| Loans issued | | (95 300) | (99 529) |
| Revenue from repayment of loans | | 101 050 | 102 700 |
| Interest received | | 5 156 | 1 658 |
| INVESTMENT ACTIVITY CASH FLOW | | (704 593) | (1 677 009) |
| Financing activity cash flow | | | |
| Subsidies, grants, gifts or donations received | | 493 205 | 380 089 |
| Disbursed dividends | | (104 245) | - |
| NET CASH FLOW FROM FINANCING ACTIVITY | | 388 960 | 380 089 |
| Result of fluctuations of foreign currency exchange rates | | 3 322 | 245 |
| Net increase /(decrease) in cash and its equivalents | | 327 329 | (196 819) |
| Balance of cash and its equivalents at the beginning of the reporting year | | 235 016 | 431 835 |
| BALANCE OF CASH AND ITS EQUIVALENTS AT THE END OF THE REPORTING YEAR | | 562 345 | 235 016 |

Notes on pages 30 to 47 form an integral part of these financial statements.

31.03.2025.


Ingus Veckāgans
Member of the Board


Inita Andriksone
Chief Accountant

Statement of Changes in Equity

| | Share capital EUR | Long-term investments revaluation reserve EUR | Reserves EUR | Retained profits EUR | Total equity EUR |
|--|----------------------|---|-----------------|----------------------------|---------------------|
| As at 31.12.2022 | 547 565 | 53 497 | 2 | 1 744 028 | 2 345 092 |
| Decrease in the balance of long- term investment revaluation reserve | - | (1 863) | - | 1 863 | - |
| Increase/decrease in retained profit | - | - | - | 1 067 937 | 1 067 937 |
| As at 31.12.2023 | 547 565 | 51 634 | 2 | 2 813 828 | 3 413 028 |
| Decrease in the balance of long- term investment revaluation reserve | - | (9 815) | - | 9 815 | - |
| Dividends | - | - | - | (104 245) | (104 245) |
| Increase/decrease in retained profit | - | - | - | 1 041 693 | 1 041 693 |
| As at 31.12.2024 | 547 565 | 41 819 | 2 | 3 761 091 | 4 350 477 |

Notes on pages 30 to 47 form an integral part of these financial statements.

31.03.2025.


Ingus Veckāgans
Member of the Board


Inita Andriksone
Chief Accountant

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.

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 IFRS, applying the going concern principle. The accounting policies described below were applied consistently throughout the periods presented in these financial statements.

- It is assumed that corporations will continue to operate;
- The same valuation methods as in the previous period have been used;
- The assessment has been carried out with due care: the report only includes earnings earned up to the balance sheet date, take into account any expected risk amounts and losses incurred in the reporting period or previous periods, even if they become known between the balance sheet date and the financial statement date; calculate and take into account all impairment and depreciation amounts, regardless of whether the reporting period is concluded with profit or loss;



- Revenue and costs related to the reporting period taken into account regardless of payment date and invoice date of receipt or discharge. Costs are aligned with revenues in the reporting period;
- Components of assets and liabilities are assessed separately;
- The opening balance of the reporting period coincides with the closing balance of the previous period;
- All items that have a significant impact on the assessment or decision-making of users of the financial statement are identified, the minor items are merged and detailed in the Annex;
- Economic transactions are reflected in the financial statement in terms of their economic content and nature rather than legal form.

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

REPORTING PERIOD

| | |
|---|--------------------------|
| The reporting period is 12 months | 01.01.2024 to 31.12.2024 |
| The previous reporting period is 12 months from | 01.01.2023 to 31.12.2023 |



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 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.

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.

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 | 2024 EUR | 2023 EUR |
|--|-----------|-------------------|-------------------|
| Revenue from the sale of canned fish and by-products | 10.20 | 15 958 867 | 12 975 716 |
| TOTAL | X | 15 958 867 | 12 975 716 |

4 • Cost of goods sold or services provided

| | 2024 EUR | 2023 EUR |
|--|-------------------|-------------------|
| Costs of purchased raw materials | 11 131 108 | 8 924 372 |
| Depreciation and amortization of fixed and intangible assets | 529 137 | 397 157 |
| Personnel costs | 2 015 583 | 1 782 290 |
| Other cost of sales | 710 643 | 478 711 |
| TOTAL | 14 386 471 | 11 582 530 |

5 • Administrative costs

| | 2024 EUR | 2023 EUR |
|---|----------------|----------------|
| Personnel costs | 347 438 | 332 964 |
| Depreciation of fixed and intangible assets | 31 241 | 27 876 |
| Cash turnover related expenses | 30 571 | 27 882 |
| Administration maintenance costs | 94 705 | 78 105 |
| Professional services costs | 21 731 | 18 340 |
| Representation costs | 6 700 | 3 704 |
| TOTAL | 532 386 | 488 871 |

6 • Other operating income

| | 2024 EUR | 2023 EUR |
|--|----------------|----------------|
| Income from the sale of current assets | 191 906 | 6 700 |
| Profit from sale of fixed assets* | 4 005 | 7 882 |
| LIAA support received | - | 20 394 |
| Received LAD support for cost compensation | 88 624 | 501 654 |
| Other income | 1 488 | 4 272 |
| TOTAL | 286 023 | 540 902 |

*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 EUR | Proceeds from disposal EUR | Disposal costs EUR | Gross profit EUR | Profit or loss from disposal of the object EUR |
|-----------------------------|--|-------------------------------|-----------------------|---------------------|---|
| Other fixed assets | 17 495 | 21 500 | - | 4 005 | 4 005 |
| TOTAL | 17 495 | 21 500 | - | 4 005 | 4 005 |



7 • Other operating expense

| | 2024 EUR | 2023 EUR |
|-----------------------------------|---------------|---------------|
| Personnel sustainability expenses | 10 496 | 10 118 |
| Donations | 3 913 | 474 |
| Business trip expenses | 37 192 | 43 136 |
| Real estate tax | 4 019 | 3 760 |
| Other expenses | 9 374 | 11 860 |
| TOTAL | 64 994 | 69 348 |

8 • Interest and similar income

| | 2024 EUR | 2023 EUR |
|--|----------------|---------------|
| Interest income | 8 011 | 4 662 |
| Recovered debts | 11 082 | - |
| Income from exchange rate fluctuations | 7 287 | - |
| Income from LAD support programme | 151 571 | 93 868 |
| Other income | 2 098 | 221 |
| TOTAL | 180 049 | 98 751 |

| 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 | - | - |
| LAD | 2023 | 359 696 | Production facilities and equipment | - | - |
| LAD | 2024 | 480 830 | Production facilities and equipment | - | - |

9 • Interest expense and similar costs

| | 2024 EUR | 2023 EUR |
|--|----------------|----------------|
| Interest costs | 217 037 | 206 279 |
| Fines and contractual penalties | 5 177 | 2 599 |
| Losses from exchange rate fluctuations | - | 5 904 |
| Losses from the sale of investments | - | 30 722 |
| Other costs | 997 | - |
| TOTAL | 223 211 | 245 504 |

10 • Intangible assets

| | Other intangible assets EUR | Advance payments for intangibles EUR | Total intangible assets EUR |
|--------------------------|--------------------------------|---|--------------------------------|
| Acquisition value | | | |
| 31.12.2022 | 62 001 | - | 62 001 |
| Additions | 11 621 | - | 11 621 |
| Reclassified | (1 864) | - | (1 864) |
| 31.12.2023 | 71 758 | - | 71 758 |
| Additions | - | 1 130 | 1 130 |
| 31.12.2024 | 71 758 | 1 130 | 72 888 |

| | | | |
|---|---------------|--------------|---------------|
| Accumulated amortization | | | |
| 31.12.2022 | 40 951 | - | 40 951 |
| Amortization charge | 2 723 | - | 2 723 |
| Amortization of intangible assets that have been liquidated or reclassified | (1 864) | - | (1 864) |
| 31.12.2023 | 41 810 | - | 41 810 |
| Amortization charge | 3 780 | - | 3 780 |
| 31.12.2024 | 45 590 | - | 45 590 |
| Net book value 31.12.2023 | 29 948 | - | 29 948 |
| Net book value 31.12.2024 | 26 168 | 1 130 | 27 298 |

11 • Property, plant and equipment

| | | Real estate EUR | Equipment and machinery EUR | Other fixtures and fittings, tools and equipment EUR | Construction in progress EUR | Prepayments for property, plant and equipment EUR | Total fixed assets EUR |
|--|------------|--------------------|-----------------------------------|--|---------------------------------|---|---------------------------|
| Acquisition value | | | | | | | |
| 31.12.2022 | | 1 053 718 | 1 648 337 | 843 871 | 652 138 | 278 769 | 4 476 833 |
| Additions | | 9 08 886 | 1 478 841 | 28 491 | 730 804 | 717 512 | 3 864 534 |
| Disposal | | - | (592 785) | (64 780) | (791 287) | (945 321) | (2 394 173) |
| Reclassified | | 1 | 351 483 | (352 841) | - | - | (1 357) |
| 31.12.2023 | | 1 962 605 | 2 885 876 | 454 741 | 591 655 | 50 960 | 5 945 837 |
| Additions | | 660 917 | 433 066 | 182 383 | 36 420 | 632 234 | 1 945 020 |
| Disposal | | - | (119 282) | (108 312) | (596 847) | (436 708) | (1 261 149) |
| 31.12.2024 | | 2 623 522 | 3 199 660 | 528 812 | 31 228 | 246 486 | 6 629 708 |
| Accumulated depreciation | | | | | | | |
| 31.12.2022 | | 159 098 | 958 272 | 227 619 | - | - | 1 344 989 |
| Depreciation charge | | 63 805 | 295 367 | 63 140 | - | - | 422 312 |
| Moved to another position* | | 259 | 12 035 | (13 650) | - | - | (1 356) |
| Depreciation of fixed assets that have been liquidated or reclassified | | - | (33 428) | (29 651) | - | - | (63 079) |
| 31.12.2023 | | 223 162 | 1 232 246 | 247 458 | - | - | 1 702 866 |
| Depreciation charge | | 101 804 | 384 130 | 70 663 | - | - | 556 597 |
| Depreciation of fixed assets that have been liquidated or reclassified | | - | (119 245) | (90 853) | - | - | (210 098) |
| 31.12.2024 | | 324 966 | 1 497 131 | 227 268 | - | - | 2 049 365 |
| Net book value | 31.12.2023 | 1 739 443 | 1 653 630 | 207 283 | 591 655 | 50 960 | 4 242 971 |
| Net book value | 31.12.2024 | 2 298 556 | 1 702 529 | 301 544 | 31 228 | 246 486 | 4 580 343 |



12 • Total debtors

| | 31.12.2024 EUR | 31.12.2023 EUR |
|----------------------|-------------------|-------------------|
| Related Company Debt | 25 593 | 34 243 |
| Short-term loan | 103 835 | 106 730 |
| TOTAL | 129 428 | 140 973 |

13 • Other receivables

| | 31.12.2024 EUR | 31.12.2023 EUR |
|-----------------------|-------------------|-------------------|
| Guarantee payments | 40 702 | 40 702 |
| Payments to employees | 139 | 101 |
| Tax overpayment | 98 213 | 39 676 |
| TOTAL | 139 054 | 80 479 |

14 • Share capital

As of 31 December 2023 and 2024, the share capital is fully paid up. It consists of 547,565 shares value of 1 EUR.

15 • 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 |
| | 31.12.2023 EUR | 31.12.2024 EUR | 31.12.2023 EUR | 2024 EUR | 31.12.2024 EUR | 31.12.2024 EUR |
| <u>Technology devices and equipment:</u> | | | | | | |
| Nr. 1 | 46 660 | 38 382 | - | 8 278 | - | 38 382 |
| <u>Other fixed assets and inventory:</u> | | | | | | |
| Nr. 1 | 4 974 | 3 437 | - | 1 537 | - | 3 437 |
| TOTAL | 51 634 | 41 819 | - | 9 815 | - | 41 819 |

16 • Loans against debentures

| | 31.12.2024 EUR | 31.12.2023 EUR |
|----------------|-------------------|-------------------|
| Covered bonds* | 2 500 000 | 2 500 000 |
| TOTAL | 2 500 000 | 2 500 000 |

Including short-term

*In May 2022, the Company issued a secured bond issue in the amount of EUR 2.5 million. The property owned by Banga Ltd as a community of property at the time of pledge, as well as future components of the community of property, are pledged in favor of ZAB VILGERTS SIA, registration No. 40203309933, establishing a first-tier commercial pledge on it as collateral for the bonds issued by AS Signet Bank (ISIN:LV0000860088).

17 • Other loans

| | Maturity date | 31.12.2024 EUR | 31.12.2023 EUR |
|---|---------------|-------------------|-------------------|
| Long-term loans (from 1 to 5 years) | | | |
| AS Swedbank Līzings financial leasing agreements: | 2026-2028 | 344 766 | 450 890 |
| AS Citadele Leasing financial leasing agreements: | | - | 23 152 |
| TOTAL | X | 344 766 | 474 042 |

| | Maturity date | 31.12.2024 EUR | 31.12.2023 EUR |
|---|---------------|-------------------|-------------------|
| Short-term loans | | | |
| AS Swedbank Līzings financial leasing agreements: | 2025 | 164 722 | 155 365 |
| AS Citadele Leasing financial leasing agreements: | | - | 8 981 |
| TOTAL | X | 164 722 | 164 346 |

18 • Taxes and State mandatory social insurance contributions

| | 31.12.2024 EUR | 31.12.2023 EUR |
|--|-------------------|-------------------|
| Till 1 year | | |
| Personal income tax | 19 205 | 18 452 |
| State mandatory social insurance contributions | 50 895 | 45 788 |
| Corporate income tax | 4 127 | 77 |
| Risk duties | 61 | 56 |
| Company light vehicle tax | 2 483 | 1 653 |
| Natural resources tax | 2 044 | 1 934 |
| TOTAL | 78 815 | 67 960 |

19 • Deferred income

| Long-term Next period revenue | 31.12.2024 EUR | 31.12.2023 EUR |
|---|-------------------|-------------------|
| LAD support* | 986 754 | 674 528 |
| Total long-term Next period revenue | 986 754 | 674 528 |
| | | |
| Short-term Next period revenue | 31.12.2024 EUR | 31.12.2023 EUR |
| LAD support* | 132 147 | 102 738 |
| Total short-term Next period revenue | 132 147 | 102 738 |

*Within the framework of the European Maritime and Fisheries Fund's measure "Processing of fishery and aquaculture products.

20 • Accrued liabilities

| | 31.12.2022 EUR | 01.01.2022 EUR |
|----------------------------------|-------------------|-------------------|
| Accrued vacation pay | 113 693 | 93 272 |
| Accrued liabilities to suppliers | 61 077 | 72 001 |
| Accrued interest expense | 20 833 | 20 833 |
| Total | 195 603 | 186 106 |

21 • Transactions with related parties

| Related party | Services rendered and goods sold EUR | Services rendered and goods purchased EUR | Amounts owed by related parties as at 31 December EUR | Payables to related parties as at 31 December EUR |
|----------------------|--|---|--|--|
| 2023 | | | | |
| Curlandia SIA | 102 533 | 159 383 | 140 973 | 1 936 |
| Banga Ukraine LLC | 98 487 | - | - | - |
| 2024 | | | | |
| Curlandia SIA | 98 156 | 132 932 | 129 428 | 1 936 |
| Total in 2023 | 201 020 | 159 383 | 140 973 | 1 936 |
| Total in 2024 | 98 156 | 132 932 | 129 428 | 1 936 |

22 • Average number of employees

| | 2024 | 2023 |
|------------------------------------|------------|------------|
| Members of the Board | 1 | 1 |
| Other employees | 156 | 153 |
| AVERAGE NUMBER OF EMPLOYEES | 157 | 154 |

23 • Personnel costs

| | 2024 EUR | 2023 EUR |
|--|------------------|------------------|
| Salary | 1 882 041 | 1 705 325 |
| Mandatory state social insurance contributions | 442 402 | 400 074 |
| OTHER PERSONNEL EXPENSES | 2 324 443 | 2 105 399 |

24 • Information on the payments for members of the council and the board

The remuneration of a board member for performing his/her duties is as follows:

| | 2024 EUR | 2023 EUR |
|----------------------|---------------|---------------|
| Members of the Board | 50 565 | 50 308 |
| TOTAL | 50 565 | 50 308 |

25 • Information on pledged or otherwise encumbered assets

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

26 • Important events after the end of the report year

The Russian invasion of Ukraine in February 2022 has significantly changed the political and economic situation in the world, and it has affected and will continue to affect the economies of the Baltic States. When developing its strategy for 2024, the Company has taken into account the risk of inflation and interest rate increases. The Company's management and shareholders are monitoring the situation and believe that it will continue its operations stably. This conclusion is based on information that was 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 2nd quarter of 2025, the Company plans to issue bonds with the aim of implementing the above-mentioned investment project, as well as refinancing the existing company bonds issued in 2022. There have been no other events since the end of the reporting year that should be reflected in this annual report.

27 • 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, 2024.

28 • Proposal for Distribution of Profit or Covering of Loss

The decision on profit distribution will be made at the shareholders' meeting, approving the financial report.

29 • Going concern

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

31.03.2025.


Ingus Veckāgans
Member of the Board


Inita Andriksone
Chief Accountant



Taste and enjoy the seafood!

INDEPENDENT AUDITORS' REPORT

To the shareholders of "Banga Ltd" SIA

Our Opinion on the Financial Statements

Grant Thornton Baltic Audit SIA
Blaumana str. 22
LV-1011 Rīga
Latvia

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We have audited the accompanying financial statements of SIA "Banga Ltd" ("the Company") set out on pages from 24 to 46 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 2024,
- 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 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by European Union (hereinafter IFRS).

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 5 of the accompanying Annual Report,
- the Management Report, as set out on pages 6 to 21 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.

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

The management is responsible for the preparation of a financial statement giving a true and fair view in accordance with the International Financial Reporting Standards, as endorsed by the European Union, 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 scepticism 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.
- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

SLA „Grant Thornton Baltic Audit”
License No. 183

Raivis Irbītis
Member of the Board

31st March, 2025



Ieva Aizsila
Sworn auditor
Certificate No. 233