



# INTERIM REPORT

FOR THE FIRST HALF OF 2023

UNAUDITED

Roja, 2023



# TABLE OF CONTENTS

<b>Information on the Company</b>	<b>3</b>
<b>Management Report</b>	<b>4</b>
<b>Financial statements</b>	
Income and Loss Statement	7
Balance Sheet	7
Cash Flow Statement	8
Statement of Changes in Equity	11
<b>Annex to the financial statement</b>	<b>12</b>



# INFORMATION ON THE COMPANY

<b>Company name</b>	<b>SIA "Banga Ltd"</b>
<b>Legal status of the Company</b>	Limited liability company
<b>Registration No., place and date</b>	41203031343, Ventspils, November 22, 2007
<b>Legal address</b>	74B Akas Street, Roja, Rojas parish, Talsu municipality, LV-3264
<b>Members</b>	SIA Curlandia - 100% 40103629334, 74B Akas Street, Roja, Rojas parish, Talsu municipality, LV-3264
<b>Board members</b>	Ingus Veckāgans - Member of the Board
<b>Report prepared by</b>	Inita Andriksone - Chief Accountant
<b>Reporting period</b>	from 01.01.2023 until 30.06.2023
<b>Details of subsidiaries</b>	LLC Banga Ukraine, Reg. No. 43981828, Hotkevicha Gnata 12, Office No.177, Kiev, Ukraine, 02094
<b>Type of company's activity</b>	Processing and preserving of fish, crustaceans and molluscs
<b>NACE classification code</b>	10.20

# STATEMENT OF THE MANAGEMENT BOARD

31 August 2023

## Key events in Q2 and 6 Month 2023

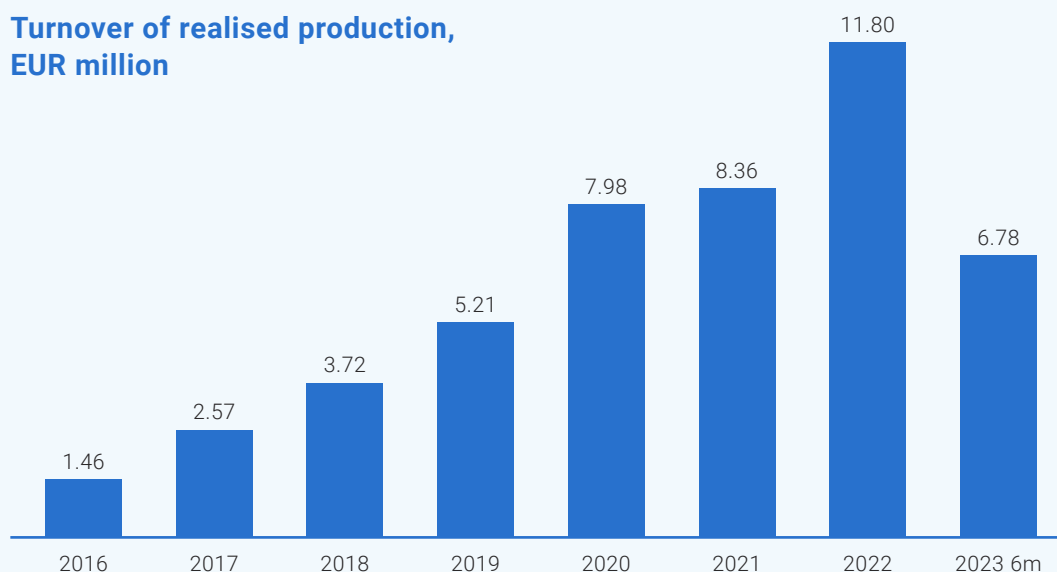


### Type of activity

The Company's turnover in Q2 of 2023 has maintained its upward momentum compared to both Q1 and H1 of 2022. In the first half of 2023, the company's turnover amounted to EUR 6 781 809, which is 27.9% higher than in the same period of 2022. The production and sale of canned sterilised fish is the company's main source of income, accounting for 99.67% of turnover, including 75.89% from own production.

The Company's sales growth is driven by a wide range of clients - distributors, supermarket chains - around the world, long-term business relationships with clients and a wide range of products.

### Turnover of realised production, EUR million

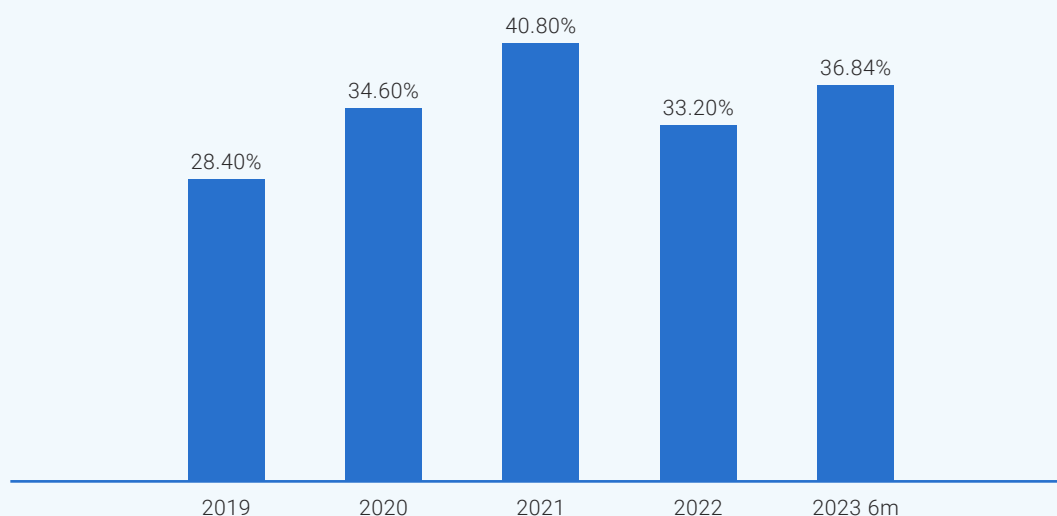


## Performance and Financial situation of the Company

In the first 6 months of 2023, the company made a profit of EUR 875 931, including In the 2nd quarter in the amount of EUR 486 479. Exceptional income received has a significant impact on profit from European Maritime, Fisheries and Aquaculture Fund support, in addition to the partial reimbursement of costs, which amounted to EUR 135 626 in Q1, EUR 192 614 in Q2 and a total of EUR 328 240 for the 6 months. Excluding the cost increase compensation component in the 6 months of 2023, the profit calculation amounted to EUR 547 692, or 1,92 times higher than in the corresponding period of 2022.

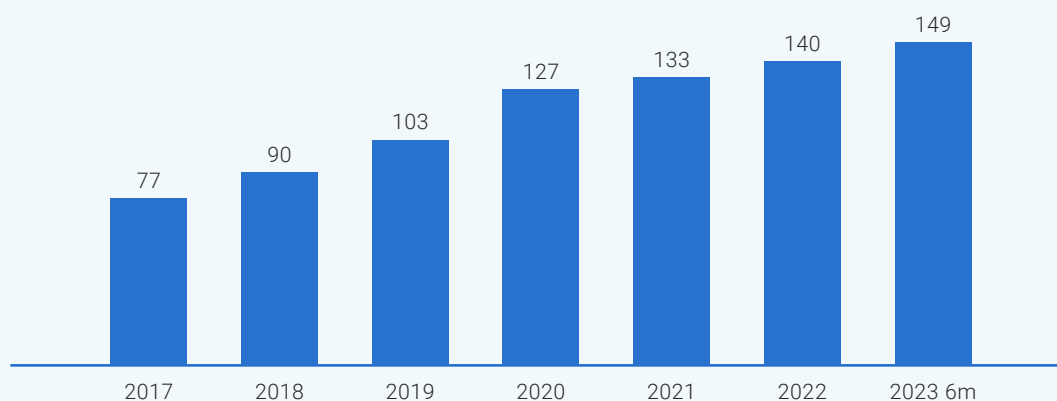
The Company's equity as at 30 June 2023 amounted to EUR 3,22 million, or 36,84 % of total assets, an increase of 7,84 % compared to the corresponding period in 2022 at the end of June.

### Equity ratio



The start of full production in the new unit, implemented with the support of the European Maritime, Fisheries and Aquaculture Fund, will not only increase the company's production capacity, but will also provide additional jobs for the county's residents and tax payments to the state and municipal budgets. In 2022, the total amount of taxes paid was EUR 644,348 and EUR 373,214 in the first 6 months of 2023. At the end of the reporting period, the company employed a total of 149 county staff.

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





On 29 June 2023, SIA "Grant Thornton Baltic Audit", as independent auditor, issued an opinion without objections on the Company's 2022 Annual Report, confirming that the financial statements prepared in accordance with the requirements of Latvian legislation provide a true and fair view of the Company's financial position. In accordance with the decision of the sole shareholder of the Company SIA "Curlandia", dated as of 30 June 2023, the profit for the year 2022 in the amount of EUR 599 443 was allocated to the development of the Company.

On 18 April 2023, in accordance with the terms of the bonds issued by the Company, trading in the Company's bonds was commenced on Nasdaq Riga Baltic First North market by decision of a member of the Company.

### **Future development plans**

Taking advantage of the summer technological break, the company intends to carry out routine repairs at the plant, check and adjust equipment, improve environmental protection processes, improve the site in the second half of 2023 in order to reach 100% capacity utilisation, including in the new production unit, when production resumes. The work will continue on the absorption of the EU funds.

The Company's medium-term plans are to increase the volume of sales by diversifying its markets (including new markets such as Central Asia) and products as much as possible, thereby reducing risks and ensuring a sustainable expansion of market share.



### **Financial Indicators**

Financial Indicator	Calculation formula	Result
Interest coverage Ratio (IRC)	EBITDA/Net finance Charges	7.0
Equity Ratio	Ratio of Adjusted Equity/Assets	37%
Net Debt to EBITDA	Net Debt/EBITDA	2.46
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>	1 286 557 EUR

**Ingus Veckāgans**  
(Member of the Board)

**Report prepared by:**  
**Inita Andriksone**  
(Chief Accountant)

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# INCOME AND LOSS STATEMENT

(CLASSIFIED BY FUNCTION OF EXPENDITURE)

	Note	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Net turnover:	3	6 781 809	5 301 719
<i>c) from other operating activities</i>		6 781 809	5 301 716
Cost of production of goods sold, cost of goods sold or cost of services rendered	4	(5 883 088)	(4 717 181)
<b>GROSS PROFIT OR LOSS</b>		<b>898 721</b>	<b>584 538</b>
Cost of sales		(76 705)	(100 518)
Administration costs	5	(227 458)	(194 370)
Other operating revenue	6	18 989	10 541
Other operating expenses	7	(6 418)	(15 135)
Other interest and similar income:	8	371 742	54 995
<i>a) from related companies</i>		1 495	1 539
<i>b) from other persons</i>		370 247	53 456
Interest and similar charges:	9	(102 800)	(46 288)
<i>b) to other persons</i>		(102 800)	(46 288)
<b>PROFIT OR LOSS BEFORE CORPORATION TAX</b>		<b>876 071</b>	<b>293 763</b>
Corporation tax for the year under review		(140)	(8 686)
<b>PROFIT OR LOSS FOR THE YEAR</b>		<b>875 931</b>	<b>285 077</b>

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# BALANCE SHEET

## ASSETS

		30.06.2023 EUR	31.12.2022 EUR
<b>Long-term investments</b>	<b>Note</b>		
<b>Intangible investments</b>			
Other intangible investments		26 247	21 050
<b>Total intangible investments</b>	10	<b>26 247</b>	<b>21 050</b>
<b>Fixed assets, investment property and biological assets</b>			
Real estate:		1 657 827	894 620
<i>a) land, buildings and civil engineering structures</i>		1 657 827	894 620
Technological equipment and devices		1 236 693	690 065
Other fixed assets and inventories		458 009	616 252
Establishment of fixed assets and construction work in progress		13 589	652 138
Advances on fixed assets		77 271	278 769
<b>Total fixed assets</b>	11	<b>3 443 389</b>	<b>3 131 844</b>
<b>Long-term financial investments</b>			
Participation in the capital of affiliated companies	12	30 722	30 722
<b>Total non-current financial investments</b>		<b>30 722</b>	<b>30 722</b>
<b>Total non-current investments</b>		<b>3 500 358</b>	<b>3 183 616</b>
<b>Current assets</b>			
<b>Stocks</b>			
Raw materials, basic materials and consumables		1 259 893	1 421 439
Work in progress and orders		381	6 877
Finished products and goods for sale		2 089 045	928 267
Advances on stocks		82 946	163 864
<b>Total stocks</b>		<b>3 432 265</b>	<b>2 520 447</b>
<b>Debtors</b>			
Trade receivables		870 721	589 660
Debts owed by creative companies	13	165 942	279 090
Other debtors	14	147 786	72 685
Deferred charges		16 426	6 444
<b>Total debtors</b>		<b>1 200 875</b>	<b>947 879</b>
<b>Cash</b>		<b>609 240</b>	<b>431 835</b>
<b>Total current assets</b>		<b>5 242 380</b>	<b>3 900 161</b>
<b>TOTAL ASSETS</b>		<b>8 742 738</b>	<b>7 083 777</b>



# BALANCE SHEET

## LIABILITIES

Equity	Note	30.06.2023 EUR	31.12.2022 EUR
Share capital (share capital)	15	547 565	547 565
Long-term investment revaluation reserve		53 497	53 497
Reserves:		2	2
<i>f) other reserves</i>		2	2
Retained earnings or losses from previous years		1 744 028	1 144 585
Profit or loss for the year		875 931	599 443
<b>Total equity</b>		<b>3 221 023</b>	<b>2 345 092</b>
<b>Creditors</b>			
<b>Long-term creditors</b>			
Borrowings against bonds	16	2 500 000	2 500 000
Other borrowings	17	497 585	229 395
Deferred income	19	704 361	433 880
<b>Total non-current creditors</b>		<b>3 701 946</b>	<b>3 163 275</b>
<b>Short-term creditors</b>			
Borrowings from credit institutions		-	-
Other borrowings	17	72 629	93 667
Advances received from customers		49 048	81 666
Debts to suppliers and contractors		1 277 383	977 324
Taxes and compulsory national social insurance contributions	18	65 063	64 990
Other creditors		97 179	96 325
Deferred income	19	38 780	77 559
Accrued liabilities	20	219 687	183 879
<b>Total short-term creditors</b>		<b>1 819 769</b>	<b>1 575 410</b>
<b>Total creditors</b>		<b>5 521 715</b>	<b>4 738 685</b>
<b>TOTAL LIABILITIES</b>		<b>8 742 738</b>	<b>7 083 777</b>

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# CASH FLOW STATEMENT

(DIRECT METHOD)

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
<b>Operating cash flow</b>		
Revenue from the sale of goods and provision of services	7 074 735	6 036 751
Payments to suppliers, employees, other operating activities	(6 887 055)	(6 127 875)
Other operating income (+) or expenditure (-)		
<b>Gross operating cash flow</b>	<b>187 680</b>	<b>(91 124)</b>
Expenditure on interest payments	(69 600)	(7 899)
Expenditure on corporation tax payments	(270)	(8 676)
<b>Net operating cash flow</b>	<b>117 810</b>	<b>(107 699)</b>
<b>Cash flow from investing activities</b>		
Acquisition of shares in creative companies, associated companies or other companies	-	-
Acquisition of fixed assets and intangible investments	(540 644)	(802 983)
Proceeds from the sale of property, plant and equipment and intangible investments	-	-
Loans issued	(24 929)	(16 700)
Proceeds from loan repayments	26 700	18 185
Interest received	-	-
<b>Net cash flow from investing activities</b>	<b>(538 873)</b>	<b>(801 498)</b>
<b>Cash flow from financing activities</b>		
Proceeds from the issue of shares and bonds or the investment of participating interests		2 500 000
Borrowings		700
Subsidies, grants, gifts or donations received	598 722	88 151
Borrowing repayment expenditure		(502 174)
Dividends paid		(50 000)
<b>Net cash flow from financing activities</b>	<b>598 722</b>	<b>2 036 677</b>
<b>Result of fluctuations in foreign exchange rates</b>	<b>(254)</b>	<b>(1 210)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>177 405</b>	<b>1 126 270</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>	<b>431 835</b>	<b>27 410</b>
<b>Cash and cash equivalents at the end of the reporting year</b>	<b>609 240</b>	<b>1 153 683</b>

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# STATEMENT OF CHANGES IN EQUITY

	Share capital (share capital) EUR	Long-term investment revaluation reserve EUR	Reserves EUR	Retained earnings EUR	Total equity EUR
<b>Balance 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>
Increase/decrease in the balance of the revaluation reserve for non-current investments		(768)			(768)
Dividends				(50 000)	(50 000)
Increase in retained earnings	-	-	-	599 443	<b>599 443</b>
<b>Balance 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>
Increase in retained earnings	-	-	-	875 931	<b>875 931</b>
<b>Balance 30.06.2023</b>	<b>547 565</b>	<b>53 497</b>	<b>2</b>	<b>2 619 959</b>	<b>3 221 023</b>

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The background of the entire page is a photograph of several metal bowls filled with cooked fish, likely sardines, arranged in a grid-like pattern. The fish are golden-brown and appear to be marinated or sautéed. The bowls are set against a dark, textured background.

# **ANNEX TO THE FINANCIAL STATEMENTS**



## 1 GENERAL INFORMATION ABOUT THE COMPANY

SIA Banga (hereinafter referred to as the Company) was registered in the Register of Enterprises of the Republic of Latvia on 22 November 2007. The Company's registered office is 74B Akas Street, Roja, Rojas parish, Talsu municipality. The company's main activity is the production of sterilised canned fish, crustaceans and molluscs.

## 2 SIGNIFICANT ACCOUNTING PRINCIPLES

### **Reporting principles**

- The Annual Report is prepared in accordance with the Accounting Law of the Republic of Latvia and the Law on Annual Reports and Consolidated Annual Accounts.
- The income statement is classified using the expense function method.
- The cash flow statement is prepared using the direct method.

### **Accounting principles applied**

The financial statements have been prepared on a going concern basis, the accounting and valuation methods have been applied consistently from the previous financial year and the estimates have been made with due care.

### **Transactions in foreign currencies**

The financial statements are prepared in the single currency of the European Union, the euro (EUR).

All transactions in foreign currencies are translated into euro at the exchange rate officially determined by the European Central Bank on the date of the transaction. All monetary assets and liabilities are translated into euro 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 recognised in the income statement for the period.

### **Related parties**

Related Party means a person or entity that is related to the reporting Company.

A person or a close relative of that person is connected with the reporting entity if that person has control, joint control or significant influence over the reporting entity or is a member of the management of the reporting entity or the parent of the reporting entity.

A company is related to the reporting company if they are members of the same group of companies. A company is also related to the reporting entity if a related party of the reporting entity has control, joint control or significant influence over the company, or a related party of the reporting entity is a member of the management of the company or its parent company.

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

Property, plant and equipment are stated at cost less depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises the purchase price, import duties and non-deductible acquisition taxes, other costs directly attributable to the acquisition, of bringing the asset to its location and condition for its intended use. Depreciation is calculated over the useful life of the asset using the straight-line method, using the following depreciation rates:

Buildings and structures	4-5%
Technological equipment	20-33%
Office equipment	20-33%
Computer equipment	20-33%
Means of transport	20-33%
Other fixed assets	14-50%

Land is not depreciated.

Intangible investments are stated at their acquisition value less amortisation. Depreciation is calculated over the useful life of the asset on a straight-line basis using the following depreciation rates:

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

Gains or losses on the sale of property, plant and equipment are recognised in the income statement for the period. The cost of repairs and renewals that increase the useful life or value of an asset is capitalised and depreciated over its useful life. Other repair and renewal costs are recognised in the reporting period costs related to leasehold improvements are capitalised and included in property, plant and equipment. Depreciation is calculated over the lease term using the straight-line method. Borrowing costs directly attributable to the construction of property, plant and equipment and construction in progress are capitalised if they are reasonably identifiable and directly attributable. Borrowing costs are capitalised until the property, plant and equipment is placed in service.

If events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable, the asset is reviewed for impairment. If there is an indication of irrecoverability and the asset's carrying amount exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

Construction in progress represents the cost of property, plant and equipment and construction in progress and is carried at historical cost. The initial value includes the cost of materials and other directly attributable costs. Construction in progress is not depreciated until the asset is completed and placed in service.

### **Long-term financial investments**

#### *Creative societies*

A related company is a company that is directly or indirectly controlled by another company (the parent company controls more than 50% of the voting rights of the shareholders or members of that company). The parent company controls the financial and business policies of the subsidiary. An entity recognises income from an investment only if it receives a distribution of the profits arising after the acquisition date from a related party. Distributions received in excess of these gains are treated as a cost of recovering the investment and are presented as a reduction of the cost of acquiring the investment in the equity of the associate.



### **Stock valuation**

The cost of inventories is accounted for using the FIFO method.

Inventory balances at the balance sheet date are valued at the lower of cost or production cost or the lower of cost and market.

If items of inventories are damaged, partially or completely obsolete, or the cost of completing or selling them has increased significantly, the related items of inventories are measured at net realisable value (net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completing the production to sale).

The full cost of finished products is revalued on a monthly basis. The revaluation is carried out using coefficients which are checked once a year against actual expenditure.

### **Accounts receivable**

Receivables are recorded at the amount of the original invoices, net of an allowance for doubtful debts. Provisions are made when the collection of the full amount owed is doubtful. Debts are written off if their recovery is deemed impossible.

#### *Provisions for doubtful debtors*

The amount of doubtful debts is determined by a maturity analysis of each debtor and other relevant information on the recoverability of the debt. Identified bad debts are written off to the loss for the year or, if previously provided for, by reducing the provision.

### **Deferred charges**

Deferred charges reflect payments made in the current year, but the use of the expenditure is attributable to future accounting years. The balance of a balance sheet asset is measured at the amount of the expected economic benefit in future reporting periods.

### **Cash**

In the cash flow statement, cash and cash equivalents consist of cash in hand and current bank balances.

### **Borrowing**

Borrowings are initially recognised at their cost, which is determined by deducting from the fair value of the amount borrowed the costs incurred in obtaining the borrowing. Borrowings are carried at amortised cost in subsequent periods. A borrowing is classified as non-current if it matures for payment or amortisation more than one year after the end of the reporting year. Amounts due to be paid or written off during the year are shown under short-term borrowings.

### **Finance lease liabilities**

An asset lease under which the entity assumes substantially all the risks and rewards of ownership is classified as a finance lease. Finance leases are capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the commencement date of the lease. Lease interest payments are included in the income statement for the period to reflect a constant rate on the balance of the lease liability.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee and meets at least one of the following conditions:

- a) ownership of the leased asset will be transferred to the lessee at the end of the term;
- b) lease term covers substantially all of the asset's useful life;
- c) leased assets are so specific that only the lessee is entitled to use them without significant modification.

Leased assets under finance leases are initially recorded at their acquisition value, with a corresponding liability. Depreciation is calculated over the economic useful lives of these assets, Finance lease payments are allocated between finance costs, which are recognised in the income statement as interest payments and a reduction of the remaining liability.

### **Accrued liabilities**

#### *Accrued liability for untaken leave*

The accrued liability is determined by multiplying the average remuneration of employees for the last six months of the reporting period by the number of days of untaken leave at the end of the reporting period, including the employer's compulsory social security contributions.

#### *Accrued liability for uncollected cost invoices*

Accrued liabilities for unbilled invoices are the clearly known amounts due to suppliers and contractors for goods or services received during the reporting year for which the relevant settlement document (invoice) has not yet been received at the balance sheet date. The amounts payable are calculated on the basis of the price agreed in the contract concerned and the documents evidencing the actual receipt of the goods or services.

### **Deferred income**

Deferred income reflects payments received before the balance sheet date but relating to the following accounting year or years.

### **Revenue recognition**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and to the extent that they can be measured reliably, net of value added tax and discounts associated with the sale. Revenue is recognised by reference to the economic substance and substance of the economic transaction rather than the legal form.

#### *Sale of goods*

The Company sells mainly canned fish produced in-house and purchased from other producers.

Revenue is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods and the Company is able to measure reliably the amount of revenue and costs that have been or will be incurred in connection with the sale of the goods.

### **Corporate tax**

Corporate income tax is calculated in accordance with Latvian tax legislation.

Starting from 1 January 2018, in accordance with the changes to the Corporate Income Tax Law of the Republic of Latvia, legal entities do not have to pay income tax on their profits. Corporate tax is payable on distributed profits and notional distributed profits. Distributions and deemed distributions are taxed at a rate of 20 per cent of the gross amount or 20/80 of the net cost. Corporate tax on the payment of dividends is recognised as an expense in the income statement in the accounting period in which the dividend is declared, and for other items of notional profit at the time the expense is incurred within the accounting year.

No provision for corporation tax is recognised on the payment of dividends before the dividend is declared.

### **Events after the balance sheet date**

The financial statements reflect events after the end of the reporting year that provide additional information about the Company's financial position at the balance sheet date (adjusting events). Where events after the end of the reporting year are not adjusting, they are disclosed in the notes to the financial statements only if they are material.

### 3 NET TURNOVER

Turnover is the revenue generated during the year from the Company's principal activities of selling goods and providing services, excluding value added tax.

Type of activity	NACE code 10.20	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Revenue from the sale of canned fish and by-products		6 781 809	5 301 719
<b>Total</b>		<b>6 781 809</b>	<b>5 301 719</b>

### 4 COST OF PRODUCTION OF GOODS SOLD, COST OF GOODS SOLD OR COST OF SERVICES RENDERED

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Cost of raw materials and supplies	4 448 350	3 635 556
Depreciation of property, plant and equipment and intangible assets	197 518	147 225
Personnel costs	949 266	724 067
Other manufacturing costs of products sold	287 954	210 333
<b>Total</b>	<b>5 883 088</b>	<b>4 717 181</b>

### 5 ADMINISTRATION COSTS

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Personnel costs	175 533	110 162
Cash turnover incidental expenses	12 036	43 243
Office expenses	32 754	29 225
Cost of professional services	5 396	11 099
Representation costs	1 739	641
<b>Total</b>	<b>227 458</b>	<b>194 370</b>

### 6 OTHER OPERATING INCOME

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Proceeds from the sale of current assets	4 015	8 806
Profit on sale of fixed assets	8 864	83
Other revenue	6 110	1 652
<b>Total</b>	<b>18 989</b>	<b>10 541</b>



## 7 OTHER OPERATING COSTS

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Staff sustainability expenses	3 916	2 992
Other costs	634	1 289
Donations		9 223
Real estate tax	1 868	1 631
<b>Total</b>	<b>6 418</b>	<b>15 135</b>

## 8 OTHER INTEREST AND SIMILAR INCOME

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Interest revenue	1 495	1 539
Revenue from exchange rate fluctuations	3 228	6 037
Revenue from EU structural fund support	38 779	47 419
Revenue from the LAD support measure	328 240	-
<b>Total</b>	<b>371 742</b>	<b>54 995</b>

Explanation of financial assistance received during the year under review and in previous years.

Financial assistance provider	Year of receipt	Amount, EUR	Purpose of receipt	Conditions	Amount to be repaid in the year under review if one of the conditions is not met
LAD	2015	189 229	Industrial buildings and equipment		-
LAD	2016	33 959	Industrial buildings and equipment		-
LAD	2020	37 002	Industrial buildings and equipment		-
LAD	2021	179 343	Industrial buildings and equipment		-
LAD	2022	323 599	Industrial buildings and equipment		-
LAD	2023	270 482	Industrial buildings and equipment		-

## 9 INTEREST AND SIMILAR CHARGES

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Interest costs	96 573	42 063
Fines and penalties	1 081	550
Losses from exchange rate fluctuations	5 146	3 675
Other expenditure	-	-
<b>Total</b>	<b>102 800</b>	<b>46 288</b>

## 10 INTANGIBLE ASSETS

Book value	Other intangible investments EUR	Total intangible investments EUR
<b>31.12.2021</b>	<b>61 586</b>	<b>61 586</b>
Increase in value (acquisition)	415	415
<b>31.12.2022</b>	<b>62 001</b>	<b>62 001</b>
Increase in value (acquisition)	6 514	6 514
<b>30.06.2023</b>	<b>68 515</b>	<b>68 515</b>
<b>Accumulated depreciation</b>		
<b>31.12.2021</b>	<b>38 352</b>	<b>38 352</b>
Calculated depreciation	2 599	2 599
<b>31.12.2022</b>	<b>40 951</b>	<b>40 951</b>
Calculated depreciation	1 317	1 317
<b>30.06.2023</b>	<b>42 268</b>	<b>42 268</b>
<b>Residual value 31.12.2022</b>	<b>21 050</b>	<b>21 050</b>
<b>Residual value 30.06.2023</b>	<b>26 247</b>	<b>26 247</b>

## 11 STATEMENT OF MOVEMENTS IN FIXED ASSETS

Book value	Real estate EUR	Technological equipment and devices EUR	Other fixed assets and inventories EUR	Establishment of fixed assets and construction work in progress EUR	Advances on fixed assets EUR	Total fixed assets EUR
<b>31.12.2021</b>	<b>854 479</b>	<b>1 423 666</b>	<b>486 053</b>	<b>41 085</b>	<b>35 045</b>	<b>2 840 328</b>
Acquisition and establishment	199 239	224 671	364 363	611 053	243 724	<b>1 643 050</b>
Disposed of or liquidated	-	-	(6 545)	-	-	<b>(6 545)</b>
Transferred to another item	-	-	-	-	-	-
<b>31.12.2022</b>	<b>1 053 718</b>	<b>1 648 337</b>	<b>843 871</b>	<b>652 138</b>	<b>278 769</b>	<b>4 476 833</b>
Acquisition and establishment	788 424	882 330	108 934	152 737	311 973	<b>2 244 398</b>
Disposed of or liquidated	-	(229 448)	(232 430)	-	-	<b>(461 878)</b>
Transferred to another item	-	-	-	(791 286)	(513 471)	<b>(1 304 757)</b>
<b>30.06.2023</b>	<b>1 842 142</b>	<b>2 301 219</b>	<b>720 375</b>	<b>13 589</b>	<b>77 271</b>	<b>4 954 596</b>
<b>Accumulated depreciation</b>						
<b>31.12.2021</b>	<b>130 262</b>	<b>744 559</b>	<b>172 136</b>	-	-	<b>1 046 957</b>
Estimated depreciation	28 836	213 713	62 028	-	-	<b>304 577</b>
Depreciation of fixed assets disposed of, liquidated or transferred	-	-	(6 545)	-	-	<b>(6 545)</b>
<b>31.12.2022</b>	<b>159 098</b>	<b>958 272</b>	<b>227 619</b>	-	-	<b>1 344 989</b>
Estimated depreciation	25 217	125 134	43 943	-	-	<b>194 294</b>
Depreciation of fixed assets disposed of, liquidated or transferred	-	(18 880)	(9 196)	-	-	<b>(28 076)</b>
<b>30.06.2023</b>	<b>184 315</b>	<b>1 064 526</b>	<b>262 366</b>	-	-	<b>1 511 207</b>
<b>Residual value 31.12.2022</b>	<b>894 620</b>	<b>690 065</b>	<b>616 252</b>	<b>652 138</b>	<b>278 769</b>	<b>3 131 844</b>
<b>Residual value 30.06.2023</b>	<b>1 657 827</b>	<b>1 236 693</b>	<b>458 009</b>	<b>13 589</b>	<b>77 271</b>	<b>3 443 389</b>



## 12 PARTICIPATION IN THE CAPITAL OF AFFILIATED COMPANIES

	30.06.2023 EUR	31.12.2022 EUR
Acquisition value at the beginning of the reporting year	30 722	30 722
<b>Carrying amount at the beginning of the reporting period</b>	<b>30 722</b>	<b>30 722</b>
Acquisition value at the end of the reporting year	30 722	30 722
<b>Carrying amount at the end of the reporting period</b>	<b>30 722</b>	<b>30 722</b>

Company name, reg. No., legal address	Shares owned %	Acquisition value EUR	Carrying amount of the investment EUR	Profit or loss EUR	Equity value of subsidiary as at 30.06.2023 EUR
LLC Banga Ukraine, ID No.43981828, Hotkevicha Gnata 12, Office No.177, Kiev, Ukraine, 02094	100	30 722	30 722	4 097	29 622
<b>Total</b>	<b>-</b>	<b>30 722</b>	<b>30 722</b>	<b>4 097</b>	<b>29 622</b>

## 13 DEBTS OF CREATIVE ENTERPRISES

	30.06.2023 EUR	31.12.2022 EUR
Due to related Companies	59 321	172 194
Short-term loan	106 621	106 896
<b>Total</b>	<b>165 942</b>	<b>279 090</b>

## 14 OTHER DEBTORS

	30.06.2023 EUR	31.12.2022 EUR
Security deposit	40 088	40 088
Settlements with employees		91
Tax overpayments	107 698	32 506
<b>Total</b>	<b>147 786</b>	<b>72 685</b>

## 15 SHARE CAPITAL

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

## 16 BORROWINGS AGAINST BONDS

	% rate	Repayment term	30.06.2023 EUR	31.12.2022 EUR
Borrowings with maturities from 1 to 5 years	6	09.05.2025	2 500 000	2 500 000
<b>Total</b>	-	-	<b>2 500 000</b>	<b>2 500 000</b>

**Including long-term:** In May of 2022, the Company completed a covered bond issue of EUR 2.5 million. The property belonging to Banga Ltd as a group of assets as at the moment of pledge, as well as further components of the group of assets are pledged in favour of ZAB VILGERTS SIA, registration No. 40203309933, by establishing a first-rank commercial mortgage thereon, as security for the bonds issued by AS Signet Bank (ISIN:LV0000860088).

## 17 OTHER BORROWINGS

Long-term borrowings (1 to 5 years)	Repayment term	30.06.2023 EUR	31.12.2022 EUR
AS Swedbank Leasing financial leasing agreements:	2024-2027	465 452	197 262
Financial leasing agreements with AS Citadele Leasing:	2024-2027	32 133	32 133
ALTUM loan*	2027	-	-
<b>Total</b>	-	<b>497 585</b>	<b>229 395</b>

Short-term borrowings	% rate	Repayment term	30.06.2023 EUR	31.12.2022 EUR
AS Swedbank Leasing financial leasing agreements:		2023	60 827	81 786
Financial leasing agreements with AS Citadele Leasing:		2023	11 802	11 802
EUR Factoring agreement		-		79
<b>Total</b>	-	-	<b>72 629</b>	<b>93 667</b>

\* Loan agreement with AS "Development Finance Institution ALTUM" is cancelled before maturity

## 18 TAXES AND COMPULSORY NATIONAL SOCIAL SECURITY CONTRIBUTIONS

Up to 1 year:	30.06.2023 EUR	31.12.2022 EUR
Personal income tax	16 894	17 315
Compulsory social security contributions	46 503	45 306
Corporate tax	110	240
Business risk levy	54	51
Company car tax	49	1 020
Natural resources tax	1 453	1 058
<b>Total</b>	<b>65 063</b>	<b>64 990</b>

## 19 DEFERRED INCOME

	30.06.2023 EUR	31.12.2022 EUR
<b>Non-current deferred income</b>		
LAD support*	704 361	433 880
<b>Total</b>	<b>704 361</b>	<b>433 880</b>

	30.06.2023 EUR	31.12.2022 EUR
<b>Short-term deferred income</b>		
LAD support*	38 780	77 559
<b>Total</b>	<b>38 780</b>	<b>77 559</b>

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

## 20 ACCRUED LIABILITIES

	30.06.2023 EUR	31.12.2022 EUR
Accrued liability for untaken leave	172 561	98 140
Accrued liabilities to suppliers	26 293	64 906
Accrued liability for interest on borrowings	20 833	20 833
<b>Total</b>	<b>219 687</b>	<b>183 879</b>

## 21 RELATED PARTY TRANSACTIONS

Related party	Services provided and goods sold EUR	Services received and goods purchased EUR	Related party payables at 30 June EUR	Debts to related parties on 30 June EUR
<b>2022</b>				
SIA Curlandia	104 492	359 167	106 897	1 936
LLC Banga Ukraine	438 123	-	170 000	-
ZS Pope parish farm Tirumi	700	3 500	-	-
Others			-	-
<b>2023</b>				
SIA Curlandia	26 423	14 616	145 664	1 986
LLC Banga Ukraine	98 487		20 278	
<b>Total in 2022</b>	<b>543 835</b>	<b>362 667</b>	<b>276 897</b>	<b>1 986</b>
<b>Total in 2023</b>	<b>124 910</b>	<b>14 616</b>	<b>165 942</b>	<b>1 986</b>

## 22 AVERAGE NUMBER OF EMPLOYEES

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
Board members	1	1
Other staff	146	126
<b>Average number of employees</b>	<b>147</b>	<b>127</b>

## 23 STAFF COSTS

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Remuneration for work	844 891	630 055
Compulsory national social insurance contributions	198 617	147 739
<b>Total staff costs</b>	<b>1 043 508</b>	<b>777 794</b>

## 24 INFORMATION ON THE REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

The remuneration of the members of the Supervisory Board and the Executive Board for their duties on the Supervisory Board and the Executive Board, as well as for the performance of their duties, is as follows:

	01.01.2023 - 30.06.2023 EUR	01.01.2022 - 30.06.2022 EUR
Board members	25 069	19 277
<b>Total</b>	<b>25 069</b>	<b>19 277</b>

## 25 INFORMATION ON PLEDGED OR OTHERWISE ENCUMBERED ASSETS

The property belonging to Banga Ltd as a group of assets as at the moment of pledge, as well as further components of the group of assets are pledged in favour of ZAB VILGERTS SIA, registration No. 40203309933, by establishing a first-rank commercial mortgage thereon, as security for the bonds issued by AS Signet Bank (ISIN:LV0000860088).

## 26 SIGNIFICANT EVENTS NOT INCLUDED IN THE BALANCE SHEET OR INCOME STATEMENT

There have been no events that have materially affected the financial position of the Company as at 30 June 2023 during the period from the last day of the reporting year to the date of this report.

## 27 GOING CONCERN

The financial statements have been prepared on a going concern basis.

**Ingus Veckāgans**  
(Member of the Board)

**Annual report prepared by:**  
**Inita Andriksone**  
(Chief Accountant)

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