



Interim Report

For the first 3 months of 2024

Unaudited

Roja, 2024

Statement of the Management Board

Key events in Q1 2024

TYPE OF ACTIVITY

The turnover of the Company in Q1 2024 amounted to EUR 3 739 167 that is by 13 % more than in the corresponding period of 2023. The increase in sales during this period is due to a combination of the following factors: traditionally higher demand for seafood production during the winter months, increased sales of new products, including those produced in the new production unit. Traditionally, new markets are opened and new customers receive the products of the Company thus ensuring further business growth. Q1 was the start of cooperation with customers in South America, Southern Europe, and the Middle East.

The demand remains stable in the Baltic markets, including Latvia. The products of the Company are available at RIMI, MAXIMA, LIDL, and other stores throughout Latvia. Overall, the Baltic market accounted for 17 % of total sales in Q1. **At the end of 2023 and in Q1 2024, the Company renewed contracts with customers for further deliveries in 2024, revising delivery terms, product range, and prices.** The sales team of the Company regularly attends the world's leading food fairs and exhibitions. During the reporting period, the products of the Company were offered to the visitors of Gulfood, the world's most significant food fair.



The turnover of Banga LTD increased by **13% in Q1**

The turnover of the Company in Q1 2024 amounted to **EUR 3 739 167**, an increase of 13% in comparison with the corresponding period in 2023.

PERFORMANCE AND FINANCIAL SITUATION OF THE COMPANY

In Q1 2024, the Company made a profit of EUR 285 319 according to the operational financial data, a decrease of 26 % in comparison with 2023. In the reporting period, in comparison with Q1 2023, the impact of the extraordinary income received within the scope of the support provided by the European Maritime, Fisheries and Aquaculture Fund decreased significantly. The income for the partial reimbursement of additional costs amounted to EUR 50 102 in comparison with EUR 135 625 in 2023. Excluding extraordinary income from EU funds, the profit of Q1 2024 was 95% in comparison with Q1 2023.

Continuing the expansion of the production process, a warehouse for finished products was put into operation during the reporting period, thus at the end of the reporting period the total assets of the Company according to the balance sheet data amounted to EUR 9.7 million, including fixed assets of EUR 4.28 million where investments in buildings and structures increased by EUR 584 thousand compared to the end of 2023. On a comparative basis, this increased depreciation in the reporting period to EUR 125 thousand, compared to EUR 97 thousand in the corresponding period in 2023.

With the approach of the mid-season, the Company gradually started to stockpile raw materials and finished products to support the production process that is reflected in an increase in inventories to EUR 4.18 million and an increase in payables to EUR 1.69 million. **The equity ratio of the Company remained unchanged at 38%.**

As previously reported, at the end of 2023, the Company completed the implementation of the capacity expansion project supported by the European Maritime, Fisheries and Aquaculture Fund, and also the construction of the aforementioned warehouse for finished products. In Q1 2023, cash flow statement reflects final payments from the Rural Support Service in the amount of EUR 398 152.



Ingus Veckāgans
Member of the Board



“Launching new products, attracting new customers, and diversifying by region are key factors in increasing sales. The expansion of infrastructure and production capacity in previous periods, without doubt, is an important factor. The recognition of the Banga LTD brand in different regions is increasing and gives optimism for the future.”

Raivis Veckāgans
Sales Director of Banga LTD.

FUTURE DEVELOPMENT PLANS

In Q2 2024, the main objective of the Company is to ensure production and delivery of the planned products to the current and new customers before the production interruption in July. The annual IFS (International Featured Standards) certification, preparations for routine repairs and adjustments of equipment, and infrastructure repairs are planned during this period. In May, the sales team of the Company will participate in the annual PLMA World of Private Label, one of Europe's most important trade shows in the private label sector.



About Banga LTD

Banga LTD is 100% Latvian capital company that was established in 2007 in the fishing village Roja in the north western part of Latvia where its manufacturing operations are located, while its operations date back to 1947. The principal activity of the Company is canned seafood production.

The Company has a diversified revenue base, both geographically and by product, as it sells its products to more than 40 countries.

The Company holds the IFS (International Featured Standards), MSC (Marine Stewardship Council), and ASC (Aquaculture Stewardship Council) certifications and thus meets the requirements of international customers in terms of food and supply chain quality and safety.



Statement of Comprehensive Income

	Q1 2024 EUR	Q1 2023 EUR
Sales	3 548 439	3 129 336
Cost of sales*	-3 135 189	-2 710 521
Distribution expenses	-32 188	-37 279
Administration expenses*	-126 141	-109 036
Other operating income****	52 102	141 125
Other operating expenses	-1 945	-2 753
Operating profit	305 078	410 872
Finance income**	37 374	23 085
Finance expenses***	-56 996	-50 254
Income tax	-137	-16
NET PROFIT	285 319	383 687

* included

Depreciation	125 180	97 791
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** included

Interest income	1 545	2 946
Income from EU project support	34 489	749
Others	1 340	19 390

*** included

Foreign exchange	-1 569	-4 500
Interest costs	-52 684	-44 846
Others	-2 743	-908

**** included

State support	50 102	135 625
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Balance Sheet

	31.03.2024. EUR	31.03.2023. EUR
Intangible assets	30 133	29 948
Property	2 323 448	1 739 443
Machinery	1 704 081	1 653 630
Other fixed assets and inventory	209 808	207 283
Creation of fixed assets and construction expenses	3 968	591 655
Advance payments for fixed assets	11 000	50 960
Inventories	4 187 653	3 399 891
Receivables	966 342	1 050 165
Cash	271 190	235 016
TOTAL ASSETS	9 707 623	8 957 991
Owner's equity		
Share capital	547 565	547 565
Long-term investments revaluation reserve	51 634	51 634
Other reserve	2	2
Retained earnings	3 099 147	2 813 828
Total equity	3 698 348	3 413 029
Liabilities		
Debt long-term	2 933 726	3 648 570
Debt short-term	163 427	164 346
Other liabilities	1 694 662	656 712
Accounts payable	1 217 460	1 075 334
Total liabilities	6 009 275	5 544 962
TOTAL LIABILITIES AND OWNER'S EQUITY	9 707 623	8 957 991

Statement of Changes in Equity

	Share capital EUR	Long-term investments revaluation reserve EUR	Reserves EUR	Retained profits EUR	Total equity EUR
Balance at 31.12.2022.	547 565	53 497	2	1 744 028	2 345 092
Exclusion of long-term investments	-	-1 863	-	1 863	-
Dividends declared	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1 067 937	1 067 937
Balance at 31.12.2023.	547 565	51 634	2	2 813 828	3 413 029
Exclusion of long-term investments	-	-	-	-	-
Total comprehensive income for the year	-	-	-	285 319	285 319
Balance at 31.03.2024.	547 565	51 634	2	3 099 147	3 698 348



Cash Flow Statement

	Q1 2024 EUR	Q1 2023 EUR
Operating activities		
Income from the sale of goods and services	3 739 167	3 393 275
Payments to suppliers and employees	-3 938 710	-3 471 968
Interest paid	-35 100	-34 800
Income tax	-104	-246
Net cash flow of operating activities	-234 747	-113 739
Investing activities		
Acquisition of parts of related or associated companies		
Investments in tangible and intangible assets	-129 113	-287 333
Loans granted	-14 000	-14 929
Repayment of loans granted	15 750	16 700
Interest received	818	
Cash flow from investing activities	-126 545	-285 562
Financing activities		
Loans received	0	
Support from EU funds received	398 152	135 626
Loans repaid	0	
Dividends paid		0
Cash flow from financing activities	398 152	135 626
Result of fluctuations in foreign exchange rates	-686	-245
Change in cash	36 174	-263 920
Cash at period-start	235 016	431 835
Cash at period-end	271 190	167 915