

# INTERIM REVIEW FOR THE FIRST HALF OF 2024

Unaudited • Roja, 2024



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# Information about the Company

<b>Company name</b>	LLC (SIA) "Banga Ltd"
<b>Legal status of the Company</b>	Limited Liability Company
<b>Registration No., place and date of registration</b>	41203031343, Ventspils, 22 November 2007
<b>Legal address</b>	74B Akas Street, Roja, Roja Parish, Talsi Municipality, LV-3264
<b>Shareholders</b>	LLC (SIA) Curlandia -100% 40103629334 74B Akas Street, Roja, Roja Parish, Talsi 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>	01.01.2024 - 30.06.2024
<b>Type of activity of the Company</b>	Processing and preserving of fish, crustaceans and molluscs
<b>NACE classification code</b>	10.20

# Statement of the Management Board

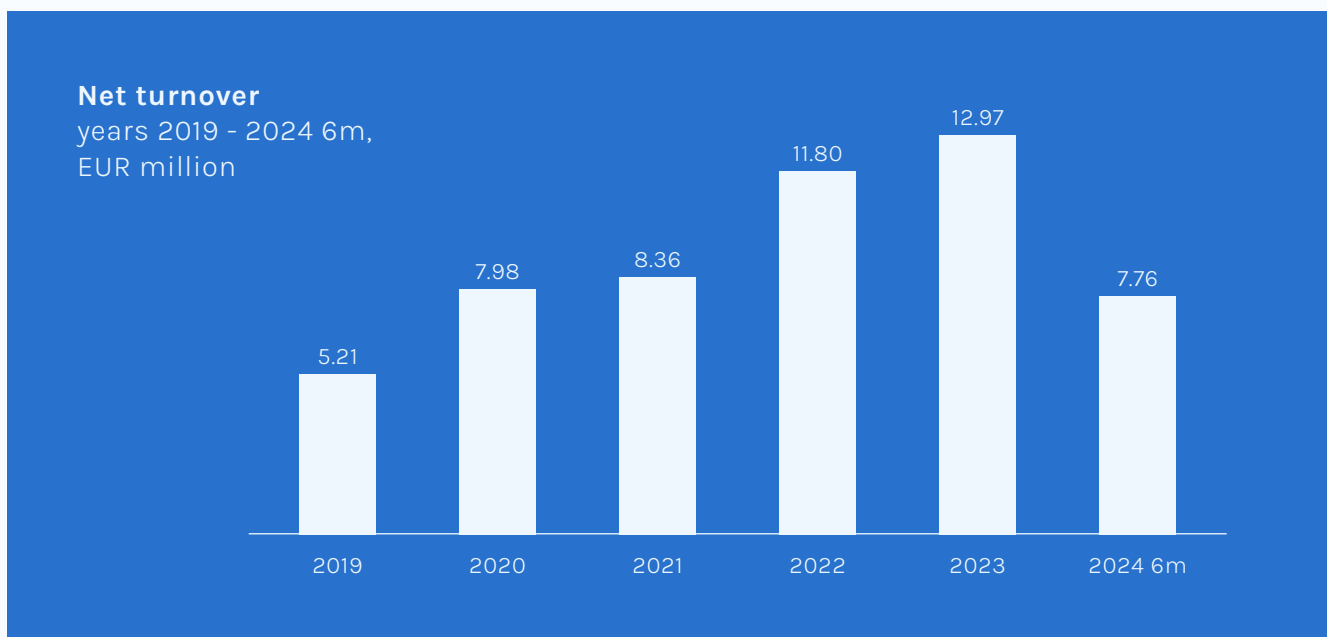
30 AUGUST 2024

## Key events in 6 months 2024

### TYPE OF ACTIVITY

LLC (SIA) “Banga LTD” is a food production Company - an internationally renowned canned fish manufacturer that started its business in 2011, but fish production dates back to 1947. The Company’s production facility is located on the Baltic Sea coast, close to the port of Roja, which ensures the supply of high-quality fish raw materials, creating basis for production of quality products. The Company produces its products using not only fish from the Baltic Sea - sprat and Baltic herring, but also Atlantic salmon, mackerel, herring, mussels and tuna. The Company is certified according to IFS, MSC, ASC quality standards and employs more than 150 specialists. The Company’s bonds are listed on Nasdaq Riga First North, thus demonstrating quality financial corporate governance. The Company’s financial statements are prepared and published in accordance with the IFRS standards. The Company’s shareholders and management demonstrate the Company’s long-term development and sustainable growth. The Company’s mission is sustainable production and marketing of high-quality and healthy canned fish worldwide.

The Company’s product sales in the first 6 months of 2024 continued their upward trend, resulting in a net turnover of EUR 7.76 million during that representing 16.20% over the performance of 6 months in 2023. The main sources of the Company’s income remained the same: sales of canned fish, which accounted for more than 90%, as well as trade in industrial food, frozen raw materials and fish waste. Product sales volumes have increased as a result of a combination of factors, including a broader range of products in the group of Atlantic canned fish and salads, as well as new customers in new regions. **At the end of the reporting period, Banga LTD products were sold to more than 40 countries, including more than 60% of products were sold outside the EU, demonstrating the expansion of market geography.** The Company’s main marketing activities during the reporting period were the annual fish trade fair in Barcelona and the Private Label Trade Show in Amsterdam.



During the reporting period, prices of the main raw materials remain stable, including in the fish, can and oil segments. The broad base of suppliers ensured a continuous production cycle as well as the necessary stock of raw materials for the summer production cycle.

The LLC (SIA) "Banga LTD" continuously maintains high quality standards to ensure quality of the production process, which is confirmed by IFS Food, MSC, and ASC certificates. During the reporting period, the Company's quality management team ensured expansion of the IFS Food certification, demonstrating sustainability of the Company's quality management.

**Human resources management plays an important role in ensuring the Company's sustainable production process and high product quality.** Upon commencement of the new production season, the Company has launched its fourth route for transporting production staff to and from work, including from Talsi, Mērsrags, Dundaga, Valdemārpils and other villages located in the Talsi Municipality. The Company has been able to ensure competitive remuneration of its staff while maintaining an efficient level of costs in the production process of its products, with personnel costs not exceeding 18% of total production costs in 6 months 2024.

**Certificate**

Herewith the certification body  
**Certima B.V.**  
 being an ISO/IEC 17065 accredited certification body for IFS Certification and having signed an agreement with IFS Management GmbH, confirms that the processing activities of  
**SIA Banga Ltd.**  
 Akas 74B, LV-3264 Roja, Latvia  
 GS1 GLN(s): 4751017400005  
 Sanitary legal authorisation number: LV 36 Z  
 Legal authorisation number:  
 COID: 5616  
 for the audit scope:  
 Production (defrosting, knitting, smoking or not, sterilization, packaging) of smoked, dried or natural sterilized fish, fish fillets and mussels in different sauces packed into tin cans with tin or plastic lids.

additional information:  
 The company has own broker activities which are not certified, according to IFS or another GS1 recognised standard.  
**Product scopes:**  
 2 Fish and fish products  
**Technology scopes: A, C, D, E, F**

meet the requirements set out in the  
**IFS Food Version 8, April 2023**  
 and other associated normative documents  
 Passed at Foundation Level  
 with a score of 94.88%

Certificate-Register number: IFS-01097  
 Date of the last unannounced audit (last day of the audit): 14.04.2023  
 Audit date: 23.04.2024 - 26.04.2024  
 Certificate issue date: 18.06.2024  
 Date of expiration of the certificate: 08.06.2025  
 Next audit to be performed within the time period:  
 Recertification audit between 17.02.2025 and 28.04.2025 in case of announced audit and between 23.12.2024 and 28.04.2025 in case of unannounced audit

Date and place: 18.06.2024, Arnhem, The Netherlands  
 Name and signature of the responsible person at the certification body:  
  
 Dimitra Sandrou - Certifier

Address of the certification body:  
 Mr. D.U. Stikkerstraat 10, 6842 CW Arnhem, The Netherlands

**Certificate**

Awarded to  
**"Banga Ltd" SIA**  
 Akas iela 74B, Roja, LV-3264 - LATVIA

The organisation has been assessed by Bureau Veritas Certification Holding(BVCH) and conforms to the requirements of the  
**Marine Stewardship Council standard**  
 for Chain of Custody: Default Version (Version 5.1)

**Aquaculture Stewardship Council**

The buyer of the fish or fish products sold as certified may, after gaining approval to do so from MSC, apply the trademarks to certified products within their scope of certification.

Refer to ASC web site <http://www.asc-aqua.org> as the authoritative source of information on the validity of the certificate as well as its scope

ASC CoC Certificate code: ASC-C: 03335

Certification date: 19-12-2023

Expiry date: 18-12-2026

Issued by BVCH, on 20-12-2023

Certificate number/version: LV008458 - 1

Nicolas MEY  
Signed on behalf of BVCH

BUREAU VERITAS CERTIFICATION HOLDING  
 Tour ALTO, 4 place des saisons, 92400 COURBEVOIE France - [www.bureauveritas.com](http://www.bureauveritas.com)

The certificate shall remain the property of BVCH, and the certificate and all copies or reproductions of the certificate shall be returned or destroyed if requested by BVCH.

ASC CoC Certificate Template rev 7.6

July 7, 2023

**Certificate**

Awarded to  
**"Banga Ltd" SIA**  
 Akas iela 74B, Roja, LV-3264 - LATVIA

The organisation has been assessed by Bureau Veritas Certification Holding(BVCH) and conforms to the requirements of the  
**Marine Stewardship Council Default standard**  
 for Chain of Custody: Default Version (Version 5.1)

**CERTIFIED SUSTAINABLE SEAFOOD**

**MSC**

[www.msc.org](http://www.msc.org)

The buyer of the fish or fish products sold as certified may, after gaining approval to do so from MSC, apply the trademarks to certified products within their scope of certification.

Refer to MSC website <http://cert.msc.org/supplierdirectory> as the authoritative source of information on the validity of the certificate as well as its scope and list of sites

MSC CoC Certificate code: MSC-C: 56406

Certification date: 19-12-2023

Expiry date: 18-12-2026

Issued by BVCH, on 20-12-2023

Certificate number/version: LV008458 - 1

Nicolas MEY  
Signed on behalf of BVCH

BUREAU VERITAS CERTIFICATION HOLDING  
 Tour ALTO, 4 place des saisons, 92400 COURBEVOIE France - [www.bureauveritas.com](http://www.bureauveritas.com)

The certificate shall remain the property of BVCH, and the certificate and all copies or reproductions of the certificate shall be returned or destroyed if requested by BVCH.

MSC CoC Certificate Template rev 7.5

July 7, 2023

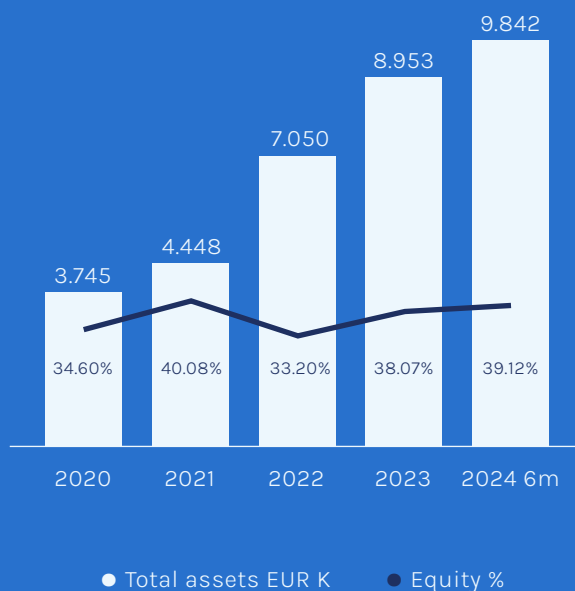
## PERFORMANCE AND FINANCIAL SITUATION OF THE COMPANY

According to operational data, in 6 months of 2024, the Company has generated profit in the amount of EUR 541,343, including in the 2nd quarter - in the amount of EUR 256,027. Compared to 6 months 2023, exceptional revenue received within the framework of support of the European Maritime, Fisheries and Aquaculture Fund has decreased significantly during the reporting period for the partial reimbursement of additional costs amounting to EUR 51,407 in the first 6 months of 2024, a decrease of EUR 276,832 compared to the same period last year. Excluding the cost increase compensation component, total profit amounted to EUR 489,936 in 6 months 2024.

**The Company's equity at the end of the reporting period amounted to EUR 3.85 million, or 39.12% of total assets.**

In April 2024, the Company's shareholders approved the financial statements 2023, prepared in accordance with the international accounting standards, approving a profit of EUR 1,067,937 for 2023. In June 2024, the Company's shareholders' meeting resolved to disburse a part of the retained and accumulated profit of the previous years as dividends - totalling EUR 104,245 of the retained profit of the previous years.

### Total equity and assets years 2019 - 2024 6m





### FUTURE DEVELOPMENT PLANS

According to the Company's plans to expand its business in 2024-2025, it plans to start shipping products to new countries in Central Asia and the Arab States, as well as to expand its existing cooperation in North America, and marketing and customer attraction activities (trade fairs, customer visits) will be organised accordingly. During the reporting period, along with expansion of the range of products, it is planned to strengthen the existing network of distributors in Europe and the Baltic States.

After the end of the reporting period, during the summer break, the Company's production facilities underwent annual routine repairs to restore the quality of the infrastructure, maintenance and adjustment of equipment, repairs to treatment plants and other improvements to ensure sustainable production in the new season.

**To expand its long-term infrastructure, the Company has commenced work on projects to build a chiller and expand its administrative premises. Additionally technological equipment will be built to increase the number of pallet spaces in the finished goods warehouse.**



**Ingus Veckāgans**  
Member of the Board





# Financial Statements

# Income or Loss Statement

Classified by function of expenditure

	Note number	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
Net turnover:	3	7 762 972	6 781 809
<i>c) from other operating activities</i>		7 762 972	6 781 809
Production costs of goods sold, purchase costs of goods sold or services provided	4	(6 940 412)	(5 883 088)
<b>Gross profit or loss</b>		<b>822 560</b>	<b>898 721</b>
Cost of sales		(72 777)	(76 705)
Administration costs	5	(253 503)	(227 458)
Other operating revenue	6	109 706	347 229
Other operating expenses	7	(8 738)	(6 418)
Other interest and similar income:	8	82 487	43 502
<i>a) from related companies</i>		1 447	1 495
<i>b) from other persons</i>		81 040	42 007
Interest and similar charges:	9	(111 770)	(102 800)
<i>b) other persons</i>		(102 800)	(102 800)
<b>Profit or loss before corporation tax</b>		<b>567 965</b>	<b>876 071</b>
Corporation tax for the year under review		(26 622)	(140)
<b>Profit or loss for the year</b>		<b>541 343</b>	<b>875 931</b>



**Ingus Veckāgans**  
Member of the Board



**Inita Andriksone**  
Chief Accountant

# Balance Sheet

## Assets

	Note number	30.06.2024 EUR	31.12.2023 EUR
<b>Long-term investments</b>			
<b>Intangible investments</b>			
Other intangible investments		28 058	29 948
Advances on intangible investments		1 944	-
<b>Total intangible investments</b>	10	<b>30 002</b>	<b>29 948</b>
<b>Fixed assets, investment property and biological assets</b>			
Real estate:		2 317 693	1 739 443
a) land, buildings and civil engineering structures		2 317 693	1 739 443
Technological equipment and devices		1 657 975	1 653 630
Other fixed assets and inventories		214 628	207 283
Establishment of fixed assets and costs of construction work in progress		4 308	591 655
Advances on fixed assets		17 746	50 960
<b>Total fixed assets</b>	11	<b>4 212 350</b>	<b>4 242 971</b>
<b>Total non-current investments</b>		<b>4 242 352</b>	<b>4 272 919</b>
<b>Current assets</b>			
<b>Stocks</b>			
Raw materials, basic materials and consumables		1 360 757	1 483 534
Work in progress and orders		344	1 424
Finished products and goods for sale		2 446 279	1 875 671
Advances on stocks		86 638	39 262
<b>Total stocks</b>		<b>3 894 018</b>	<b>3 399 891</b>
<b>Debtors</b>			
Trade receivables		1 191 977	821 930
Debts owed by creative companies	12	105 027	140 973
Other debtors	13	103 850	80 479
Deferred charges		16 404	6 783
<b>Total debtors</b>		<b>1 417 258</b>	<b>1 050 165</b>
<b>Cash</b>		<b>288 529</b>	<b>235 016</b>
<b>Total current assets</b>		<b>5 599 805</b>	<b>4 685 072</b>
<b>TOTAL ASSETS</b>		<b>9 842 157</b>	<b>8 957 991</b>

# Balance Sheet

## Liabilities

	Note number	30.60.2024 EUR	31.12.2023 EUR
<b>Equity</b>			
Share capital	14	547 565	547 565
Long-term investment revaluation reserve		41 819	51 634
Reserves:		2	2
f) other reserves		2	2
Retained earnings or losses from previous years		2 719 398	1 745 891
Profit or loss for the year		541 343	1 067 937
<b>Total equity</b>		<b>3 850 127</b>	<b>3 413 029</b>
<b>Creditors</b>			
<b>Long-term creditors</b>			
Borrowings against bonds	15	-	2 500 000
Other borrowings	16	392 910	474 042
Deferred income	17	1 118 901	674 528
<b>Total non-current creditors</b>		<b>1 511 811</b>	<b>3 648 570</b>
<b>Short-term creditors</b>			
Borrowings against bonds	15	2 500 000	-
Other borrowings	16	163 091	164 346
Advances received from customers		258 490	203 511
Debts to suppliers and contractors		1 001 566	1 075 334
Taxes and compulsory national social insurance contributions	18	99 296	67 960
Other creditors		107 960	96 397
Deferred income	17	70 959	102 738
Unpaid dividends		50 000	-
Accrued liabilities	19	228 857	186 106
<b>Total short-term creditors</b>		<b>4 480 219</b>	<b>1 896 392</b>
<b>Total creditors</b>		<b>5 992 030</b>	<b>5 544 962</b>
<b>TOTAL LIABILITIES</b>		<b>9 842 157</b>	<b>8 957 991</b>



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Member of the Board



**Inita Andriksone**  
Chief Accountant

# Cash Flow Statement

Direct method

	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
<b>Operating cash flow</b>		
Revenue from the sale of goods and provision of services	7 669 836	7 074 735
Payments to suppliers, employees, other operating activities	(7 813 663)	(6 887 055)
Other operating income (+) or expenditure (-)	50 932	-
<b>Gross operating cash flow</b>	<b>(92 895)</b>	<b>187 680</b>
Expenditure on interest payments	(70 500)	(69 600)
Expenditure on corporation tax payments	(363)	(270)
<b>Net operating cash flow</b>	<b>(163 758)</b>	<b>117 810</b>
<b>Cash flow from investing activities</b>		
Acquisition of shares in related companies, associated companies or other companies	-	-
Acquisition of fixed assets and intangible investments	(213 917)	(540 644)
Proceeds from the sale of property, plant and equipment and intangible investments	-	-
Loans issued	(23 300)	(24 929)
Proceeds from loan repayments	26 450	26 700
Interest received	1 685	-
<b>Net cash flow from investing activities</b>	<b>(209 082)</b>	<b>(538 873)</b>
<b>Cash flow from financing activities</b>		
Proceeds from the issue of shares and bonds or the investments in capital interests	-	-
Borrowings	-	-
Subsidies, grants, gifts or donations received	482 048	598 722
Borrowing repayment expenditure	-	-
Dividends paid	(54 245)	-
<b>Net cash flow from financing activities</b>	<b>427 803</b>	<b>598 722</b>
<b>Result of fluctuations in foreign exchange rates</b>	<b>(1 450)</b>	<b>(254)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>53 513</b>	<b>177 405</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>	<b>235 016</b>	<b>431 835</b>
<b>Cash and cash equivalents at the end of the reporting year</b>	<b>288 529</b>	<b>609 240</b>



**Ingus Veckāgāns**  
Member of the Board



**Inita Andriksone**  
Chief Accountant

# Statement of Changes in Equity

	Share capital EUR	Long-term investment revaluation reserve EUR	Reserves EUR	Retained profit EUR	Total equity EUR
<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/decrease in the balance of the revaluation reserve for non-current investments	-	(1 863)	-	1 863	-
Increase in retained earnings	-	-	-	1 067 937	<b>1 067 937</b>
<b>Balance 31.12.2023</b>	<b>547 565</b>	<b>51 634</b>	<b>2</b>	<b>2 813 828</b>	<b>3 413 029</b>
Decrease in the balance of the revaluation reserve for non-current investments	-	(9 815)	-	9 815	-
Dividends	-	-	-	(104 245)	<b>(104 245)</b>
Increase in retained earnings	-	-	-	541 343	<b>541 343</b>
<b>Balance 30.06.2024</b>	<b>547 565</b>	<b>41 819</b>	<b>2</b>	<b>3 260 741</b>	<b>3 850 127</b>

## Financial Indicators

Financial Indicator	Calculation formula	Result
Interest coverage Ratio (IRC)	EBITDA/Net finance Charges	5
Equity Ratio	Ratio of Adjusted Equity/Assets	39%
Net Debt to EBITDA	Net Debt/EBITDA	2.45
EBITDA	<p>Net profit for the Relevant Period calculated according to the most recent Financial Reports:</p> <ul style="list-style-type: none"> <li>a) before deducting any Net Finance Charges;</li> <li>b) before taking into account any exceptional items which are not in line with the ordinary course of business;</li> <li>c) not including any accrued interest on Subordinated Debt;</li> <li>d) before taking into account any gains or losses on any foreign exchange gains or losses; and</li> <li>e) after adding back any amount attributable to the amortisation, depreciation or depletion of assets.</li> </ul>	1 128 377 EUR

  
**Ingus Veckāgans**  
 Member of the Board

  
**Inita Andriksone**  
 Chief Accountant

# Annex to the Financial Statements

# Notes to the Financial Statements

## 1 • General Information about the Company

LLC (SIA) “Banga Ltd” (hereinafter referred to as - the Company) was registered with the Register of Enterprises of the Republic of Latvia on 22 November 2007. The Company’s registered office is 74B Akas Street, Roja, Roja Parish, Talsi Municipality. The Company’s main activity is the production of sterilised canned fish, crustaceans and molluscs.

The Company’s shareholder that prepares the consolidated annual report and includes the Company as its subsidiary is the LLC (SIA) “Curlandia”, reg. No. 40103629334, 74B Akas Street, Roja, Roja Parish, Talsi Municipality, LV-3264. Copies of the consolidated annual report are available at the LLC (SIA) “Curlandia” (address: 74B Akas Street, Roja, Roja Parish, Talsi Municipality, LV-3264).



## 2 • Significant accounting principles

### Reporting principles

The interim report has been prepared in accordance with the IFRS, applying the going concern basis.

The income statement is classified using the expense function method.

The cash flow statement is prepared using the direct method.

### Reporting period

The reporting period is 12 months from

**01.01.2024 to 30.06.2024**

The previous reporting period was 12 months as of

**01.01.2023 to 31.12.2023**

### 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.

The Company is related to the reporting Company if they are members of the same group of companies. The 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 renovation costs are recognised as an expenses in the reporting period.

Costs related to leased property 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 - more than 50% of the voting right of stockholders or shareholders in this 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.

### **Borrowings**

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. In the following years, loans are reflected in the amortized purchase value. Loan is classified as long-term, if the payment or write-off terms occur later than a year after the end of the respective 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.

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	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
Revenue from the sale of canned fish and by-products	10.20	7 762 972	6 781 809
<b>Total</b>		<b>7 762 972</b>	<b>6 781 809</b>

### 4 · Cost of production of goods sold, cost of goods sold or cost of services rendered

	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
Cost of raw materials and supplies	5 230 391	4 448 350
Depreciation of property, plant and equipment and intangible assets	244 462	197 518
Personnel costs	1 066 948	949 266
Other manufacturing costs of products sold	398 611	287 954
<b>Total</b>	<b>6 940 412</b>	<b>5 883 088</b>

### 5 · Administrative costs

	01.01.2024 - 30.06.2024 EUR	01.01.2024 - 30.06.2024 EUR
Personnel costs	180 978	175 533
Cash turnover incidental expenses	13 736	12 036
Office expenses	53 354	32 754
Cost of professional services	2 041	5 396
Representation costs	3 394	1 739
<b>Total</b>	<b>253 503</b>	<b>227 458</b>

## 6 · Other operating income

	01.01.2024 - 30.06.2024 EUR	01.01.2024 - 30.06.2024 EUR
Proceeds from the sale of current assets	58 172	4 015
Profit on sale of fixed assets		8 864
Revenue from electricity sold	127	-
Revenue from the RSS support measure	51 407	-
Other revenue		6 110
<b>Total</b>	<b>109 706</b>	<b>18 989</b>
Change item: RSS support measure		328 240
<b>Total after change of item</b>		<b>347 229</b>



## 7 · Other operating costs

	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
Staff sustainability expenses	3 700	3 916
Other costs	3 031	634
Real estate tax	2 007	1 868
<b>Total</b>	<b>8 738</b>	<b>6 418</b>

## 8 · Other interest and similar income

	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
Interest revenue	3 132	1 495
Revenue from currency exchange rate fluctuations	5 734	3 228
Revenue from EU structural fund support	69 455	38 779
Revenue from the RSS support measure	-	328 240
Revenue from the recovery of bad debts	3 675	-
Other	491	-
<b>Total</b>	<b>82 487</b>	<b>371 742</b>
Change of item: RSS support measure		(328 240)
<b>Total after change of item</b>		<b>43 502</b>

## 9 · Interest expense and similar costs

	01.01.2024 - 30.06.2024 EUR	01.01.2024 - 30.06.2024 EUR
Interest costs	108 271	96 573
Fines and penalties	3 499	1 081
Losses from exchange rate fluctuations	-	5 146
<b>Total</b>	<b>111 770</b>	<b>102 800</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
RSS	2015	189 229	Industrial buildings and equipment	-	-
RSS	2016	33 959	Industrial buildings and equipment	-	-
RSS	2020	37 002	Industrial buildings and equipment	-	-
RSS	2021	179 343	Industrial buildings and equipment	-	-
RSS	2022	323 599	Industrial buildings and equipment	-	-
RSS	2023	359 696	Industrial buildings and equipment	-	-
RSS	2024	480 830	Industrial buildings and equipment	-	-

## 10 · Intangible assets

	Other intangible assets EUR	Advances for intangible investments EUR	Total intangible assets EUR
<b>Book value</b>			
<b>31.12.2022</b>	<b>62 001</b>		<b>62 001</b>
Increase in value (acquisition)	11 621		11 621
Transferred to another item	(1 864)		(1 864)
<b>31.12.2023</b>	<b>71 758</b>	-	<b>71 758</b>
Increase in value (acquisition)	-	1 944	1 944
<b>30.06.2024</b>	<b>71 758</b>	<b>1 944</b>	<b>73 702</b>
<b>Accumulated depreciation</b>			
<b>31.12.2022</b>	<b>40 951</b>		<b>40 951</b>
Calculated depreciation	2 723		2 723
Amortisation of investments disposed of, liquidated or transferred to other item	(1 864)		(1 864)
<b>31.12.2023</b>	<b>41 810</b>		<b>41 810</b>
Calculated depreciation	1 890		1 890
<b>30.06.2024</b>	<b>43 700</b>	--	<b>43 700</b>
<b>Residual value as at 31.12.2023</b>	<b>29 948</b>	-	<b>29 948</b>
<b>Residual value as at 30.06.2024</b>	<b>28 058</b>	<b>1 944</b>	<b>30 002</b>



## 11 · Statement of movements in fixed assets

	Real estate EUR	Technological equipment and devices EUR	Other fixed assets and inventories EUR	Establishment of fixed assets and costs of construction work in progress EUR	Advances on fixed assets EUR	Total fixed assets EUR
<b>Book value</b>						
<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	908 886	1 478 841	28 491	730 804	717 512	<b>3 864 534</b>
Disposed of or liquidated	-	(592 785)	(64 780)	(791 287)	(945 321)	<b>(2 394 173)</b>
Transferred to another item	1	351 483	(352 841)	-	-	<b>(1 357)</b>
<b>31.12.2023</b>	<b>1 962 605</b>	<b>2 885 876</b>	<b>454 741</b>	<b>591 655</b>	<b>50 960</b>	<b>5 945 837</b>
Acquisition and establishment	627 289	180 494	39 065	700	136 372	<b>983 920</b>
Disposed of or liquidated	-	(119 282)	(58 834)	-	-	<b>(178 116)</b>
Transferred to another item	-	-	-	(588 047)	(169 586)	<b>(757 633)</b>
<b>30.06.2024</b>	<b>2 589 894</b>	<b>2 947 088</b>	<b>434 972</b>	<b>4 308</b>	<b>17 746</b>	<b>5 994 008</b>
<b>Accumulated depreciation</b>						
<b>31.12.2022</b>	<b>159 098</b>	<b>958 272</b>	<b>227 619</b>	<b>-</b>	<b>-</b>	<b>1 344 989</b>
Estimated depreciation	63 805	295 367	63 140	-	-	<b>422 312</b>
Depreciation of disposed of, liquidated or relocated fixed assets	259	12 035	(13 650)	-	-	<b>(1 356)</b>
Transferred to another item	-	(33 428)	(29 651)	-	-	<b>(63 079)</b>
<b>31.12.2023</b>	<b>223 162</b>	<b>1 232 246</b>	<b>247 458</b>	<b>-</b>	<b>-</b>	<b>1 702 866</b>
Estimated depreciation	49 039	176 112	31 384	-	-	<b>256 535</b>
Depreciation of disposed of, liquidated or relocated fixed assets	-	(119 245)	58 498	-	-	<b>(177 743)</b>
<b>30.06.2024</b>	<b>272 201</b>	<b>1 289 113</b>	<b>220 344</b>	<b>-</b>	<b>-</b>	<b>1 781 658</b>
<b>Residual value as at 31.12.2023</b>	<b>1 739 443</b>	<b>1 653 630</b>	<b>207 283</b>	<b>591 655</b>	<b>50 960</b>	<b>4 242 971</b>
<b>Residual value as at 30.06.2024</b>	<b>2 317 693</b>	<b>1 657 975</b>	<b>214 628</b>	<b>4 308</b>	<b>17 746</b>	<b>4 212 350</b>

## 12 · Debts of creative enterprises

	30.06.2024 EUR	31.12.2023 EUR
Due to related Companies	-	34 243
Short-term loan	105 027	106 730
<b>Total</b>	<b>105 027</b>	<b>140 973</b>



## 13 · Other debtors

	30.06.2024 EUR	31.12.2023 EUR
Security deposit	40 702	40 702
Settlements with employees	191	101
Tax overpayments	62 957	39 676
<b>Total</b>	<b>103 850</b>	<b>80 479</b>

## 14 · Share capital

At 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.

## 15 · Borrowings against bonds

	% rate	Repayment term	30.06.2024 EUR	31.12.2023 EUR
Covered bonds*	6	09.05.2025	2 500 000	2 500 000
<b>Total in 2023</b>	<b>x</b>	<b>x</b>	<b>2 500 000</b>	<b>2 500 000</b>

### Including short-term:

\*In May 2022, the Company completed a covered bond issue worth 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).

## 16 · Other borrowings

	Repayment term	30.06.2024 EUR	31.12.2023 EUR
<b>Long-term borrowings (1 to 5 years)</b>			
AS Swedbank Leasing financial leasing agreements:	2024-2027	374 490	450 890
Financial leasing agreements with AS Citadele Leasing:	2024-2027	18 420	23 152
<b>Total</b>	<b>x</b>	<b>392 910</b>	<b>474 042</b>

	Repayment term	30.06.2024 EUR	31.12.2023 EUR
<b>Short-term borrowings</b>			
AS Swedbank Leasing financial leasing agreements:	2023	154 271	155 365
Financial leasing agreements with (AS) Citadele Leasing:	2023	8 820	8 981
<b>Total</b>	<b>x</b>	<b>163 091</b>	<b>164 346</b>

## 17 · Taxes and compulsory national social security contributions

Up to 1 year:	30.06.2024 EUR	31.12.2023 EUR
Personal income tax	19 049	18 452
Compulsory social security contributions	50 789	45 788
Corporate tax	26 336	77
Business risk levy	58	56
Company car tax	1 105	1 653
Natural resources tax	1 959	1 934
<b>Total</b>	<b>99 296</b>	<b>67 960</b>

## 18 · Deferred income

Non-current deferred income	30.06.2024 EUR	31.12.2023 EUR
RSS support*	1 118 901	674 528
<b>Total</b>	<b>1 118 901</b>	<b>674 528</b>

Short-term deferred income	30.06.2024 EUR	31.12.2023 EUR
RSS support*	70 959	102 738
<b>Total</b>	<b>70 959</b>	<b>102 738</b>

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

## 19 · Accrued liabilities

	30.06.2024 EUR	31.12.2023 EUR
Accrued liability for untaken leave	181 166	93 272
Accrued liabilities to suppliers	26 858	72 001
Accrued liability for interest on borrowings	20 833	20 833
<b>Total</b>	<b>228 857</b>	<b>186 106</b>

# Additional Information

## 1 · Transactions with related parties

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>2023</b>				
SIA Curlandia	102 533	159 383	140 973	1 986
LLC Banga Ukraine	98 487	-	-	-
<b>30.06.2024</b>				
SIA Curlandia	-	11 616	105 027	1 936
<b>Total in 2023</b>	<b>201 540</b>	<b>159 383</b>	<b>140 973</b>	<b>1 986</b>
<b>Total in the first six months of 2024</b>	<b>-</b>	<b>11 616</b>	<b>105 027</b>	<b>1 936</b>

## 2 · Average number of employees

	01.01.2024 - 30.06.2024	2023
Board Members	1	1
Other staff	159	154
<b>Average number of employees</b>	<b>160</b>	<b>154</b>

## 3 · Staff costs

	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
Remuneration for work	934 424	844 891
Compulsory national social insurance contributions	219 028	198 617
<b>Total staff costs</b>	<b>1 153 452</b>	<b>1 043 508</b>

#### 4 · 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:

	01.01.2024 - 30.06.2024 EUR	01.01.2023 - 30.06.2023 EUR
Board Members	25 075	25 069
<b>Total</b>	<b>25 075</b>	<b>25 069</b>



#### 5 · 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).

#### 6 · 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 2024 during the period from the last day of the reporting year to the date of this report.

#### 7 · Going concern

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

  
**Ingus Veckāgans**  
 Member of the Board

  
**Inita Andriksone**  
 Chief Accountant

