

INTERIM REPORT FOR THE FIRST 9 MONTHS OF 2024

Unaudited • Roja, 2024

Statement of the Management Board

29 NOVEMBER 2024

Key events in 9 months 2024

TYPE OF ACTIVITY

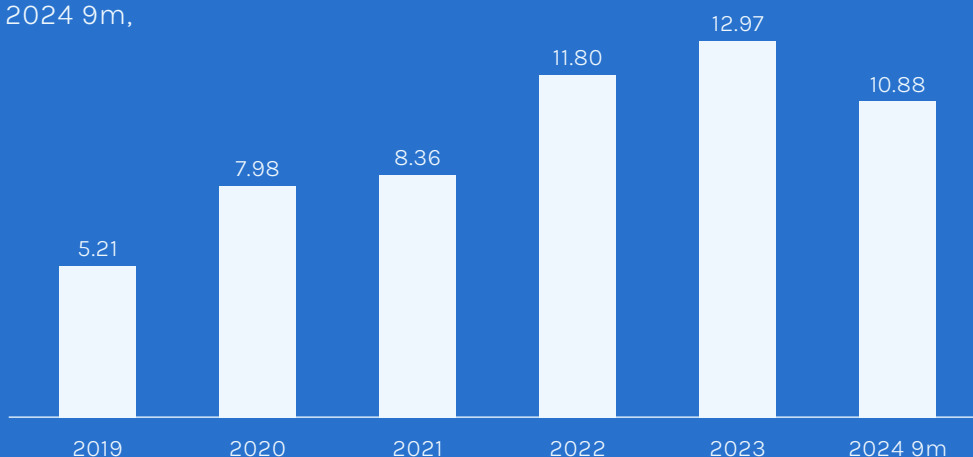
LLC (SIA) “Banga LTD” is a food production Company – an internationally renowned canned fish manufacturer that started its business in 2011, but fish production dates back to 1947. The Company’s production facility is located on the Baltic Sea coast, close to the port of Roja, which ensures the supply of high-quality fish raw materials, creating a basis for producing quality products. The Company produces its goods using not only fish from the Baltic Sea – sprat and pilchard, but also Atlantic salmon, mackerel, herring, mussels and tuna. The company is certified according to IFS (International Featured Standards), MSC (Marine Stewardship Council) and ASC (Aquaculture Stewardship Council) quality standards. **Fishing and fish production have been developed for generations on the Baltic Sea and Gulf of Riga coasts, and the company currently employs more than 160 specialists, making it one of the largest employers in the region.** The Company is an active participant in the capital market. Its issued bonds are listed on the Nasdaq Riga First North bond list, thus confirming its high-quality financial corporate governance. The Company’s financial statements are prepared and published in line with the IFRS (International

Financial Reporting Standard) 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 sales volume continued to grow in the first 9 months of 2024, as a result of which net turnover in this period reached 10.88 million representing 16.10% over the performance of 9 months in 2023. By comparison, in 2022, the same level of sales was achieved throughout the entire year. 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. During the reporting period, sales volumes increased not only as a result of product range expansion and new customers but also due to the traditional autumn demand growth. 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.

Net turnover

years 2019 - 2024 9m,
EUR million



During the reporting period, the Company carried out annual plant maintenance, inspection, repair and adjustment of equipment. The production personnel received the annual summer leave in July. At the end of July, the Company's production facility resumed operations.

The new production season at the end of summer was marked by an increase in the price of fish raw materials in several fish segments, especially in the Baltic Sea fish group (sprat) and the Atlantic fish group (mackerel). The increase in Baltic sprat (*Sprattus sprattus*) prices relates to the expected reduction of catch limits in the Baltic Sea, which was also confirmed by the European Council decision to reduce the TAC by 31% after the reporting period. The price of the raw material, sprat, increased by 25% in the autumn months. In the Atlantic fish group, price changes are more linked to lower catches, including during summer.

During the reporting period, the Company continued the development of a project for the construction of a new cold store facility, which, together with additional investments in technology, has been included in the European Maritime, Fisheries and Aquaculture Fund - Investment in the processing of fishery and aquaculture products - Phase 2 project.

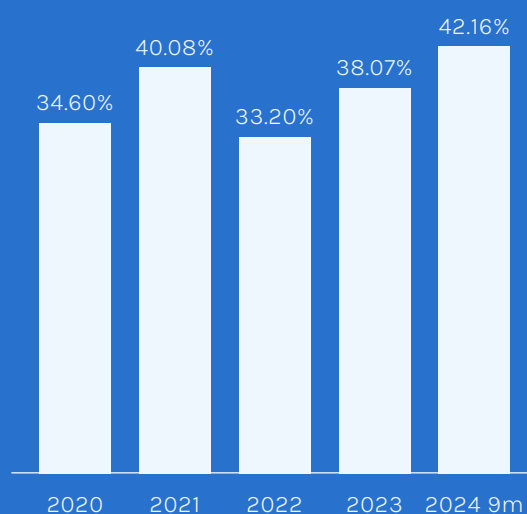
PERFORMANCE AND FINANCIAL SITUATION OF THE COMPANY

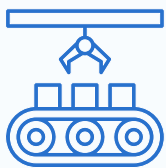
According to operational financial reporting data, in the nine 9 months of 2024, the Company has generated a profit of EUR 610,173, including in the 2nd quarter - in the amount of EUR 68,830. Compared to 9 months of 2023, extraordinary income received within the framework of support of the European Maritime, Fisheries and Aquaculture Fund decreased significantly during the reporting period for the partial reimbursement of additional costs amounting to EUR 51,463 in the first 9 months of 2024, a decrease of EUR 352,231 compared to the same period last year. Excluding the cost growth compensation component, the profit for the first 9 months of 2024 totalled EUR 558,710, an increase of 28.7% compared to the corresponding figure for 2023 (excluding EU fund support).

The Company's equity also increased during the reporting period, amounting to EUR 3.92 million at the end of the reporting period, or 42.16% of total assets. The Company's equity has increased by 14.82% since the beginning of 2024.



Equity ratio %
years 2019 - 2024 9m





FUTURE DEVELOPMENT PLANS

In the last quarter of 2024, the Company's main business priority will be to complete the shipment of products for New Year sales and to conclude new contracts for 2025. In October, the Company's product sales team will participate in SIAL Paris 2024, one of the largest food fairs in the world, as well as in PLMA Chicago 2024, a private label fair, which is subordinate to the implementation of the Company's sales strategy.

To further improve production processes, the Company plans to automate the production lines of certain products and start work on the digitisation of the finished product handling and assembly process, complementing the functionality of the ERP system used by the Company.

The auditors of the Company's financial statements for 2024, Grant Thornton Baltic Audit SIA, will commence their pre-audit of the financial statements, which will be prepared in line with Latvian and International Accounting Standards, in November.

As part of the infrastructure improvement process, the Company plans to complete the extension of the wastewater treatment complex, which will provide better quality wastewater treatment, and to expand the administrative building to create additional workplaces and amenities.

Ingus Veckāgans
Member of the Board



Financial Statements

Statement of Comprehensive Income

| | 9 M 2024 EUR | 9 M 2023 EUR |
|----------------------------|-------------------|------------------|
| Sales | 10 879 839 | 9 371 175 |
| Cost of sales* | -9 961 665 | -8 421 821 |
| Distribution expenses | -104 996 | -112 610 |
| Administration expenses* | -374 185 | -329 836 |
| Other operating income**** | 257 440 | 426 335 |
| Other operating expenses | -14 122 | -8 949 |
| Operating profit | 682 311 | 924 294 |
| Finance income** | 128 340 | 72 037 |
| Finance expenses*** | -173 411 | -158 318 |
| Income tax | -27 067 | -284 |
| NET PROFIT | 610 173 | 837 729 |

* included

| | | |
|--------------|---------|---------|
| Depreciation | 406 430 | 306 901 |
|--------------|---------|---------|

** included

| | | |
|--------------------------------|---------|--------|
| Interest income | 5 329 | 2 799 |
| Income from EU project support | 108 331 | 65 092 |
| Others | 14 680 | 4 146 |

*** included

| | | |
|------------------|----------|----------|
| Foreign exchange | -4 684 | -6 589 |
| Interest costs | -165 292 | -149 823 |
| Others | -3 435 | -1 906 |

**** included

| | | |
|---------------|--------|---------|
| State support | 51 463 | 403 694 |
|---------------|--------|---------|

Balance Sheet

| | 30.09.2024. EUR | 31.12.2023. EUR |
|--|--------------------|--------------------|
| Intangible assets | 29 057 | 29 948 |
| Property | 2 307 113 | 1 739 443 |
| Machinery | 1 652 565 | 1 653 630 |
| Other fixed assets and inventory | 294 867 | 207 283 |
| Creation of fixed assets and construction expenses | 4 458 | 591 655 |
| Advance payments for fixed assets | 55 096 | 50 960 |
| Inventories | 3 788 678 | 3 399 891 |
| Receivables | 1 056 564 | 1 050 165 |
| Cash | 106 315 | 235 016 |
| TOTAL ASSETS | 9 294 713 | 8 957 991 |
| Owner's equity | | |
| Share capital | 547 565 | 547 565 |
| Long-term investments revaluation reserve | 41 819 | 51 634 |
| Other reserve | 2 | 2 |
| Retained earnings | 3 329 571 | 2 813 828 |
| Total equity | 3 918 957 | 3 413 029 |
| Liabilities | | |
| Debt long-term | 1 531 132 | 3 648 570 |
| Debt short-term | 2 637 921 | 164 346 |
| Other liabilities | 319 624 | 656 712 |
| Accounts payable | 887 079 | 1 075 334 |
| Total liabilities | 5 375 756 | 5 544 962 |
| TOTAL LIABILITIES AND OWNER'S EQUITY | 9 294 713 | 8 957 991 |

Statement of Changes in Equity

| | Share capital EUR | Long-term investments revaluation reserve EUR | Other reserve EUR | Retained earnings 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 | - |
| 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 | - | -9 815 | - | 9 815 | - |
| Dividends declared | - | - | - | -104 245 | -104 245 |
| Total comprehensive income for the year | - | - | - | 610 173 | 610 173 |
| Balance at 30.09.2024. | 547 565 | 41 819 | 2 | 3 329 571 | 3 918 957 |

Cash Flow Statement

| | 9M 2024 EUR | 9M 2023 EUR |
|--|-----------------|-----------------|
| Operating activities | | |
| Income from the sale of goods and services | 11 193 045 | 10 349 093 |
| Payments to suppliers and employees | -11 246 971 | -9 705 719 |
| Interest paid | -106 119 | -104 700 |
| Income tax | -26 827 | -430 |
| Net cash flow of operating activities | -186 872 | 538 244 |
| Investing activities | | |
| Investments in tangible and intangible assets | -330 297 | -945 591 |
| Loans granted | -70 300 | -74 529 |
| Repayment of loans granted | 76 050 | 76 700 |
| Interest received | 3 618 | 549 |
| Cash flow from investing activities | -320 929 | -942 871 |
| Financing activities | | |
| Support from EU funds received | 485 114 | 270 482 |
| Loans repaid | 0 | |
| Dividends paid | -104 245 | 0 |
| Cash flow from financing activities | 380 869 | 270 482 |
| Result of fluctuations in foreign exchange rates | -1 769 | 554 |
| Change in cash | -128 701 | -133 591 |
| Cash at period-start | 235 016 | 431 835 |
| Cash at period-end | 106 315 | 298 244 |

Financial Indicators

| Financial indicator | Calculation formula | Result |
|-------------------------------|---|---------------|
| Interest coverage Ratio (IRC) | EBITDA/Net finance Charges | 6 |
| Equity Ratio | Ratio of Adjusted Equity/Assets | 42% |
| Net Debt to EBITDA | Net Debt/EBITDA | 2.17 |
| EBITDA | <p>Net profit for the Relevant Period calculated according to the most recent Financial Reports:</p> <ul style="list-style-type: none"> a) before deducting any Net Finance Charges; b) before taking into account any exceptional items which are not in line with the ordinary course of business; c) not including any accrued interest on Subordinated Debt; d) before taking into account any gains or losses on any foreign exchange gains or losses; and e) after adding back any amount attributable to the amortisation, depreciation or depletion of assets. | 1 354 524 EUR |

