AS “Rīgas kuģu būvētava”
Annual Report of 2024
unaudited

Rīga, 2026

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Information about the Company

Company Name	Rīgas kuģu būvētava
Legal Form of the Company	Joint Stock Company
Registration Number, Place and Date	40003045892, Riga, December 5, 1991
Registered with the Commercial Register	August 26, 2004, Rīga
Address	Gāles iela 2, Rīga, LV-1015
Principal Activities of the Company	Rental and management of own or leased real estate, NACE Rev.2 68.20 Building of ships and floating structures, NACE Rev.2 30.11
Management Board	
Member of the Board from 07.01.2021 to 08.04.2024	Einārs Buks Representation rights: jointly with one Member of the Management Board
Member of the Board from 07.01.2021 to 08.04.2024	Deniss Parfens Representation rights: jointly with one Member of the Management Board
Member of the Board from 08.04.2024 to 04.12.2024	Maksimiliāns Meļņiks Representation rights: jointly with one Member of the Management Board
Member of the Board from 08.04.2024 to 04.12.2024	Jekaterina Meļņika Representation rights: jointly with one Member of the Management Board
Member of the Board from 04.12.2024	Alexey Aleksandrov Individual representation rights
Member of the Board from 04.12.2024	Aleksandr Aleksandrov Representation rights: jointly with one Member of the Management Board
Member of the Board from 28.06.2024	Ainārs Tropiņš Representation rights: jointly with one Member of the Management Board
Supervisory Board	
Member of the Supervisory Board from 07.01.2021 to 28.06.2024	Vasilijs Meļņiks
Member of the Supervisory Board from 07.01.2021 to 13.06.2024	Aleksandrs Čerņavskis
Member of the Supervisory Board from 07.01.2021 to 08.04.2024	Larisa Artemenko
Member of the Supervisory Board from 07.01.2021 to 28.06.2024	Gahramans Guseinovs
Member of the Supervisory Board	Sandis Strods

from 07.01.2021 to 08.04.2024	
Member of the Supervisory Board from 08.04.2024 to 04.12.2024	Irina Meļņika
Member of the Supervisory Board from 28.06.2024 to 04.12.2024	Romāns Asmiņins
Member of the Supervisory Board from 28.06.2024 to 04.12.2024	Abiks Elkins
Member of the Supervisory Board from 28.06.2024 to 04.12.2024	Igors Zadoja
Member of the Supervisory Board from 08.04.2024 to 21.06.2024	Ainārs Tropiņš
Member of the Supervisory Board from 04.12.2024	Irina Aleksandrova
Member of the Supervisory Board from 04.12.2024	Andris Gulbis
Member of the Supervisory Board from 04.12.2024	Jevgenia Diukhova
Member of the Supervisory Board from 28.06.2024	Einārs Buks
Member of the Supervisory Board from 04.12.2024	Sergii Ganzelynskyi
The Annual Report was prepared by	Accountant Rimma Krilova
Reporting Year	January 1, 2024 – December 31, 2024

AS "Rīgas kuģu būvētava"
Management Report to the Annual Report of 2024

About Company

AS "Rīgas kuģu būvētava", hereinafter referred to as the Company, is one of the shipyards in the Baltic Sea region that performs ship repair and provides other services.
The Company operates and performs its production processes in accordance with international quality management standards – ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Financial Performance and Financial Position

AS "Rīgas kuģu būvētava" closed the year 2024 with a profit of EUR 369 891.
In 2024, demand for the use of the Company's owned and leased assets increased by 28%; therefore, also during 2024 the Company continued to focus its operations on the management and leasing of its own and leased real estate (NACE Rev.2 68.20). The net turnover in 2024 amounted to EUR 2 216 930. One of the factors influencing turnover growth was the strengthening of trust among long–term cooperation partners regarding the availability of a versatile, flexible and high–quality services.
The total assets of AS "Rīgas kuģu būvētava" at the end of 2024 dropped to EUR 5 451 253, compared to the beginning of the year. In 2024, the Company's total liabilities decreased by 21%, while, because of positive operating profitability, equity increased and at the end of the reporting period amounted to EUR 1 273 398.
The decrease in assets during the reporting period was related to the write–off and disposal in 2024 of fixed assets owned by the Company that were no longer suitable for operation, the dismantling of structures that had been abandoned, were not used in economic activities and were classified as environmentally degrading structures, as well as the accelerated settlement of financial liabilities within the framework of the legal protection proceedings, which ensured the successful implementation of the plan of measures of the legal protection proceedings.

FINANCIAL INDICATORS	2024	2023
	EUR	EUR
Current Assets	2,154,002	2,321,823
Total Assets	5,451,253	6,381,422
Equity	1,273,398	904,230
Short–term Liabilities	3,930,612	5,224,633
Total Liabilities	4,308,775	5,477,191
Net Turnover	2,216,930	1,741,796
Gross Profit	-45,408	-822,501
Profit or Loss of the reporting period	369,891	-1,029,648

Profitability analysis – profitability ratios analyse the effectiveness of the Company's management decisions in fulfilling financial objectives, where the optimal profitability indicator should be positive, and the higher the indicator, the better the profitability:

	2024	2023
	EUR	EUR
Gross Profit Margin	-2.05%	-47.22%
Net Profit Margin	16.68%	-59.11%
Return on Equity	29.05%	-113.87%

Capital structure analysis – capital structure ratios examine the Company’s capital structure and show how much additional debt the Company is able to assume.

	2024	2023
	EUR	EUR
Return on Assets	6.79%	-16.14%
Financial Equilibrium Ratio	4.28	7.06
Debt–to–Equity Ratio	3.38	6.06
Share of liabilities in the Balance Sheet	0.79	0.86

The sale of fixed assets in 2023 only partially made it possible to cover a significant portion of liabilities, reducing the Company’s reliance on borrowed capital.

Liquidity analysis — liquidity ratios examine the Company’s short–term financial indicators and liquidity and give an indication of whether the Company is able to settle its short-term liabilities in full and on time.

Current ratio (current assets/short-term liabilities)

	2024	2023
	EUR	EUR
Current Liquidity Ratio	0.55	0.44

The Company uses this indicator to calculate the extent to which the Company’s current assets are able to cover its short–term liabilities.

Analysing the indicators for the last two years, the Company’s liquidity during the reporting period has been variable and dependent on the sale of assets disposed of during the reporting year. In future periods, the Company’s operating activities are expected to expand, improving the Company’s ability to cover its short–term liabilities with current assets.

Significant risks and uncertain conditions

Market risk and liquidity risk are the Company’s most significant financial risks. The Company’s management seeks to minimise the negative impact of potential financial risks on the Company’s financial position. The Company follows a prudent liquidity risk management approach, ensuring access to appropriate credit resources and the timely settlement of liabilities. The shareholders’ strategy requires the Company to ensure a positive operating cash flow.

Research and Development Activities

The Company has not performed any research and development activities in the reporting year.

The Company’s Own Shares

The Company has neither redeemed, nor sold its own shares in the reporting year.

The Company’s Branches and Representative Offices Abroad

The Company does not have representative offices or branches abroad.

Recommendation on Profit Distribution

The Board of Directors of the Company proposes to allocate the profit for the reporting year to cover losses from previous years.

The Company’s Future Development and Events after the End of the Reporting Year	In the period between the last day of the reporting year and the day on which management will sign the annual report, there have been no significant or extraordinary circumstances that would affect the results of the reporting year.

Chairman of the Board	Alexey Aleksandrov
Member of the Board	Ainārs Tropiņš
Member of the Board	Aleksandr Aleksandrov

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Statement of Management Responsibility

The Company’s management is responsible for the preparation of the financial statements based on the primary accounting records for each reporting period, which give a true and fair view of the Company’s financial position at the end of the reporting year, as well as of its results of operations and cash flows for that period.

Management confirms that appropriate accounting methods were used in preparing this report for the period ending 31 December 2024, that they were applied consistently, and that reasonable and caution decisions were made. Management confirms that the respective regulatory accounting principles of the Republic of Latvia have been adhered to and the financial statements have been prepared in accordance with the going concern principle.

Management is responsible for maintaining proper accounting records, preservation of the Company’s assets, and for the prevention and detection of fraud and other dishonest practices.

Management confirms that it will provide the information and explanations necessary for the audit to be carried out.

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Corporate Governance Statement

The Corporate Governance Report of AS “Rīgas kuģu būvētava” for 2024, hereinafter – the Report, will be prepared on the basis of the *Latvian Corporate Governance Code* developed by the Corporate Governance Advisory Board of the Ministry of Justice, the principles of which summarise international best practice in the governance of capital companies.

Corporate governance principles are maximally suitable for the Company’s operations and in 2024 the Company complied with most of them. The purpose of adhering to these principles is not only to improve the Company’s structure and operations and to ensure transparency of operations, but also to enhance the quality of the information disclosed by the Company. In accordance with the *comply or explain* principle, the Report will also provide information on those principles which the Company does not comply with, or partially complies with, and on the circumstances justifying such non–compliance.

This Report will be submitted to the Stock Exchange simultaneously with the publication of the Company’s audited Annual report of 2024 on the Stock Exchange’s website and will also be published on the Company’s website www.riga–shipyard.com.

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Member of the Board	Aleksandr Aleksandrov

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Profit and Loss Statement for 2024 and 2023

	2024 **Eur**	**2023** **Eur**
Net turnover	2,216,930	1,741,796
from other core activities	*2,216,930*	*1,741,796*
Production cost of goods sold, acquisition costs of goods sold or services rendered	(2,262,338)	(2,564,297)
Gross profit or loss	**(45,408)**	**(822,501)**
Administrative expenses	(722,683)	(383,139)
Other operating revenue	1,178,010	272,366
Other operating expenses	(39,371)	(105,484)
Other interest revenue and similar revenue	3,792	12,941
from other parties	*3,792*	*12,941*
Interest payments and similar costs	(4449)	-
to other parties	*(4449)*	-
Profit or loss before corporate income tax	**369,891**	**(1,025,817)**
Corporate income tax for the reporting year	-	(3,831)
Profit or loss for the reporting year	**369,891**	**(1,029,648)**

Chairman of the Board	Alexey Aleksandrov
Member of the Board	Ainārs Tropiņš
Member of the Board	Aleksandr Aleksandrov
The annual report was prepared by Accountant	Rimma Krilova

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Balance Sheets as at 31 December 2024 and 31 December 2023

ASSETS	**12/31/2024 Eur**	**12/31/2023 Eur**
Long–term investments		
II Fixed assets		
Real estate	2,694,434	3,404,973
land, buildings and engineering structures	*2,694,434*	*3,404,973*
Other fixed assets and equipment	602,582	654,392
Creation of fixed assets and costs of construction in progress	-	-
Advance payments for fixed assets	-	-
Total fixed assets	***3,297,016***	***4,059,365***
III Long–term financial investments		
Other securities and investments	235	235
Other loans and other long–term receivables	933,300	966,000
Total long–term financial investments	***933,535***	***966,235***
Total long–term invetsments	***4,230,551***	***5,025,600***
Current assets		
I Inventories		
Raw materials, basic materials and consumables	-	-
Advance payments for inventories	13,773	153
Total inventories	***13,773***	***153***
II Receivables		
Trade receivables	859,315	848,290
Other receivables	20,602	406,023
Deferred costs	303	515
Accrued revenue	138,739	95,856
Total receivables	***1,018,959***	***1,350,684***
IV Cash	***187,970***	***4,988***
Total current assets	***1,220,702***	***1,355,825***
Total assets	**5,451,253**	**6,381,425**

Chairman of the Board	Alexey Aleksandrov
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Accountant — Rimma Krilova

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Balance Sheets as at 31 December 2024 and 31 December 2023

LIABILITIES	**12/31/2024 Eur**	**12/31/2023 Eur**
Equity		
Share capital	16,340,950	16,340,950
Revaluation reserve of long–term investments	20,126	20,850
Reserves:		
other reserves	266,962	266,962
Retained profit		
Retained profit or outstanding losses of previous years	(15,724,531)	(14,694,880)
Retained profit or loss of the reporting year	369,891	(1,029,648)
Total retained profit	*(15,354,640)*	*(15,724,528)*
Total equity	***1,273,398***	***904,234***
Payables		
I Long–term liabilities		
Other loans	-	-
Trade payables	-	-
Deferred revenue	247,243	252,558
Total long–term payables	***247,243***	***252,558***
II Short–term liabilities		
Other loans	2,697,939	2,738,884
Advance payments received from customers	17,670	460,000
Trade payables	525,351	1,360,164
Taxes and social insurance contributions	414,980	440,150
Other payables	49,035	28,533
Deferred revenue	5,315	5,315
Unpaid dividends	11,746	11,746
Accrued liabilities	208,576	179,841
Total short–term liabilities	***3,930,612***	***5,224,633***
Total payables	***4,177,855***	***5,477,191***
Total liabilities	**5,451,253**	**6,381,425**

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Statements of Changes in Equity for the years ended on 31 December 2024 and 31 December 2023

Type of change	Fixed capital	Revaluation reserve of long–term investments	Reserves	Retained profit	Total
	Eur	**Eur**	**Eur**	**Eur**	**Eur**
Balance as at 31.12.2022	**16,340,950**	**21,573**	**266,962**	**(14,694,880)**	**1,934,605**
Loss of the reporting period	–	–	–	(1,029,648)	**(1,029,648)**
Decrease for the reporting year	–	(723)	–	–	**(723)**
Balance as at 31.12.2023	**16,340,950**	**21,850**	**266,962**	**(15,724,528)**	**904,234**
Adjustment to the amounts specified in the prior year's balance sheet*	–	–	–	(3)	**(3)**
Adjusted balance as at 31.12.2023	**16,340,950**	**21,850**	**266,962**	**(15,724,531)**	**904,234**
Profit for the reporting period	–	–	–	369,891	–
Decrease for the reporting year	–	(724)	–		–
Balance as at 31.12.2024	**16,340,950**	**20,126**	**266,962**	**(15,354,640)**	**1,273,398**

Chairman of the Board — Alexey Aleksandrov

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Member of the Board — Aleksandr Aleksandrov

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Cash Flow Statements for 2024 and 2023

	12/31/2024 Eur	12/31/2023 Eur
Cash flow from operating activities		
Revenue from sale of goods and services rendered	2,371,576	2,281,243
Payments to suppliers, employees and other operating expenses	(3,663,023)	(3,771,411)
Other Company operating revenue or expenses	(5663)	82,560
Gross cash flow from operating activities	**(1,297,110)**	**(1,407,608)**
Net cash flow from operating activities	**(1,297,110)**	**(1,407,608)**
Cash flow from investing activities		
Acquisition of fixed assets and intangible investments	(65,749)	(11,650)
Revenue from sale of fixed assets and intangible investments	1,249,820	1,324,795
Loans granted	-	-
Revenue from repayment of loans	348,970	63,321
Net cash flow from investing activities	**1,533,041**	**1,376,466**
Cash flow from financing activities		
Loans received	-	4,396
Loan repayment expenses	(52,949)	(60,322)
Net cash flow from financing activities	**(52,949)**	**(55,926)**
Net cash flow for the reporting year	**182,982**	**(87,068)**
Balance of cash and its equivalents at the beginning of the reporting year	**4,988**	**92,056**
Balance of cash and its equivalents at the end of the reporting year	**187,970**	**4,988**

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