AS "RĪGAS KUĢU BŪVĒTAVA"

Unaudited
Interim report
for a period 01.01.2026 - 30.06.2026

Riga, 2025

Content

Information about the company

Name of the company	Rīgas kuģu būvētava
Legal status of the company	Joint Stock Company
Registration Number, venue and date	40003045892, Riga, December 05th, 1991
Registered with the Commercial Register	August 26th, 2004, Riga
Address	Gāles iela 2, Riga, LV-1015
Main types of operations of the company	Lease and management of own or leased real estate Building of ships and floating structures,
NACE2 codes	68.20, 30.11
Management Board of the Company Chairman of the Board	Alexey Aleksandrov, holding the position from 25.11.2024, individual representation right
Board Member	Aleksandr Aleksandrov, holding the position from 25.11.2024, joint representation right with one Board Member
Board Member	Ainārs Tropiņš, holding the position from 20.05.2024, joint representation right with one Board Member

Supervisory Board of the	Chairman of the Supervisory Board	Irina Aleksandrova
	Deputy Chairman of the Supervisory Board	Andris Gulbis
	Member of the Supervisory Board	Jevgenia Diukhova
	Member of the Supervisory Board	Einārs Buks
	Member of the Supervisory Board	Sergii Ganzelynskyi

Report prepared by	Chief Accountant Antra Orleāna
Report period	01 January – 30 June 2026
Preceding report period	01 January – 30 June 2025

AS "Rīgas kuģu būvētava"
Management Report
To Interim Report 2026

About the company

In order to ensure the sustainable development of AS "Rīgas kuģu būvētava", hereinafter – the Company, and the territory it manages, the Company has identified the following core business activities:

- Organization and management of ship repair;
- Maintenance and leasing of infrastructure.

According to its principal activity, the Company has obtained the following certificates:

- ISO 9001:2015 (Quality Management System);
- ISO 14001:2015 (Environmental Management System);
- ISO 50001:2018 (Energy Management System);
- ISO 45001:2018 (Occupational Health and Safety Management System).

Operational financial results and the financial condition

In the first six months of 2026, the Company's total net turnover amounted to EUR 1 530 458, compared to EUR 885,144 in the first six months of 2025.

The Company ended the reporting period with a gross loss of EUR 275 984 (compared to a gross loss of EUR 710 538 in the first six months of 2025), while the net loss for the first six months of 2026 was EUR 192 444 (compared to a net loss of EUR 456 676 in the same period of 2025).

Due to changes in market conditions in 2026 demand for the use of assets owned and leased by the Company has increased, so the Company has also focused its activities in 2026 on managing and leasing its own and leased real estate (NACE Rev.2 68.20).

The Company's total assets during the reporting period have not changed significantly compared to the beginning of the year.

Profitability analysis – profitability ratios analyse the efficiency of the Company's management decisions in fulfilling financial tasks, where the optimum profitability ratio should be positive, and the higher the ratio, the better the profitability:

30.06.2026 30.06.2025
Gross profit ratio (gross profit/net turnover)
(18)% (48.8)%
The gross profit margin ratio shows the ratio of sales and direct costs. Companies use this indicator to calculate the extent to which changes in net turnover affect gross profit.
Net Profit Margin (net profit / net turnover of the reporting period)
(12.57)% (11,8%)
The Company uses this indicator to determine its ability to generate profit.
Return on equity (profit of the reporting period / shareholders' equity)
(6)% (6%)
Return on equity shows how effectively the capital invested by the shareholders of the Company is used. The Company uses this indicator to determine how much a potential investor will earn from each euro invested.
Return on assets (profit of the reporting period / total assets)
(3.08)% (1.4%)
The Company uses this indicator to calculate the percentage of profit a Company earns in relation to its overall resources.

The negative gross profit index is the consequence of transition of the Company to other types of economic activity. Shipbuilding and repair services were no longer provided since 2023, and during the reporting period the Company had substantial costs of maintenance and improvement of the infrastructure. The equity and the Company's assets being transferred to other types of economic activity as leasing and maintaining of own infrastructure has potential to be used in a more efficient and profitable manner.

Capital structure analysis - capital structure ratios show capital structure of the Company and how much additional liabilities the Company is able to assume.

30.06.2026	30.06.2025
Assets-to-equity ratio (total assets / equity)	
4.18	3.9

The Company uses this indicator to determine the proportion of cash invested by the Company's shareholders to the Company's assets. The higher the share of the equity, the more stable the finance structure of the Company.

Debt-to-equity ratio (total liabilities/ shareholders' equity)	
8.77	2.99

The Company uses this indicator to determine the extent to which the Company is dependent on borrowed capital. A high ratio means that the Company is extensively using borrowed capital, which causes additional costs to the Company in the form of interest payments.

Total-debt-to-total-assets ratio (total liabilities / total assets)	
0.76	0.76

The Company uses this indicator to determine relationship between the Company's long-term and short-term liabilities and total assets.

Sale of fixed assets has provided the opportunity to cover a significant share of liabilities, thus decreasing the Company's dependence on the borrowed capital.

Liquidity analysis — liquidity ratios represent the Company's short-term financial performance and liquidity and indicate whether the Company is able to repay its short-term liabilities in a timely and complete manner.

30.06.2026	30.06.2025
Current Ratio (current assets / current liabilities)	
1.36	1.35

The Company uses this indicator to calculate the extent to which current assets of the Company are able to cover current liabilities.

Earnings per share (EPS) (profit/number of shares for the reporting period)	
(0.016)	(0.039)

Earnings per share show how much profit each released share earns.

Substantial risks and unclear circumstances

Market risk and liquidity risk are the most significant financial risks of the Company. The Company management tries to minimise the potential negative impact of financial risks on the Company's financial position. The Company is prudent in liquidity risk management ensuring that it has proper credit resources available for settling its liabilities within the set deadlines. The shareholders' strategy provides that the Company must ensure a positive cash flow from operations.

Further development of the Company and events after the end of the reporting period	As of June 30, 2026, the Company's equity amounted to EUR 711 063, compared to EUR 2 270 635 as of June 30, 2025. In 2026, following core business activities were identified as priorities: • Organization and management of ship repair; • Maintenance and leasing of infrastructure. In line with the selected business directions, the Company's organizational structure was revised, and the human resources planning and management system was improved. To ensure that the infrastructure owned and managed by the Company meets clients and business requirements, the Company continues development projects of the territory and reconstruction works of railway access roads. This conclusion is based on the information available at the time of signature of this financial statement and the impact of future events on the future performance of the Company may differ from the management assessment. It is also planned to continue the employment relationship with the existing employees of the Company in accordance with the employment contracts concluded with them, as well as no change of the Company's location is planned. The conflict in Ukraine and the related events occur at a time of significant global economic uncertainty and volatility, with the consequence that their effects may exacerbate the overall impact on market conditions. The management of the Company has not identified the direct impact of those circumstances on the company's future economic activities. During the reporting period, there have been no significant or extraordinary circumstances would affect the annual results and the financial situation of the Company.
Research and development measures	The Company has not performed any activities in the field of research and development in the interim period.
Company shares	11 672 107
Company subsidiaries and representative offices abroad	The Company does not have representation offices or subsidiaries abroad.

Chairman of the Board ______________ Alexey Aleksandrov

Board Member _______________Ainārs Tropiņš

Statement on Management Liability

The Company management is responsible for preparation of the financial statement

The management of the Company hereby confirms that, based on the information available at the moment of preparation of the report, the financial statements provide a true and clear presentation of the financial position of the Company as of June 30th, 2026 and its performance and cash flow according to all the substantial aspects. The management confirms that appropriate accounting policies have been used and applied consistently, and reasonable and prudent conclusions and estimates have been made in the preparation of the financial statements.

The management of the Company also confirms that the above financial statements have been prepared in compliance with the requirements of the laws and regulations of the Republic of Latvia, and the management has applied a going concern principle.

The Company management attests that, in preparation of the interim report, it has followed the same principles of recognition and evaluation of items as in preparation of the annual report.

The management of the Company is also responsible for keeping proper accounting records, for safeguarding the assets of the Company and detection and prevention of fraud and other irregularities.

On behalf of the Company management:

Chairman of the Board	_____________ Alexey Aleksandrov
Board Member	_______________Ainārs Tropiņš

PROFIT OR LOSS STATEMENT

	Annexes	30.06.2026 Eur	30.06.2025 Eur
Net turnover	27	1 530 458	885 144
from other types of core activities		*1 530 458*	*885 144*
Production costs of sold products, purchase costs of sold goods or provided services	28	(1 806 442)	(1 595 682)
Gross profit or loss		**(275 984)**	**(710 538)**
Administration costs	29	(39 904)	(97 288)
Other revenue of economic operations	30	132 763	377 131
Other costs of economic operations	31	(9 319)	(25 981)
Other interest income and similar revenue	32	0	0
from other entities		*0*	*0*
Interest payments and similar expenses	33	0	0
to other entities		*0*	*0*
Profit or loss before the corporate income tax		**(192 444)**	**(456 676)**
Corporate income tax for the report period			
Report period profit or loss		**(192 444)**	**(456 676)**

Annexes from page 13 to page 31 are an integral part of these financial statements.

Chairman of the Board ______________Alexey Aleksandrov

Board Member _______________ Ainārs Tropiņš

Report prepared by
Chief Accountant ________________Antra Orleāna

BALANCE SHEET

ASSETS	Annexes	30.06.2026 Eur	30.06.2025 Eur
Long-term investment			
II Fixed assets			
Real estate		2 562 734	3 275 171
land plots, buildings and engineering constructions		*2 562 734*	*3 275 171*
Other fixed assets and inventory		468 260	523 236
Creation of fixed assets and costs of unfinished construction		-	12 907
Advance payments for fixed assets		0	0
Total fixed assets		***3 030 994***	***3 811 314***
III Long-term financial investment			
Other securities and investment	38	235	235
Other loans and other long-term debtors	39	1 261 263	1 261 263
Total long-term financial investment	36 -39	***1 261 498***	***1 261 498***
Total long-term investment		***4 292 492***	***5 072 812***
Current assets			
I Inventories			
Raw materials, core materials and auxiliary materials	40	0	159 480
Advance payments for reserves		15 530	129 309
Total provisions		***15 530***	***288 789***
II Receivables			
Trade receivables	41	279 030	270 091
Other receivables	42	223 005	726 118
Costs of future periods	43	0	1 103
Accrued revenue		1122 780	2 415 658
Total receivables		***1 924 815***	***3 412 970***
IV Cash	44	***5 493***	***122 111***
Total current assets		***1 945 838***	***3 823 870***
Total Assets		**6 238 330**	**8 896 682**

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Chairman of the Board ____________________ Alexey Aleksandrov

Board Member ____________________ Ainārs Tropiņš

Report prepared by
Chief Accountant ____________________ Antra Orleāna

BALANCE SHEET

LIABILITIES	**Annexes**	**30.06.2026 Eur**	**30.06.2025 Eur**
Owners equity			
Share capital (fixed capital)	45	16 340 950	16 340 950
Long-term investment revaluation reserve	35	20 126	20 850
Reserves:			
Other reserves		266 962	266 962
Retained profit			
Undistributed profit or uncovered loss of the preceding years		(15 724 531)	(13 901 451)
Report period retained profit or loss		(192 444)	(456 676)
Total retained profit		*(15 916 975)*	*(14 358 127)*
Total equity capital		***711 063***	***2 270 635***
Provisions			
Other provisions	18	2 415 659	2 415 659
Total provisions		***2 415 659***	***2 415 659***
Accounts payable			
I Long-term creditors			
Other loans	46	2 650 303	2 638 993
Trade payables	47	0	0
Revenue of future periods	49	0	596 412
Total long-term creditors		***2 650 303***	***3 235 405***
II Short-term creditors			
Other loans	46		0
Advances from customers		0	10 000
Trade payables	47	252 930	668 187
Taxes and social insurance contributions		111 414	199 835
Other accounts payable	48	0	0
Revenue of future periods	49	0	0
Unpaid dividends	50	11 746	11 746
Accrued liabilities	51	85 215	85 215
Total short-term accounts payable		***461 305***	***974 983***
Total creditors		***3 111 608***	***4 210 388***
Total liabilities		**6 238 330**	**8 896 682**

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Chairman of the Board ____________________ Alexey Aleksandrov

Board Member ____________________ Ainārs Tropiņš

Report prepared by
Chief Accountant ____________________Antra Orleāna

Reports on changes in equity for the period ended on June 30th, 2026

Types of changes	Share capital	Long-term Investment reevaluation reserve	Reserves	Retained profit	Total
	Eur	Eur	Eur	Eur	Eur
Balance as on 30.06.2025	16 340 950	20 850	266 962	**(14 358 127)**	**2 270 635**
Loss of the report period	-	-	-	-	
Reduction in the reporting period	-	-	-	(1 366 404)-	**(1 366 404)**
Balance as on 31.12.2025	**16 340 950**	**20 850**	**266 962**	**(15 724 531)**	**904 231**
Profit of the reporting period	-	-	-	(192 444)	**(192 444)**
Reduction in the reporting period	-	(724)	-	-	**(724)**
Balance as on 30.06.2026	**16 340 950**	**20 126**	**266 962**	**(15 916 975)**	**711 063**

Annexes from page 13 to page 31 are an integral part of these financial statements.

Chairman of the Board ________________ Alexey Aleksandrov

Board Member ________________ Ainārs Tropiņš

Report prepared by
Chief Accountant ________________Antra Orleāna

Cash flow report for	**30.06.2026 Eur**	**30.06.2025 Eur**
Cash flow from operating activities		
Revenue from the sale of goods and provision of services	1 851 854	2 530 655
Payments to suppliers, employees, other principal operations expenses	(1 968 472)	(2 598 219)
Other revenue or expenditure of the principal operations of the Company		
Gross cash flow from principal operations	**(116 618)**	**(67 562)**
Net cash flow from principal operations	**(116 618)**	**(67 564)**
Investment operations cash flow		
Purchase of fixed assets and intangible investment		
Revenue from sale of fixed assets and intangible investment		0
Issued loans		
Revenue from repayment of loans		
Investment operations net cash flow		**0**
Financing operations cash flow		
Received loans	-	
Expenses for repayment of loans		0
Financing operations net cash flow		0
Net cash flow of the reporting period	**(116 618)**	**(67 564)**
Cash and its equivalents in the beginning of the reporting period	**122 111**	**189 675**
Cash and its equivalents at the end of the reporting period	**5 493**	**122 111**

Annexes from page 13 to page 31 are an integral part of these financial statements.

Chairman of the Board ________________ Alexey Aleksandrov

Board Member ________________ Ainārs Tropiņš

Report prepared by
Chief Accountant ________________Antra Orleāna

Annexes to the Financial Statement

1) Information provided by the Company

Average number of employees	**30.06.2026**	**30.06.2025**
Number of employees during the report period	**28**	**29**
including		
Board Members	3	3
Members of the Council	5	5
Other employees	20	21

Personnel costs	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Work remuneration	364 422	352 224
State social insurance costs	84 784	81 401
	449 206	**433 625**

Remuneration for performance of functions	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Board Members	**29 714**	**29 714**
incl. Work remuneration	26 844	26 844
State social insurance costs	6 330	6 330
To Members of the Council	**26 736**	**26 736**
incl. Work remuneration	21 638	21 638
State social insurance costs	5 098	5 098

Summary of major accounting principles

2) General principles

The financial statements of the company have been prepared in compliance with the Laws of the Republic of Latvia "Accounting Law", "On Annual Reports and Consolidated Reports", Cabinet Regulation No. 775 (December 22nd, 2015) "Regulation on Application of the Law Annual Reports and Consolidated Reports".

The Balance Sheet, the Profit or Loss Statement, the Cash Flow Statement and the Report on Change of Equity is prepared on the basis of the scheme defined by the relevant Annexes of the Law "On Annual Reports and Consolidated Reports". The Profit or Loss Statement has been prepared in compliance with the method of the function of expenses.

The Cash Flow Report has been prepared according to the direct method.

The Financial Statement uses the national currency of the Republic of Latvia euro (EUR).

The financial statement provides a true and clear presentation of the Company's assets, liabilities, financial conditions and profit or loss and cash flow.

The financial statement was prepared in compliance with the following general principles:

- it is assumed that the Company will continue its activities (a going concern basis);
- the same accounting policy and valuation methods are used as in the previous report period have been applied;
- the items of the financial statement are recognised and evaluated by using the principle of caution, in particular, taking into account the following conditions:
  a) the financial statement only includes the profit obtained until the date of the Balance Sheet;
  b) all liabilities, as well as foreseeable risk amounts and losses occurred during the report period or preceding years are considered, including when they were revealed during the period between the date of the Balance Sheet and the day when the report was signed by the management, the authorised person or the management body,

Annexes to the Financial Statement

c) all the amounts of reduction of the value and depreciation have been assessed and considering irrespective of whether the report period has been closed with the profit or loss;

- amounts are presented in the items of the Balance Sheet and the Profit or Loss Statement according to the principle of accrual, in particular, revenue and expenses are presented considering the time of incurring them and not the time of receipt or spending of money. Revenue and expenses related to the report period are presented irrespective of the date of receipt of a payment or invoice;
- costs are aligned with revenue within relevant report periods;
- assets and liabilities items of the Balance Sheet are evaluated separately;
- any set-off between assets and liabilities of the Balance Sheet or revenue and expenditure items of the Profit or Loss Statement is prohibited,
- it a long-term investment item is excluded or liquidated, also the revenue and costs related to excluding the relevant item are mutually set-off. The net value, i.e.
  the profit or loss of alienation of long-term investment items assessed as the difference between the Balance Sheet value of the excluded item and revenue and expenses of its alienation or liquidation is presented in the Profit or Loss Statement, upon the condition that gross amounts are presented in the Annex to the financial statement;
- amounts are presented in the assessment items of the Balance Sheet and the Profit or Loss Statement considering the content and substance of economic transactions instead of their legal form only;
- the items of the Balance Sheet and the Profit or Loss Statement are assessed based on their acquisition costs or production costs. The acquisition costs are the price of purchase of a good or a service (by deducting received discounts), to which the additional expenses are added. Production costs comprise the costs of acquisition of raw materials, core materials and auxiliary materials and other expenses which are directly related to production of the relevant item. The production costs may include also portions of the costs which are indirectly related to the production of the item, if these costs can be related to the same period.

The relevant items of the Balance Sheet, the Profit or Loss Statement, the Cash Flow Statement and the Statement of Changes in Equity contain important financial information which has a considerable impact on the assessment or decision making of the users of the report. Minor amounts which do not considerably affect the assessment or decision making of the users of the report are presented in the above components of the financial statement under the summary items of similar financial information, the details of these amounts are presented below in the Annex to the financial statement.

3) Use of estimations

In preparing the financial statements the Board of the Company has made several estimations and assumptions which affect the balance of some of the items of the Balance Sheet and the Profit or Loss Statement included in the financial statements and the amount of eventual liabilities. Future events may affect the above estimations and assumptions. Any impact of the change of such estimations and assumptions on the performance of the Company is presented in financial statements upon establishing it.

Use of estimations and major assumptions

The legislation of the Republic of Latvia provides that, in preparing financial statements, the Company management makes estimations and assumption which affect the assets and liabilities presented in the statement and out of the Balance Sheet on the day of preparation of the financial statement and the presented revenue and expenses of the report period. Actual results may differ from such estimations.

The major assumptions and estimations regarding the future, as well as the most important causes of uncertainty on the Balance Sheet date causing a substantial risk that major adjustments of the net accounting values of the Balance Sheet assets or liabilities could be done during the next report period, are presented below.

Provisions for doubtful and bad debts

The Company management assesses the accounting value of receivables and evaluates their recovery potential by making provisions for doubtful and bad debts if necessary.

Net sales value of inventories

The Company management evaluates the net sales value of inventories based on the information regarding the expected prices and sales costs, as well as evaluates the physical condition of inventories during the annual inventory review. In cases when the sales value of inventories is below the costs of inventories, provisions are made for inventories.

Annexes to the Financial Statement

Terms of useful use of fixed assets
The terms of useful use of fixed assets are reviewed on each Balance Sheet date and. if necessary, they are modified in order to reflect the current view of the Company management regarding the remaining effective term of use of assets considering the technology change, the remaining economic term of use and the physical condition of assets.
Accounting value of fixed assets
The Company management evaluates the accounting value of fixed assets and assesses if there are any features indicating that the recoverable amount of assets is below their accounting value. The Company management assesses and recognises the loss from the decrease of the value of fixed assets on the basis of estimations regarding their future use, alienation or sale.
Accounting value of issued loans
The Company management assesses the issued loans and evaluates their recovery potential by making provisions for doubtful loans.
Accounting value of investment in related and associated companies
The Company management evaluates the accounting value of investment in the capital of related and associated companies and assesses if there are any features indicating that the recoverable amount of these assets is below their accounting value. The Company management assesses and recognises loss from the reduction of value of the investment in the capital of related companies on the basis of the estimations of their future yield.

4) Recognition of revenue
Principal operations of the company is Lease and management of own or leased real
The net turnover consists of the total amount of sold products and provided services during a year minus granted discounts and the Value Added Tax.
Revenue is recognised in compliance with the following principles:

- Revenue from sale of goods in Latvia is recognised when the buyer has accepted the goods. Revenue from sale of goods outside Latvia is recognised according to the terms of supply of goods.
- Revenue from provision of services is recognised according to the degree of completion of the relevant transaction.
- Revenue from penalties and late payment penalties are recognised at the moment of its receipt.
- Interest income is recognised based on the proportional time split considering the actual profitability of the asset.
- Dividends are recognised at the moment when legal rights to them are obtained.
- The royalties are recognised according to the accrual principle in compliance with the relevant agreement.

The other revenue of economic operations include various other revenue (for instance, the profit from alienation of long-term investment items or from currency exchange rate fluctuations, revenue from received insurance compensations, received financial aid or financial support), which is not directly related to the core operations of the Company, but which has been received in the result of the economic operation or arise from it.

5) Principles of recognition of expenses
Costs are presented in the Profit or Loss Statement according to the accrual principle considering the time of incurring them and not the time of spending money thereof. Expenses related to the report year are presented irrespective of the date of receipt of a payment or invoice. Costs are aligned with revenue within relevant report periods.

6) d) Re-evaluation of foreign currencies in euro
All the transactions in foreign currencies are converted to euro according to the currency exchange rate applied in the accounting in force in the beginning of the transaction date.

Annexes to the Financial Statement

7) Intangible investment

Intangible investment consists mainly of the right of use gained for payment, licences, patents, concessions and similar rights. Intangible investment is evaluated based on their initial costs value by deducting accrued depreciation. Depreciation is assessed according to the linear method by applying the annual depreciation rate of 20%. In a case of exception, if the term of effective use of an item of intangible value of development costs cannot be reliably estimated, their initial value is written off gradually by splitting it per years over a time period not exceeding 10 years (each such case is explained in the annex to the financial statement by stating the duration of the term during which the initial value of the relevant item is scheduled to be written off).

8) Fixed assets

Fixed assets are evaluated based on their initial costs value by deducting accrued depreciation. Depreciation is assessed according to the linear method by applying the following depreciation rates set by the management on the basis of the estimation of the effective term of use of fixed assets in relation to the following categorisation of the fixed assets included in the financial accounting:

Category in the financial accounting	Depreciation rate %	Item in the financial statement
Buildings	1.5 - 12.5	Land plots, buildings and engineering constructions
Engineering constructions	1.5 - 12.5	Land plots, buildings and engineering constructions
Technological equipment the operation of which changes the substance properties	1.43 - 25	Technological equipment and machinery
Equipment and technical machinery	10 ; 12.5	Other fixed assets
Furniture and office equipment	10 ; 12.5	Other fixed assets
Computers and accessories	20	Other fixed assets
Cars	15 ; 20	Other fixed assets
Tools and inventory	8;10;12.5;15.20;50	Other fixed assets

Estimated remaining values and periods of effective use of assets are reviewed and adjusted as necessary on each reporting date.
The Company capitalises fixed assets the value of which exceeds EUR 150 and the term of effective use of which exceeds one year. Depreciation of improvements and other inventory whose value does not exceed EUR 150, is calculated as 100% following their commissioning.
The costs of the current repair and maintenance of fixed assets are included in the Profit or Loss Statement of the period when they were incurred.
The recognition of the accounting value of the items of fixed assets is discontinued when it is alienated or if no economic benefit is expected from further use of the asset.

9) Re-evaluation of long-term investment

By deviating from the provisions of the Law "On Annual Reports and Consolidated Reports", the items of fixed assets whose value considerably exceeds their acquisition costs or production costs, or their evaluation on the Balance Sheet of the preceding year, can be re-evaluated according to a higher value if it can be assumed that the value increase will be long-term. However, when on the date of the Balance Sheet it is established that there is major and long-term decrease of the value of fixed assets resulting in the recoverable value being below the accounting value on the Balance Sheet, the Company recognises reduction of the value of assets which is written off as expenses of the reporting period when it was established. If there are no longer basis for reduction of the value of fixed assets, their evaluation according to their lowest value is discontinued by recognising the amount written off as expense when the reduction of the value was established as revenue.
The difference resulting from the re-evaluation between the evaluation according to the acquisition costs or production costs and the evaluation according to the re-evaluation, if this difference is positive (hereinafter - the increase of the value), is included in the relevant assets item of the Balance Sheet where the re-evaluated item of fixed assets is presented and the liabilities item of the Balance Sheet "Provision of re-evaluation of long-term investments" under Section "Equity". The provision of re-evaluation of long-term investment does not include the amount by which

the increase of the amount resulting from the re-evaluation fully or partially compensates the adjustment for the value decrease of the same fixed assets item which were included as costs in the Profit or Loss Statement of the preceding report years. This amount is included in the Profit or Loss Statement as revenue in the report period where the increase of the value of the fixed assets item was established.
The depreciation of the re-evaluated fixed assets item in the relevant report period is assessed based on the value of this item in the relevant report period and is included as costs in the Profit or Loss Statement according to the same amount.
The provision of the re-evaluation of the long-term investment is reduced if the re-evaluated fixed assets item is alienated, liquidated or there is no longer basis for increasing its value, or by performing the assessment of the annual depreciation of the re-evaluated fixed assets item. The reduction of the re-evaluation provision is included as revenue in the Profit or Loss Statement in the report period when this reduction was made.
The re-evaluation provision of the long-term investment is not paid out, is not distributed as dividends and not used for covering loss, increase of the share capital, formation of other provisions or any other purpose.
In compliance with Part Five of Section 6 of the Law on Corporate Income Tax, in determining the income subject to the Corporate Income Tax, the results of re-evaluation of the items of the Balance Sheet and off Balance Sheet (except re-evaluation of assets due to change of the foreign currency exchange rate) are not taken into account.

10) Reserves
Raw materials and materials are evaluated in the report according to the FIFO method (first in, first out).
The Company applies the same method of determination of the value of the use of reserves and balances for all the reserves of a similar type and use.
The value of reserves is adjusted to achieve that on the Balance Sheet date they are assessed according to the lowest of the acquisition costs or production costs, or the lowest market price on this date, or in special cases - according to their net sale value. The adjustments for the decrease of the value of reserves may be discontinued when there are no longer basis for the value reduction.

11) Accounts receivable
Receivables are evaluated by following the principle of caution by only presenting the actual receivables on the Balance Sheet.
Special provisions for doubtful debts are created in cases when, according to the management's view, the recovery of these debts is doubtful, by evaluating individually each debtor. The decrease of the value of reserves is the difference between the Balance Sheet value of the asset and the present value of the estimated future cash flow by discounting it according to the effective interest rate. The reserve amount is included in the Profit or Loss Statement under the item "Other costs of economic operations". Bad debts are written off as the loss of the report period.

12) Investments in subsidiaries and associates of the Group and other investments
Investments in daughter companies (i.e. the companies where the Company holds more than 50% of the equity capital or which it controls in any other way) are measured initially at cost. Control is achieved where the Company has the power to govern the financial and operating policies.
Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee company but is not control or joint control over those policies. Investments in associates are initially measured at cost.
Other financial investments represent investments in the share capital of another company which does not exceed 20% of the company’s total share capital.
Long-term investment, including investment in the Group daughter and association companies, are accounted for according to the acquisition value which is adjusted in cases of long-term increase or decrease of their value. If any events or change of circumstances indicate that the Balance Sheet value of the investment could be unrecoverable, the value of the relevant fixed assets is reviewed in order to identify the value deterioration. Loss from the value reduction are recognised in the Profit or Loss Statement.

13) Accrued liabilities
The Balance Sheet item "Accrued liabilities" includes clearly known amounts of liabilities to suppliers of goods and providers of services for the goods or services received during the reporting period, for which the provided

Annexes to the Financial Statement

source document for payment (invoice) has not been received on the date of the Balance Sheet due to the terms of delivery, purchase or the contract or other reason.
The Company creates reserves for liabilities to employees for unused vacation.
The accrued costs of unused vacations are estimated by multiplying the average daily wage of employees during the last six months of the report period with the number of unused vacation days at the end of the report period.

14) Corporate Income Tax

The Corporate Income Tax, in compliance with the requirements of the Law "On Corporate Income Tax", consists of the Corporate Income Tax assessed for the report period which is recognised in the Profit or Loss Statement. The Corporate Income Tax is assessed for the distributed profit (dividends) and the conditional distributed profit by which the Corporate Income Tax base is increased.

15) Cash and cash equivalents

For the cash flow statement, cash and cash equivalents consist of the balances of the current bank accounts and short-term deposits with the term up to 90 days.

16) Financial assistance and aid, donations and gifts

The received financial aid is included in the revenue in the report period when the financial aid or assistance was received.
The financial aid and support received for creating fixed assets is accounted for as the revenue of future periods which is gradually included in the during the term of effective use of the fixed assets received or purchased for the received financial aid. The other subsidies are applied to the results of the report period in the period of receipt of the subsidies.
If during following years after inclusion of the received financial aid in the Balance Sheet or the Profit or Loss Statement it has been revealed that any of the conditions of the provider of the financial aid has not been complied with and the received financial aid or any its part has to be received, then, if the amount of the received financial aid was included in the Balance Sheet item “Revenue of future periods” and has not been fully included in the revenue of the relevant reporting periods, for the purpose of writing off the repayable financial aid amount, first the balance of the item "Revenue of future periods” is used by only including the balance of the repaid financial aid amount not covered by this item in the costs of the report period.
If the Company is assured that all the conditions related to the receipt of financial assistance will be fulfilled and the repayment of the eligible expenses will be received, the Company includes the financial aid to be received in the revenue prior to the receipt of the repayment of eligible expenses. This amount is presented in the financial statement under the item "Accrued revenue".

17) Financial liabilities, provided guarantees and other eventual liabilities not included on the Balance Sheet

17.1. Liabilities regarding signed rent and lease agreements which are important for the company operations

The Company has concluded land and berths lease contracts with Riga Free Port Authority. The contracts are valid till August 31st, 2028. The Company has the priority right to extend the contract terms following the expiring of the contract terms.

17.2. information regarding pledging or other encumbering of the Company assets

On 14 December 2017 Ship Bond No.2 for the pledge of the tug boat “Orkāns” and Ship Bond No. 3 for the pledge of the floating crane „CELTNIS 24” was issued in favour of AS “Latvenergo” as the security of the liabilities of AS “Rīgas kuģu būvētava” and recorded in the Latvian Ship Register and they are in force until full satisfaction of the secured liabilities.

The Company has not issued any other guarantees or securities, it does not have any retirement liabilities and similar liabilities to its former members of management bodies.

Annexes to the Financial Statement

17.3. Not recognised claims

17.3.1. In 2021 court proceedings were started regarding cancellation of a lease contract and recovery of damage, where the claimant as a lessee has brought a claim against the Company as the lessor for reimbursement of the lessee's expenses for its investment in the Company infrastructure not approved by the Company. As the Company does not admit this claim and the court proceedings are ongoing now, no adjustments regarding this litigation were made in the financial statement.

18) Litigations

The Company was not involved in any litigation during the reporting period.

19) Substantial events after the Balance Sheet date which do not relate to the report period and therefore are not included on the Balance Sheet or the Profit or Loss Statement

Events following the end of the report period which provide additional information about the financial condition of the company as on the date of preparing the Balance Sheet (correcting events) are reflected in the Financial Statements. If events following the end of the report period are not correcting events, they are reflected in Annexes to the Financial Statements only if they are major.

20) Associated companies

Associated companies are the companies under substantial impact of another company which is secured by holding minimum 20 and not above 50 per cent of shareholders' votes in this company

Annexes to the Financial Statement

27)
Net turnover

	30.06.2026 Eur	30.06.2025 Eur
Revenue from infrastructure lease	1 530 458	885 144
	1 530 458	**885 1441**

Split per types of operation	NACE code	30.06.2026 Eur	30.06.2025 Eur
Leasing and management of own or leased real estate	6820	1 530 458	885 144
		1 530 458	**885 144**

Split per geographic regions	State code		
Germany	DE	-	-
The Netherlands	NL	-	-
Belgium	BE	-	-
Finland	FI	-	-
Latvia	LV	1 530 458	786 812
Cyprus	CY	-	-
Russia	RU	-	98 333
UK	GB	-	-
		1 530 458	**885 144**

28)

Production costs of sold products, purchase costs of sold goods or provided services	30.06.2026 Eur	30.06.2025 Eur
Material costs	57 763	117 321
Subcontractors' services	528 611	551 388
Personnel wages	364 422	352 224
State social insurance mandatory contributions	84 784	81 401
Depreciation of fixed assets and intangible investment	79 530	47 534
Utilities costs	554 609	272 144
Lease costs of the land, premises and machinery	0	0
Transportation costs	15 405	8 666
Real Estate Tax	121 318	138 656
Infrastructure maintenance costs	0	0
Costs of waste removal and disposal	0	0
Other production costs	0	26 048
	1 806 442	**1 595 682**

Annexes to the Financial Statement

29)

Administration costs	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Administration wages		
State social insurance contributions		
Business trip costs	-	-
Transportation expenses	3 300	5 306
Legal services	4 252	51 912
Representation expenditure	-	61
Communication costs	2 160	17 413
Costs of maintenance of the office	12 001	7 581
Ancillary expenses of cash turnover	9 610	14 716
Annual report audit costs	9 581	0
Supervision of the legal protection plan	0	0
Other administration costs	0	299
	97 288	**97 288**

30)

Other revenue of economic operations	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Net revenue from sale of long-term investment	132 763	377 131
	132 763	**377 131**

Annexes to the Financial Statement

31)

Other costs of economic operations	**30.06.2026 Eur**	**30.06.2025 Eur**
Expenses of writing-off doubtful and bad receivables	0	0
Loss from the sale of foreign currency and decrease of the exchange rate		
Penalties, late payment penalties and contractual penalties	7 389	2 857
Expenses according to the court judgement	1 930	6 678
Adjustments in the result of inventory of accounts		
Expenses of preceding periods		
Costs not related to economic operations	0	16 446
Donations		
Other costs		
	9 319	**25 981**

32)

Other interest income and similar revenue	**30.06.2026 Eur**	**30.06.2025 Eur**
Interest income for loans	0	0
	0	**0**

33)

Interest payments and similar expenses	**30.06.2026 Eur**	**30.06.2025 Eur**
Assessed interest of loans	0	0
	0	**0**

35) Re-evaluation reserve

The Balance Sheet value of the reserve of re-evaluation of long-term investment as on June 30th, 2026 is the balance of the re-evaluation reserve of preceding periods as on December 31st, 2025.

Long-term investment revaluation reserve	**Eur**
Balance	
31.12.2025	**20 850**
Reduction of the re-evaluation provision	
Balance	
30.06.2026	**20 126**

Annexes to the Financial Statement

38) Other securities and investment

In 1999, the Company acquired 33 shares of Baltic International Bank SE with a nominal value of LVL 5 or EUR 7.1 per share. In view of the fact that the European Central Bank decided on March 10th, 2023, to revoke the licence of Baltic International Bank SE, and that on 15 March 2023 the Bank of Latvia filed an application with the Economic Affairs Court to commence the liquidation proceedings of Baltic International Bank SE, the shares of Baltic International Bank SE are illiquid at the time of preparing this report.

39) Other loans and other long-term debtors

During the reporting period the Company has alienated fixed assets owned by it and a part of the transaction amount is to be covered until 2027 according to the sales contract.

40)

Raw materials	**30.06.2026** **Eur**	**30.06.2025** **Eur**
Raw materials	0	159 480
Reduction of value for slow circulation and obsolete materials	15 530	129 309
	15 530	**288 789**

Annexes to the Financial Statement

41)

Trade receivables	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Customers and buyers accounting value	579 030	270 091
Provisions for debts of doubtful accounts	1 122 780	2 415 659
Balance Sheet value	**1 701 810**	**2 685 750**

The trade receivables are reflected in net value by deducting provisions for doubtful debts from the full amount. No provisions for new doubtful receivables were created during the reporting period, however, a part of bad debts for which provisions had been made before were written off.

42)

Other receivables	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Paid advances for services	0	2 465
Provisions for doubtful advances	0	1 082
Debt for performance of a guarantee *	0	0
Accounting value of loans and accrued interest **	0	0
Provisions for doubtful loans	0	0
Advance settlements	0	8 390
Settlements for other debtors	223 005	714 181
	223 005	**726 118**

Annexes to the Financial Statement

43)

Costs of future periods	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Insurance of the Company property		
Insurance of vehicles	0	1 103
	0	**1 103**

44)

Cash	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Cash in banks	5 493	122 112
	5 493	**122 112**

45) Aggregate of equity capital

AS "Rīgas kuģu būvētava" was founded in 1991. The value of the equity capital of the company is EUR 16 340 950, which consists of 11 672 107 dematerialised shares with the nominal value of a share equal to EUR 1.40.

The shares of the Company are traded on the regulated market and are listed in the Second List of AS NASDAQ Riga. All the shares provide equal rights to receive dividends, the receipt of a liquidation quota and voting rights at the shareholders' meeting. One share provides the right to 1 vote at the shareholders' meeting.

Amendments of Articles:
1. On December 30th, 1998, the equity capital of the Company was increased to EUR 15 651 590.
2. On December 30th, 1999, the equity capital of the Company was increased to EUR 16 607 912.
3. In May 2015 the equity capital was denominated from lats to euro. After denomination the equity capital amounts to EUR 16 340 950. The total number of shares is 11 672 107; the nominal value of each share is EUR 1.40.
4. In May 2017 it was determined that the Board of Directors consists of 3 Members of the Board (there were 5 Members of the Board before);
5. On November 19th, 2024, it was decided that, going forward, all 11 672 107 shares of the Company will be of a single class – dematerialised shares – and that all shares would therefore be traded on a regulated market.

Information about shares and stocks

Type of shares	**Number**	**Nominal value**	**Accounting value**
		Eur	**Eur**
Ordinary registered shares	11 672 107	1.40	16,340,950
		1.40	**16,340,950**

Shareholders of AS “Rīgas kuģu būvētava”	Total	Nominal value of a share, Eur	Total value of shares, Eur
AS "Remars-Rīga"	5 819 194	1.40	8 146 872
Other	5 852 913	1.40	8 194 078
Total	**11 672 107**		**16 340 950**

Shareholders of AS “Rīgas kuģu būvētava”	30.06.2026		30.06.2025	
	Eur	%	Eur	%
AS "Remars-Rīga"	8 146 872	49.86	8 146 872	49.86
Other	8 194 078	50.14	8 194 078	50.14
Total	**16 340 950**	**100**	**16 340 950**	**100**

46)

Other loans	**30.06.2026**			**30.06.2025**		
	Long-term part Eur	**Short-term part Eur**	**Total Eur**	**Long-term part Eur**	**Short-term part Eur**	**Total Eur**
Interest of a loan from the management*	-					
Loans from legal companies**						
	2 638 993		**2 638 993**	**2 638 993**		**2 638 993**

* no borrowings.

** In 2014 the Company signed an agreement and received a loan from SA Sogip Services Geneva in the amount of EUR 2 000 000 with an interest rate 6 % per annum. The loan had to be repaid until June 22nd, 2019. The loan is not secured by any pledges or guarantees. The accrued assessed interest at the start of the legal protection proceedings on 16.08.2019 amounted to EUR 178 773. Further interest was not assessed following approval of the LPP. In 2020 the loan to SA Sogip Services Geneva has increased by EUR 186 251 because in relation to liquidation of AS “Tosmares kuģubūvētava” the remaining debt of the Company to a related company was assigned in favour of SA Sogip Services Geneva.

According to the loan agreements and the plan of measures of the legal protection proceedings there are no parts of any payments that shall be covered within five years following the balance sheet date.

48)

Other accounts payable	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
Wages		-
Settlements with persons accountable for advances	-	-
Overpayment by debtors		-
Security Deposit		-
		-

50)
Unpaid dividends
The Company's debt to shareholders for unpaid dividends amounting to EUR 11,746 was created in 2013. The failure to pay dividends is because the shareholders who did not receive dividends have been wound up as legal subjects.

51)

Accrued liabilities	**30.06.2026**	**30.06.2025**
	Eur	**Eur**
For services	55 734	55 734
Accrued unused vacation costs	29 481	29 481
	85 215	**85 215**

Annexes to the Financial Statement

52)

Going concern assumption and events following the end of the report period

As of June 30th, 2026, the Company's equity capital is positive and amounts to EUR 711 063. The Company's net loss for the six-month period of 2026 was EUR 192 444, and as of June 30th, 2026, its current liabilities are less than its current assets.

Despite the complex geopolitical and economic situation in global markets, the significant restrictions caused by Covid-19, the rise in raw material prices, and other factors, the implementation of the legal protection plan enabled the Company to attract strategic partners. This allowed for the preservation of the infrastructure of AS "Rīgas kuģu būvētava" and the fulfilment of the obligations set forth in the plan of measures of the legal protection proceedings.

Following the restoration of the Company's solvency, work has commenced on the development of the Company's medium-term operational strategy. Considering the interest of the co-operation partners regarding potential activities in the territory of AS "Rīgas kuģu būvētava", the Company plans to arrange and develop the infrastructure under its management in the coming years, including deepening of berths, demolition of environmentally degrading buildings, expansion of storage areas for various types of cargo and creation of hard surfaces, as well as renovation of warehouse buildings.

This conclusion is based on the information available at the time of signature of this financial statement, and the impact of future events on the future performance of the Company may differ from the management assessment.

It is also planned to continue the employment relationship with the existing employees of the Company in accordance with the employment contracts concluded with them, as well as no change of the Company's location is planned.

The conflict in Ukraine and the related events occur at a time of significant global economic uncertainty and volatility, with the consequence that their effects may exacerbate the overall impact on market conditions. The management of the Company has not identified the direct impact of those circumstances on the company's future economic activities.

During the reporting period, there have been no significant or extraordinary circumstances would affect the annual results and the financial situation of the Company.

Chairman of the Board _______________ Alexey Aleksandrov

Board Member _______________ Ainārs Tropiņš

Report prepared by
Chief Accountant _______________ Antra Orleāna

August 29th, 2026