

**KALVE**  
COFFEE ROASTERS

# INFORMATION DOCUMENT

**ON PUBLIC OFFERING, LISTING AND  
ADMISSION OF SHARES TO TRADING**



# AS KALVE COFFEE IS PUBLICLY OFFERING

**UP TO 250 000 SHARES**

**TO BE LISTED AND ADMITTED TO TRADING ON  
NASDAQ RIGA FIRST NORTH**

**PRICE 6.00 EUR**

**PER OFFER SHARE**

**13 – 29 NOVEMBER 2024**

**OFFER PERIOD**

**AS Kalve Coffee**

incorporated and registered in Latvia,  
with registration number 40203045645

# INFORMATION DOCUMENT ON PUBLIC OFFERING, LISTING AND ADMISSION OF SHARES TO TRADING

This Public Offering, Listing and Admission of Shares to Trading Information Document (the **"Information Document"**) has been drawn up and published by AS Kalve Coffee (the **"Company"** or the **"Issuer"**) in connection with (i) newly issued shares; and (ii) listing and Admission of Shares to Trading on Nasdaq Riga First North.

The Company is offering up to 250,000 new shares (the **"Offer Shares"**). The Offer Shares are offered (i) publicly to retail investors in Latvia and Estonia (the **"Retail Offering"**); and (ii) non-publicly to qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **"Prospectus Regulation"**) in certain selected Member States of the European Economic Area as well as other selected investors in accordance with the exemptions set out in the legislation of the Member States (the **"Institutional Offering"**). The public offering shall take place in Latvia and Estonia only and Offer Shares shall not be publicly offered in any other jurisdiction. The publication date of this Information Document is 8 November 2024.

This Information Document does not constitute a public offering in accordance with Article 2(d) of the Prospectus Regulation. In addition, this Information Document is not a prospectus under the Prospectus Regulation. This Information Document has not been approved or reviewed by the Bank of Latvia (Latvijas Banka), Estonian Financial Supervision Authority (Finantsinspeksiioon) or any other competent authority. This Information Document is prepared based on the exemption provided for in Article 3(2) of the Prospectus Regulation. This Information Document has been drawn up and prepared in compliance with (i) Article 16.1 of the Financial Instrument Market Law of the Republic of Latvia and the Bank of Latvia's regulations of 18 December 2023 No. 261 "Rules for the Preparation and Publication of the Information Document for the Public Offer" regarding public offering in Latvia; (ii) Article 15(6) of the Securities Market Act of the Republic of Estonia and the Minister of Finance's regulations of 13 May 2024 No. 10 "Requirements for the Securities Offering Information Document" and its annex regarding public offering in Estonia; and (iii) Nasdaq Riga Alternative Market First North Rules of 5 May 2020 concerning the listing and admission of shares to trading on Nasdaq Riga First North.

The Offer Period of the Offer Shares commences on 13 November 2024 at 10:00 and terminates on 29 November 2024 at 15.30 (the **"Offer Period"**) in accordance with the terms and conditions set out in this Information Document. The Offer Price is EUR 6.00 per one Offer Share (the **"Offer Price"**), of which EUR 0.10 is the nominal value of one Offer Share and EUR 5.90 is the share premium.

The Company will submit a listing application to Nasdaq Riga for the listing and Admission of Shares to Trading of the Company (the “**Shares**”), including Offer Shares, on the Nasdaq Riga First North. Trading with the Shares on the Nasdaq Riga First North is expected to commence on or about 6 December 2024.

The Company reserves the right to cancel or postpone the Offering or amend the terms and conditions of the Offering in accordance with the terms and conditions prescribed in this Information Document.

**Investment in shares entails risks. While every care has been taken to ensure that this Information Document presents a fair and complete overview of the risks related to the Company, the operations of the Company and the Group, and the Offer Shares, the value of investment in the Offer Shares may be significantly affected by circumstances that are either not evident at the date of publishing of this Information Document or not reflected in the Information Document. Investment in the Offer Shares must be based on this Information Document as a whole. Hence, we ask you to study this Information Document with care.**

**This Information Document is valid until the end of the Offer Period or commencement of trading with Shares on the Nasdaq Riga First North, whichever occurs later. The Company is obliged to update the Information Document by publishing a supplement only in the case if new facts, material errors or inaccuracies occur. Such an obligation does not apply after the end of the validity period of this Information Document.**

**MIFID II product governance.** The Retail Offering is directed to all retail investors in Latvia and Estonia. The Institutional Offering is directed to qualified investors in certain selected countries of the European Economic Area which have implemented the Prospectus Regulation, as well as to certain selected investors in accordance with other exemptions available under the laws of respective jurisdictions. Persons who offer, sell or recommend Shares (the Distributors) are independently responsible for the evaluation of the target market and appropriate distribution channels and must guarantee that these are in conformity with the provisions of this Information Document.

This Information Document must not be construed as legal, financial or tax advice. This Information Document is not, and does not purport to be, investment advice or an investment recommendation to acquire Offer Shares. Based on the investor’s own independent review or analysis, each prospective investor of Offer Shares must determine, involving professional legal, financial or tax counsel if deemed necessary, whether an investment in the Offer Shares is consistent with the investor’s financial capacities and investment objectives, and whether the investment is consistent with all the rules, requirements and restrictions that may be applicable to such investor.

# TABLE OF CONTENTS

<b>1. SUMMARY IN ENGLISH</b>	<b>07</b>
1.1. Information on the Company	
1.2. Use of Proceeds	
1.3. Financial Information	
1.4. Information on the Offering and Offer Shares	
1.5. Selected Risk Factors	
<b>2. KOKKUVÕTE EESTI KEELES (SUMMARY IN ESTONIAN)</b>	<b>09</b>
2.1. Teave äriühingu kohta	
2.2. Tulu kasutamine	
2.3. Finantsteave	
2.4. Teave Pakkumise ja Pakutavate Aktsiate kohta.	
2.5. Valitud riskitegurid	
<b>3. KOPSAVILKUMS (SUMMARY IN LATVIAN)</b>	<b>11</b>
3.1. Informācija par Sabiedrību	
3.2. Ieņēmumu izmantošana	
3.3. Finanšu informācija	
3.4. Informācija par Piedāvājumu un Piedāvājuma Akcijām	
3.5. Izvēlētie Riska Faktori	
<b>4. RISK FACTORS</b>	<b>13</b>
4.1. Macroeconomic and geopolitical risk factors	
4.1.1. Geopolitical risk	
4.1.1. Macroeconomic risk	
4.1.1. Global pandemic risk	
4.2. Risk factors related to the Company's business	
4.2.1. Competition risk	
4.2.2. Business interruption risk related to coffee manufacturing	
4.2.3. Brand and reputation risk	
4.2.1. Raw material supply risk	
4.2.1. Risks related to decreased green coffee import in Latvia	
4.2.1. Cooperation risks related to coffee machine and equipment manufacturers	
4.2.1. Risk related to adverse impact from employee performance and conduct	
4.3. Risk factors related to Shares and Offering	
4.3.1. Share price and share liquidity risk	
4.3.2. Cancellation of the Offering and undersubscription risk	
4.3.3. Risks posed to investors whose principal currency is other than EUR	
4.3.4. Tax regime risks	
<b>5. INTRODUCTORY INFORMATION</b>	<b>17</b>
5.1. Applicable Law	
5.2. Responsible Persons and Limitation of Liability	
5.3. Presentation of Information	
5.4. Accounting Principles	
5.5. Forward-Looking Statements	
5.6. Use of this Information Document	
5.7. Documents on display and incorporated by a reference	
<b>6. INFORMATION ABOUT THE ISSUER</b>	<b>20</b>
<b>7. REASONS FOR OFFERING AND USE OF PROCEEDS</b>	<b>21</b>

# TABLE OF CONTENTS

---

<b>8. BUSINESS AND INDUSTRY OVERVIEW</b>	<b>22</b>
8.1. History of the Company and Structure	
8.2. Principal activities of the Company	
8.3. Competitive landscape	
8.4. Recent trends, development and significant change	
8.5. Investments and Financing	
8.6. Material agreements and dependency on agreements, patents, licences	
8.7. Related Party Transactions	
8.8. Benefits and remuneration	
8.9. Profit forecasts or estimates	
8.10. Legal proceedings	
<hr/>	
<b>9. SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE, ARTICLES OF ASSOCIATION</b>	<b>36</b>
9.1. Share capital and Shares	
9.2. Shareholders	
9.3. Changes in Share Capital	
9.4. Changes in the Shareholders and Convertible Loan Agreement	
9.5. Rights attached to Shares	
9.6. Articles of Association	
9.7. Dividend policy	
9.8. Supervisory Board regulations	
9.9. Other good corporate governance practices and ESG	
<hr/>	
<b>10. MANAGEMENT AND SUPERVISORY BODIES AND CONSULTANTS</b>	<b>41</b>
10.1. Governance structure	
10.2. Management Board	
10.3. Supervisory Board	
10.4. Statutory Auditor	
10.5. Conflicts of interest and other declarations	
<hr/>	
<b>11. FINANCIAL INFORMATION</b>	<b>47</b>
11.1. Financial Information of the Issuer	
11.2. Insight into Issuer's Financial Standing	
<hr/>	
<b>12. TERMS AND CONDITIONS OF THE OFFERING</b>	<b>54</b>
12.17. Taxation	
12.17.1. Latvia	
12.17.2. Estonia	
<hr/>	
<b>13. GLOSSARY</b>	<b>63</b>



1.

# SUMMARY IN ENGLISH

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## 1.1. Information on the Company

The Company is a specialty coffee roasting business based in Latvia, focused on both B2B and B2C segments. In 2023, it generated revenue from both segments, with the B2C segment accounting for slightly more than half of the revenue. The Company emphasises high-quality coffee production and is committed to sustainability, social responsibility, and community engagement, incorporating environmental, social, and governance (ESG) principles within its operations. The principal activities include coffee roasting and production, wholesale and B2B services, retail operations, sustainability initiatives, and community engagement. The Company specializes in roasting premium coffee beans sourced from trusted farmers, notably the SanCoffee cooperative in Brazil, while using energy-efficient equipment and eco-friendly packaging. In the wholesale segment, it provides coffee solutions to various businesses and offers private label options tailored to clients' needs. The retail segment includes several coffee shops in Riga and an international expansion with a BREW concept shop in Düsseldorf, Germany, as well as an online store.

In 2023, the Company obtained the B Corp certification, demonstrating its commitment to social and environmental standards. The Company also fosters community engagement through initiatives like a paperless loyalty programme and local support activities, including bio-recovery projects in Brazil. Overall, it seeks to create a positive impact on the environment, society, and the coffee industry while providing excellent customer experiences.

## 1.2. Use of Proceeds

The expected gross proceeds as a result of the Offering are up to EUR 1 500 000, contingent on all Offer Shares being subscribed for and issued. According to the Convertible Loan Agreement concluded by the Company and its existing Shareholders, a loan in the amount of EUR 125 000 provided by existing Shareholder Anna Bertāne will convert into Shares, reducing the gross proceeds by EUR 124 998. Estimated expenses related to the Offering are up to EUR 100 000. Hence, the expected net proceeds of the Offering are EUR 1 275 002. The Issuer intends to use the proceeds for general corporate purposes, including – expanding operations in the Baltics (EUR 550 000), improving production efficiency (EUR 225 000), and developing an e-commerce platform and private brand products (EUR 125 000). The actual allocation may vary based on market conditions and business development of the Issuer.

## 1.3. Financial Information

The financial information is based on the audited financial statements for the year ending 31 December 2023, and the reviewed financial statements for the six-month period ending 30 June 2024.

In terms of the Statement of Income, the Issuer reported a net turnover of EUR 2 488 766 for 2023, with a turnover of EUR 1 492 249 in the first six months of 2024. The cost of goods sold was EUR 1 932 072 in 2023 and EUR 754 712 in the first six months of 2024, while gross profit improved from EUR 556 694 in 2023 to EUR 737 537 in the first half of 2024. Profit before tax increased from EUR 57 189 in 2023 to EUR 101 446 in the first half of 2024.

Regarding the Statement of Financial Position, total assets were stable at EUR 790 871 in 2023 and EUR 790 920 on 30 June 2024. Fixed assets slightly increased from EUR 374 509 to EUR 378 841, while current assets decreased from EUR 416 362 to EUR 412 079. Total equity increased from EUR 157 040 in 2023 to EUR 257 444 in the first half of 2024, reflecting strong retained earnings and net profit growth. Additionally, total liabilities decreased from EUR 633 831 to EUR 533 476, indicating improved financial health.

## 1.4. Information on the Offering and Offer Shares

The Offering consists of up to 250 000 shares that the Company intends to offer to the investors. The Offer Shares will be available through two distinct methods: the Retail Offering, which is a public offering targeted at retail investors in Latvia and Estonia, and the Institutional Offering, which is a

non-public offering aimed at qualified investors as defined by Article 2(e) of the Prospectus Regulation. The Institutional Offering will also include selected investors in certain Member States of the European Economic Area (EEA) in accordance with applicable exemptions. Notably, the Offer Shares will not be available for public offering in any jurisdiction outside Latvia and Estonia. The Offer Price for the shares has been set at EUR 6 per share, comprising a nominal value of EUR 0.10 and a share premium of EUR 5.90.

**The indicative timetable of the Offering**

Start of the Offer Period	13 November 2024 at 10.00 Riga time
End of the Offer Period	29 November 2024 at 15.30 Riga time
Announcement of results of the Offering and Allocation	2 December 2024
Settlement of the Offering	On or about 4 December 2024
First trading day on Nasdaq Riga First North	On or about 6 December 2024

To facilitate the Offering, the Company has entered into several key agreements. A financial advisory agreement has been concluded with ViaClarus OÜ, for the provision of financial advisory services related to the overall structuring and execution of the Institutional Offering. Additionally, AS BluOr Bank has been appointed as the Settlement Agent for managing the settlement of transactions in accordance with the best market practices. In addition, Certified Adviser agreement is concluded with ZAB Eversheds Sutherland Bitāns SIA for the provision of certified adviser services to the Company according to applicable law.

A significant aspect of the Offering is the Lock-up agreement involving the existing Shareholders. Namely, the existing Shareholders have agreed not to sell, transfer, or otherwise dispose of their Shares for a period of 18 months following the start of the Offer Period, without the prior written consent of the Financial Adviser. This lock-up provision aims to prevent any potential dilution of Share value in the immediate aftermath of the Offering and is designed to enhance investor confidence in the stability of the Company's Share price post-Offering.

**1.5. Selected Risk Factors**

**Warning.** By investing in the Offer Shares, the investor acknowledges that it is aware of the Risk Factors related to the Company, the Offer Shares, and the Offering. The investor understands that if any or all of the Risk Factors materialize, the value of the Offer Shares may significantly decrease, potentially resulting in the loss of some or all of its investments. Therefore, the Company strongly advises that the investor carefully reviews this Information Document and the associated Risk Factors prior to making an investment.

**Key Risks related to the Company**

*Competition Risk.* The specialty coffee market is highly competitive, with both local and international players, making it difficult for smaller companies to differentiate and expand their market share.

*Business Interruption Risk.* Any malfunction or breakdown of the Company's coffee roaster machines could lead to production delays, increased operational costs, and revenue loss despite contingency plans in place.

*Supply Chain Risk.* Dependence on a single primary supplier for coffee beans creates vulnerabilities, and any disruptions or delays in supply could negatively impact the Company's ability to meet customer demands.

**Key Risks related to the Offering and Offer Shares**

*Share Price and Liquidity Risk.* Due to the smaller market size and low trading volume on Nasdaq First North, investors may struggle to sell shares quickly or at a desired price, and the market for the Shares may not develop as expected.

*Cancellation and Undersubscription Risk.* There is no guarantee that the Offering will succeed, and the Company may cancel the Offering, if necessary, potentially leaving investors without the Shares they subscribe for.

*Currency and Tax Risks.* Investors whose principal currency is not EUR may face exchange rate risks, which could reduce the value of their investments or dividends. Additionally, changes in tax regulations related to Share transactions or dividends could increase the tax burden for Shareholders, further impacting returns.



## 2. SUMMARY IN ESTONIAN

# KOKKUVÕTE EESTI KEELES

**Lahtiütlemine.** Käesolev kokkuvõte ei sisalda avaliku pakkumist vastavalt prospektimääruse artikli 2 punktile d. Lisaks ei ole käesolev kokkuvõte prospektimääruse kohaselt prospekt. Läti Pank (Latvijas Banka), Eesti Finantsinspeksioon (Finantsinspeksioon) ega ükski teine pädev asutus ei ole käesolevat kokkuvõtet heaks kiitnud ega läbi vaadanud.

Käesolev kokkuvõte avaldatakse 8. novembril 2024 ja see kehtib kuni Pakkumisperioodi lõpuni või Aktsiatega kauplemise alustamiseni Nasdaq Riga First North börsil, olenevalt sellest, kumb toimub hiljem. Ettevõtte on kohustatud kokkuvõtet uuendama, avaldades lisa ainult juhul, kui ilmnevad uued faktid, olulised vead või ebatäpsused. Selline kohustus ei kehti pärast käesoleva kokkuvõtte kehtivusaja lõppu.

### 2.1. Teave äriühingu kohta

Ettevõtte on Lätis asuv erikohvi röstija, mis on keskendunud nii B2B kui ka B2C segmentidele. 2023. aastal teeniti tulu mõlemast segmentist, kusjuures B2C segment moodustas veidi üle poole tuludest. Ettevõtte keskendub kvaliteetsele kohvitootmisele ja on pühendunud jätkusuutlikkusele, sotsiaalsele vastutusele ja kogukonna kaasamisele, rakendades oma tegevuses keskkonnavalaseid, sotsiaalseid ja juhtimisalaseid (ESG) parimaid põhimõtteid.

Põhitegevused hõlmavad kohvi röstimist ja tootmist, hulgi- ja B2B-teenuseid, jaemüüki, jätkusuutlikkuse algatusi ja kogukonna kaasamist. Ettevõtte on spetsialiseerunud usaldusväärsetelt põllumajandustootjatelt, põhiliselt Brasiilia ühistult SanCoffee hangitud esmaklassiliste kohviubade röstimisele, kasutades samal ajal energiatõhusaid seadmeid ja keskkonnasõbralikke pakendeid. Hulgemüügi segmentis pakub see kohvilahendusi erinevatele ettevõtetele ja pakub klientide vajadustele kohandatud private label võimalusi. Jaemüügisegmenti kuuluvad mitmed kohvikud Riias ja rahvusvaheline laienemine BREW kontseptsioonipoega Saksamaal Düsseldorfis ning e-poega.

2023. aastal sai ettevõtte B Corp sertifikaadi, mis näitab pühendumust sotsiaal- ja keskkonnastandarditele. Ettevõtte edendab ka kogukonna kaasamist selliste algatuste kaudu nagu paberivaba lojaalsusprogramm ja kohalikud tugitegevused, sealhulgas biotaasteprojektid Brasiilias. Üldiselt luuakse positiivset mõju keskkonnale, ühiskonnale ja kohvitööstusele, pakkudes samal ajal suurepäraseid kliendikogemusi.

### 2.2. Tulu kasutamine

Pakkumise tulemusena oodatav brutotulu on kuni 1 500 000 eurot, mis sõltub Pakutavate Aktsiate märkimise ja emitteeri-

mise mahust. Vastavalt Ettevõtte ja selle olemasolevate aktsionäride vahel sõlmitud konverteeritavale laenulepingule, konverteeritakse senise aktsionäri Anna Bertāne antud laen summas 125 000 eurot Aktsiateks, mis vähendab brutotulu 124 998 euro võrra. Pakkumisega seotud eeldatavad kulud on kuni 100 000 eurot. Seega on Pakkumise oodatav puhastulu Emitendile 1 275 002 eurot. Emitent kavatseb saadud tulu kasutada üldistel äriatel eesmärkidel, sealhulgas tegevuse laiendamiseks Baltikumis (550 000 eurot), tootmise efektiivsuse parandamiseks (225 000 eurot) ning e-kaubanduse platvormi ja "private brand" toodete arendamiseks (125 000 eurot). Tegelik jaotus võib varieeruda sõltuvalt turutingimustest ja emitendi äritegevuse arengust.

### 2.3. Finantsteave

Finantsinformatsioon põhineb 31. detsembril 2023 lõppenud aasta auditeeritud finantsaruannetel ja 30. juunil 2024 lõppenud kuuekuulise perioodi läbivaadatud ja auditeerimata finantsaruannetel.

2023. aasta kasumiaruandes raporteerib Emitent 2 488 766 euro suurust netokäivet, ning 2024. aasta esimese kuue kuu käive oli 1 492 249 eurot. Müüdüd kauba maksumus oli 2023. aastal 1 932 072 eurot ja 2024. aasta esimese kuue kuuga 754 712 eurot ning brutokasum kasvas 556 694 eurot 2023. aastal 737 537 euroni 2024. aasta esimesel poolel. Maksueelne kasum suurenes 57 189 eurot 2023. aastal 101 446 euroni 2024. aasta esimesel poolel.

Bilansi kohaselt oli varade koguväärtus 2023. aastal stabiilselt 790 871 eurot ja 30. juuni 2024. aasta seisuga 790 920 eurot. Põhivara suurenes veidi 374 509 eurot 378 841 euroni, käibevara aga vähenes 416 362 eurot 412 079 euroni. Omakapital suurenes 157 040 eurot 2023. aastal 257 444 euroni 2024. aasta esimesel poolel, peegeldades tugevat jaotamata kasumit ja puhaskasumi kasvu. Lisaks näitavad vähenenud kohustused 633 831 eurot 533 476 eurole, ettevõtte paremat finantsseisu.

### 2.4. Teave Pakkumise ja Pakutavate Aktsiate kohta

Pakkumine koosneb kuni 250 000 aktsiast, mida Emitent kavatseb investoritele pakkuda. Pakutavad Aktsiad on kättesaadavad kahel erineval viisil: Jaepakkumine, mis on Läti ja Eesti jaeinvestoritele suunatud avalik pakkumine, ning Institutsionaalne Pakkumine, mis on mitteavalik pakkumine ja on suunatud kutselistele investoritele vastavalt Prospektimääruse artiklile 2(e). Institutsionaalne Pakkumine hõlmab ka valitud investoreid teatavates Euroopa Majanduspiirkonnas (EMP) liikmesriikides kooskõlas kohaldatavate eranditega.

Pakutavad Aktsiad ei ole avalikuks pakkumiseks kättesaadavad üheski jurisdiktsioonis väljaspool Lätit ja Eestit. Aktsiate Pakkumishinnaks on määratud 6 eurot aktsia kohta, mis koosneb nimiväärtusest 0,10 eurot ja ülekursist 5,90 eurot.

### Pakkumise orienteeruv ajakava

Pakkumisperioodi algus	13. november 2024 kell 10.00 Riia aja järgi
Pakkumisperioodi lõpp	29. november 2024 kell 15.30 Riia aja järgi
Pakkumise ja Jaotamise tulemuste väljakuulutamine	2. detsember 2024
Pakkumise arveldamine	4. detsember 2024 või sellele lähedane kuupäev
Esimene kauplemispäev Nasdaq Riga First Northil	6. detsember 2024 või sellele lähedane kuupäev

Pakkumise läbiviimiseks on Selts sõlminud mitu olulist lepingut. ViaClarus OÜ-ga on sõlmitud finantsnõustamise leping Institutsionaalne Pakkumise struktureerimisega seotud finantsnõustamise teenuse osutamiseks. Lisaks on arveldusagendiks määratud AS BluOr Bank, kes haldab tehingute arveldamist vastavalt parimatele turutavadele. Lisaks on SIA ZAB Eversheds Sutherland Bitāns ga sõlmitud sertifitseeritud konsultandi leping ettevõttele sertifitseeritud konsultandi-teenuse osutamiseks vastavalt kehtivatele seadustele.

Pakkumise oluliseks aspektiks on olemasolevaid aktsionäre hõlmav müügikeelu leping. Nimelt on olemasolevad Aktsionärid kokku leppinud, et nad ei müü, kannu üle ega võõranda muul viisil oma Aktsiaid 18 kuu jooksul pärast Pakkumisperioodi algust ilma Finantsnõustaja eelneva kirjaliku nõusolekuta. Selle lepingu eesmärk on vältida Aktsiahinna võimalikku langust vahetult pärast Pakkumist ja suurendada investorite usaldust Emitendi Aktsiahinna stabiilsuse vastu pärast Pakkumist.

### 2.5 Valitud riskitegurid

Hoiatus. Pakutavatesse Aktsiatesse investeerides kinnitab investor, et on teadlik Emitendi, Pakutavate Aktsiate ja Pakkumise seotud Riskiteguritest. Investor mõistab, et kui mõni või kõik Riskitegurid realiseeruvad, võib Pakutavate Aktsiate hind börsil oluliselt väheneda, mis võib kaasa tuua osa või kogu tema investeringu kaotuse. Seetõttu soovib ettevõtte tungjalt, et investor vaataks enne investeringu tegemist hoolikalt läbi käesoleva dokumendi ja sellega seotud riskitegurid.

### Ettevõttega seotud peamised riskid

**Konkurentsirisk.** Erikohtur on väga tiheda konkurentsiga, nii kohalike kui ka rahvusvaheliste tootjate osas, mistõttu on väiksematel ettevõtetel keeruline oma turuosa hoida ja laiendada.

**Äritegevuse katkemise risk.** Ettevõtte kohvirõstmise masinate mis tahes rikked võivad põhjustada tootmisviivitusi, suurenenud tegevuskulusid ja tulude vähenemist, vaatamata kehtivatele varuplaanidele.

**Tarneahela risk.** Sõltuvus ühest kohviubade peamisest tarnijast tekitab riske ning kõik tarnehäired või viivitused võivad negatiivselt mõjutada ettevõtte võimet rahuldada klientide nõudmisi

### Pakkumise ja Pakutavate Aktsiatega seotud põhiriskid

**Aktsia hind ja likviidsusrisk.** Väiksema turu suuruse ja väikese kauplemismahu tõttu Nasdaq First Northil võib investoritel olla raskusi aktsiate kiire või soovitud hinnaga müümise-ga ning Aktsiatega kauplemine järelturul ei pruugi areneda ootuspäraselt.

**Tühistamise ja alamärkimise risk.** Pakkumise edukus ei ole tagatud ning Selts võib vajadusel Pakkumise tühistada, jättes investorid potentsiaalselt ilma nende poolt märgitud Aktsiatest.

**Valuuta- ja maksuriskid.** Investorid, kelle jaoks põhivaluuta ei ole euro, võivad kokku puutuda vahetuskursiriskidega, mis võivad vähendada nende investeringute või dividendide väärtust. Lisaks võivad aktsiatehingute või dividendidega seotud maksude muudatused suurendada aktsionäride maksukoormust ja mõjutada täiendavalt nende tulusid.

### 3. SUMMARY IN LATVIAN

# KOPSAVILKUMS

**Atruna.** Šis Informācijas Dokuments nav uzskatāms par publisko piedāvājumu saskaņā ar Prospekta Regulas 2. panta d) punktu. Turklāt šis Informācijas Dokuments nav prospekts saskaņā ar Prospekta Regulu. Šo Informācijas Dokumentu nav apstiprinājusi vai izskatījusi Latvijas Banka, Igaunijas Finanšu uzraudzības iestāde (Finantsinspeksioon) vai kāda cita kompetenta iestāde.

Šī Informācijas Dokumenta publicēšanas datums ir 2024. gada 8. novembris. Šis Informācijas Dokuments ir spēkā līdz Piedāvājuma Perioda beigām vai līdz Akciju tirdzniecības uzsākšanai Nasdaq Riga First North – atkarībā no tā, kas notiek vēlāk. Sabiedrībai ir pienākums aktualizēt Informācijas Dokumentu, publicējot papildinājumus tikai tad, ja parādās jauni apstākļi, būtiskas kļūdas vai neprecizitātes. Šāds pienākums nav spēkā pēc šī Informācijas Dokumenta derīguma termiņa beigām.

#### 3.1. Informācija par Sabiedrību

Sabiedrība darbojas specializētas kafijas grauzdēšanas biznesā Latvijā un koncentrējas gan uz B2B, gan B2C segmentiem. 2023. gadā tā guva ieņēmumus no abiem segmentiem, un B2C segments veidoja nedaudz vairāk nekā pusi no ieņēmumiem. Sabiedrība liek uzsvāru uz augstas kvalitātes kafijas ražošanu un ir apņēmusies nodrošināt ilgtspējību, sociālo atbildību un sabiedrības iesaisti, savā darbībā iekļaujot vides, sociālos un pārvaldības (ESG) principus.

Galvenā darbības joma ietver kafijas grauzdēšanu un ražošanu, vairumtirdzniecības un B2B pakalpojumus, mazumtirdzniecības operācijas, ilgtspējības iniciatīvas un sabiedrības iesaisti. Sabiedrība specializējas augstākās kvalitātes kafijas pupiņu grauzdēšanā, kas iegūtas no uzticamiem lauksaimniekiem, īpaši no SanCoffee kooperatīva Brazīlijā, vienlaikus izmantojot energoefektīvu aprīkojumu un videi draudzīgu iepakojumu. Vairumtirdzniecības segmentā tā nodrošina kafijas risinājumus dažādiem uzņēmumiem un piedāvā privāto zīmolu pakalpojumus, kas pielāgoti klientu vajadzībām. Mazumtirdzniecības segmentā ietilpst vairākas kafejnīcas Rīgā un darbības paplašināšana starptautiski ar BREW koncepta veikalu Diseldorfā, Vācijā, kā arī interneta veikals.

2023. gadā Sabiedrība ieguva B Corp sertifikātu, kas apliecina tās apņemšanos ievērot sociālos un vides standartus, samazinot atkritumu daudzumu un darbojoties videi draudzīgā veidā. Sabiedrība arī veicina kopienas iesaisti, izmantojot tādas iniciatīvas kā elektroniska lojalitātes programma un lokālas atbalsta aktivitātes, tostarp bioreģenerācijas projekti Brazīlijā. Kopumā tā cenšas radīt pozitīvu ietekmi uz vidi,

sabiedrību un kafijas nozari, vienlaikus nodrošinot lielisku klientu pieredzi.

#### 3.2. Ieņēmumu izmantošana

Paredzamie bruto ieņēmumi Piedāvājuma rezultātā ir līdz 1 500 000 EUR, ja notiek parakstīšanās un emisija uz visām Piedāvājuma Akcijām. Saskaņā ar Sabiedrības un tās esošo Akcionāru noslēgto Konvertējamā Aizdevuma līgumu paredzēts, ka esošās Akcionāres Annas Bertānes izsniegtais aizdevums 125 000 EUR apmērā tiks konvertēts Akcijās, samazinot bruto ieņēmumus par 124 998 EUR. Paredzamie ar Piedāvājumu saistītie izdevumi ir līdz 100 000 EUR. Līdz ar to paredzamie Piedāvājuma neto ieņēmumi ir 1 275 002 EUR. Ieņēmumus Emitents plāno izmantot vispārīgiem korporatīvajiem mērķiem, tostarp darbības paplašināšanai Baltijā (550 000 EUR), ražošanas efektivitātes uzlabošanai (225 000 EUR), kā arī izstrādājot e-komercijas platformu un privāto zīmolu produktus (125 000 EUR). Faktiskais sadalījums var atšķirties atkarībā no tirgus apstākļiem un Emitenta uzņēmējdarbības attīstības.

#### 3.3. Finanšu informācija

Finanšu informācija ir balstīta uz revidētajiem finanšu pārskatiem par gadu, kas beidzas 2023. gada 31. decembrī un pārbaudītiem finanšu pārskatiem par sešu mēnešu periodu, kas beidzas 2024. gada 30. jūnijā.

Peļņas un zaudējumu aprēķinā 2023. gadā Emitents uzrādīja neto apgrozījumu 2 488 766 EUR apmērā ar 1 492 249 EUR apgrozījumu 2024. gada pirmajos sešos mēnešos. Pārdoto preču izmaksas 2023. gadā bija 1 932 072 EUR un 754 712 EUR 2024. gada pirmajos sešos mēnešos, savukārt bruto peļņa palielinājās no 556 694 EUR 2023. gadā līdz 737 537 EUR 2024. gada pirmajā pusē. Peļņa pirms nodokļu nomaksas palielinājās no 57 189 EUR 2023. gadā līdz 101 446 EUR 2024. gada pirmajā pusē.

Attiecībā uz Finanšu Stāvokļa Pārskatu Emitenta kopējie aktīvi bija stabili un veidoja 790 871 EUR 2023. gadā un 790 920 EUR 2024. gada 30. jūnijā. Pamatlīdzekļi nedaudz pieauga no 374 509 EUR līdz 378 841 EUR, savukārt apgrozāmie līdzekļi samazinājās no 416 362 EUR uz 412 079 EUR. Kopējais pašu kapitāls palielinājās no 157 040 EUR 2023. gadā līdz 257 444 EUR 2024. gada pirmajā pusē, atspoguļojot spēcīgu nesadalītās peļņas un tīrās peļņas pieaugumu. Turklāt saistību kopsūma samazinājās no 633 831 EUR līdz 533 476 EUR, kas liecina par finanšu stāvokļa uzlabošanu.

### 3.4. Informācija par Piedāvājumu un Piedāvājuma Akcijām

Piedāvājumu veido līdz 250 000 akcijām, kuras Sabiedrība plāno piedāvāt investoriem. Piedāvājuma Akcijas būs pieejamas divos atšķirīgos veidos: kā Mazumtirdzniecības Piedāvājums, kas ir publiskais piedāvājums privātajiem investoriem Latvijā un Igaunijā, un kā Institucionālais Piedāvājums, kas ir nepublics piedāvājums, kas paredzēts kvalificētiem ieguldītājiem, kā tie definēti Prospekta Regulas 2. panta (e) punktā. Institucionālais piedāvājums iekļaus arī atsevišķus investorus noteiktās Eiropas Ekonomikas zonas (EEZ) dalībvalstīs saskaņā ar piemērojamiem atbrīvojumiem. Jāatzīmē, ka Piedāvājuma Akcijas nebūs pieejamas publiskam piedāvājumam jurisdikcijās ārpus Latvijas un Igaunijas. Akciju Piedāvājuma Cena noteikta 6 EUR par akciju, ko veido nominālvērtība 0,10 EUR un uzcenojums 5,90 EUR.

#### Piedāvājuma provizoriskais grafiks

Piedāvājuma Perioda sākums	2024. gada 13. novembris, plkst. 10.00 pēc Rīgas laika
Piedāvājuma Perioda beigas	2024. gada 29. novembris plkst. 15.30 pēc Rīgas laika
Piedāvājuma rezultātu un Piešķiršanas paziņošana	2024. gada 2. decembris
Piedāvājuma Norēķins	2024. gada 4. decembris vai aptuveni šajā laikā
Pirmā tirdzniecības diena Nasdaq Riga First North	2024. gada 6. decembris vai aptuveni šajā laikā

Lai veicinātu Piedāvājumu, Sabiedrība ir noslēgusi vairākus būtiskus līgumus. Finanšu konsultāciju līgums ir noslēgts ar ViaClarus OÜ par finanšu konsultāciju pakalpojumu sniegšanu saistībā ar vispārējo Piedāvājuma strukturēšanu un Institucionālā Piedāvājuma izpildi. Turklāt AS BluOr Bank ir iecelta par Norēķinu aģentu darījumu norēķinu vadīšanai saskaņā ar labāko tirgus praksi. Papildu, Sertificētā Konsultanta līgums ir noslēgts ar ZAB Eversheds Sutherland Bitāns SIA, lai nodrošinātu sertificētā konsultanta pakalpojumus Uzņēmumam saskaņā ar piemērojamo likumu.

Būtisks Piedāvājuma aspekts ir Akciju atsavināšanas aizlieguma līgums, ko noslēguši esošie Akcionāri. Proti, esošie Akcionāri ir piekrituši nepārdot, nenodot un citādi neatsavināt savas Akcijas 18 mēnešu periodā pēc Piedāvājuma Perioda sākuma bez iepriekšējas rakstiskas Finanšu konsultanta piekrišanas. Šī atsavināšanas aizlieguma mērķis ir novērst jebkādu iespējamu Akciju vērtības samazināšanos tūlīt pēc Piedāvājuma, un tā mērķis ir vairo investoru pārliecību par Sabiedrības Akciju cenas stabilitāti pēc Piedāvājuma.

### 3.5. Izvēlētie Riska Faktori

**Brīdinājums.** Ieguldot Piedāvājuma Akcijās, investors apliecinā, ka ir informēts par Riska Faktoriem, kas saistīti ar Sabiedrību, Piedāvājuma Akcijām un Piedāvājumu. Investors saprot, ka, piepildoties kādam vai visiem Riska faktoriem, Piedāvājuma Akciju vērtība var būtiski samazināties, kā rezultātā investors var zaudēt visu savu ieguldījumu vai tā daļu. Tādēļ Sabiedrība stingri iesaka investoram pirms ieguldījuma veikšanas rūpīgi pārskatīt šo Informācijas Dokumentu un saistītos Riska Faktorus.

#### Galvenie ar Sabiedrību saistītie riski

**Konkurences risks.** Speciālās kafijas tirgū valda liela konkurence, un tajā darbojas gan vietējie, gan starptautiski spēlētāji, tādējādi mazākiem uzņēmumiem ir grūti atšķirties un paplašināt savu tirgus daļu.

**Uzņēmējdarbības pārtraukšanas risks.** Jebkurš uzņēmuma kafijas grauzdēšanas iekārtu darbības traucējums vai bojājums var izraisīt ražošanas aizkavēšanos, palielinātas darbības izmaksas un ieņēmumu zudumu, neskatoties uz izstrādājumiem ārkārtas rīcības plāniem.

**Piegādes ķēdes risks.** Atkarība no viena galvenā kafijas pupiņu piegādātāja rada ievainojamību, un jebkuri piegādes traucējumi vai kavēšanās var negatīvi ietekmēt Uzņēmuma spēju apmierināt klientu prasības.

#### Galvenie riski, kas saistīti ar Piedāvājumu un Piedāvājuma akcijām

**Akciju cenas un likviditātes risks.** Mazāka tirgus un zemā tirdzniecības apjoma dēļ Nasdaq First North investoriem var rasties grūtības pārdot akcijas ātri vai par vēlamu cenu, un Akciju tirgus var neattīstīties tā, kā iecerēts.

**Atcelšanas un Nepietiekamas parakstīšanās risks.** Nav garantijas, ka Piedāvājums būs veiksmīgs, un Sabiedrība var atcelt Piedāvājumu, ja nepieciešams, potenciāli atstājot ieguldītājus bez Akcijām, uz kurām tie ir parakstījušies.

**Valūtas un nodokļu riski.** Investori, kuru pamatvalūta nav EUR, var saskarties ar valūtas kursa riskiem, kas var samazināt viņu ieguldījumu vai dividendžu vērtību. Turklāt izmaiņas nodokļu noteikumos saistībā ar darījumiem ar Akcijām vai dividendēm varētu palielināt nodokļu slogu Akcionāriem, vēl vairāk ietekmējot peļņu.

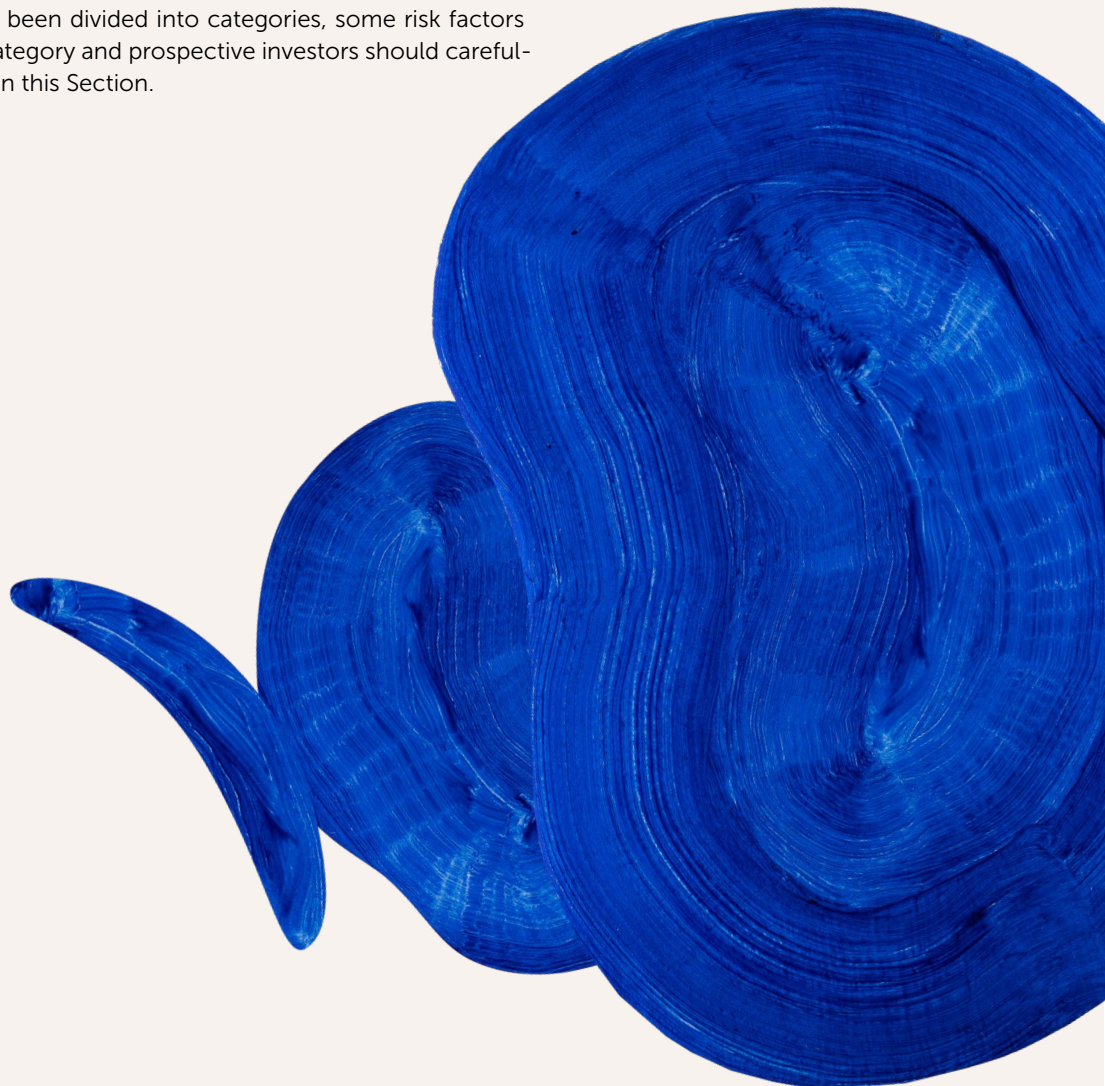


4.

# RISK FACTORS

Risk factors, understood as sources of uncertainty, are inherent in any business activity. Therefore, investment in the Offer Shares and the Company is open to various risks which may, independently or collectively, have an adverse effect on the business of the Company and the value of the investment to the investors, or affect the realisation potential of the Shares. As a result, investors could lose a part or all value of their investments. In addition to the risks listed in this Section "Risk factors", the Company could be exposed to risks, of which the Company is not currently aware or which the Company considers currently immaterial, but which could affect the Company or the price of Shares. Accordingly, each prospective investor should thoroughly consider all the information in this Information Document, including the risk factors described below.

The risk factors have been qualified according to the likelihood of their occurrence or the scale of potential adverse effect on the business of the Company and described as "low", "medium" or "high" where possible and relevant. The category and materiality of each risk shall be estimated as the view and opinion of the Management Board. The Company may face a number of the risk factors described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong to more than one category and prospective investors should carefully consider all risk factors set out in this Section.



## **4.1. Macroeconomic and geopolitical risk factors**

### **4.1.1. Macroeconomic risk**

In case the Company would decide to expand its operations in the future outside Latvia, such as Estonia, it would consider attraction of additional financing. Financing with external creditors and financial institutions is related to interest rates in the broader economy. While broadly applicable to any industry player, increased rates can raise the cost of borrowing also to the Company in terms of its financial performance.

The Company considers macroeconomic risk as low.

### **4.1.1. Geopolitical risk**

In February 2022, Russia launched a military attack and invasion of Ukraine, which has had certain negative effects on global economic activities, market stability and investor confidence. While sanctions and measures imposed against Russia and Belarus have not directly impacted the Company's operations, the geopolitical situation poses certain risks due to geographical proximity to Russia, as the Company's key operations are in Latvia. Because the Baltics are proximate to Russia, it can impact the overall investor activity in the region and deter the flow of foreign investment. The spending habits of the consumer and overall confidence may also be affected due to economic uncertainty in the region.

The Company considers geopolitical risk as low.

### **4.1.1. Global pandemic risk**

Global pandemics, such as the COVID-19 crisis, have demonstrated the potential to severely disrupt economic activities, business operations, and market stability worldwide. Such pandemic risks can also have negative effects on the specialty coffee industry, including related to production, supply chain management and consumer demand. The unprecedented nature of pandemics introduces uncertainties that can disrupt any stage of the coffee production process, from sourcing raw materials to reaching the end consumer. For instance, a global pandemic can disrupt the consistent supply of high-quality coffee beans, since the Company sources them from worldwide regions, or even lead to increased costs for raw materials and their logistics.

During the a global pandemic, economic disruptions can also lead to a decline in consumer spending. In such times, consumer behaviour often changes, since the priority shifts more to essential goods over non-essential items. As the Company relies on consumer demand, a significant reduction in discretionary spending could decrease sales and revenue. The COVID-19 crisis highlighted the fact that coffee, even if categorised as a non-essential good, still generated significant demand levels. A lesson learned is that in such a crisis alternative supply channel establishment that gives considerable flexibility is the key and the Company thus has established such ad hoc mechanisms to be employed, if necessary.

The Company considers global pandemic risk as low.

## **4.2. Risk factors related to the Company's business**

### **4.2.1. Competition risk**

The Company operates in the specialty coffee market, which is highly competitive with numerous local and international players. The Company may face further competition not only from local players but also from large international coffee brands with extensive resources and established locations. The global competitors can leverage the brand recognition, making it more difficult for smaller-sized companies to compete effectively. In addition, although the Company has a rather unique and sustainable business approach and the local market is still not overly saturated, the new players may also intensify the competition. The specialty coffee industry is attractive to new entrants due to growing consumer demand and relatively low entry barriers. Hence, the market saturation can make it more difficult for the Company to differentiate its products and expand its market share.

The Company considers competition risk as medium.

### **4.2.2. Business interruption risk related to coffee manufacturing**

The Company has coffee roaster machines in place that ensure the roasting of raw product (coffee beans). In case of a breakdown or malfunction of the two coffee roaster machines, the disruption could lead to production downtime, loss of revenue and increased operational costs. The Company has some arrangements with alternative coffee roasting options outside Latvia, insurance coverages to mitigate risks as well as effective maintenance and contingency plans in place, however, any downtime could still result in production and delivery delays to customers. If any repairing is necessary, the Company may be unable to produce enough coffee during the repair time to meet the expected customer short-term demand.

The Company considers business interruption risk related to coffee manufacturing as low.

### **4.2.3. Brand and reputation risk**

The brand and reputation of the Company are essential to its business, with a particularly increased focus on ESG as part of its brand identity. Maintaining and enhancing ESG-focused brand will be crucial to market penetration and expansion plans. This includes the Company's ability to offer ethically and environmentally friendly sourced and produced high-quality speciality coffee since the consumers are increasingly aware of companies' social and environmental impact.

If the Company's brand or reputation is adversely affected, this could have a negative effect on its business operations and financial condition. Particularly, if the Company loses its B Corp certification, it could signal its customers that the ESG standards have decreased in business operations and thus negatively affect demand for the Company's specialty coffee. In addition, the customer experiences, quality levels and ethical sourcing practices all have great importance for preserving the brand image.

The Company considers brand and reputation risk as low.



#### 4.2.1. Raw material supply risk

The raw material (coffee beans) that is further roasted by the Company, is currently sourced primarily from the SanCofee cooperative in Brazil. Even though it is industry standard to cooperate with references to internationally recognised pre-defined commercial terms (for example, Incoterms) with one main supplier of raw coffee beans, any potential miscommunication with this supplier or delays in supply may result in further disruptions in the Company's business operations. To address such a potential negative scenario, the Company has selected several additional potential cooperation partners that could provide similar quality raw material. At the same time, even slight disruptions and time that is necessary to switch to alternative providers may also lead to some failures to fulfil obligations undertaken towards the Company's B2B and B2C customers, creating exposure to potential financial risks and legal claims.

The Company considers raw material supply risk as low.

#### 4.2.1. Risks related to decreased green coffee import in Latvia

According to the European Coffee Federation data<sup>1</sup> the green coffee import in the European Union during the period from 2020 to 2022 has increased from 2 782 324.9 tonnes in 2020 to 2 947 693.2 tonnes in 2022. During the same period in Latvia, the import has decreased from 1 635.2 tonnes in 2020 to 1 109.8 tonnes in 2022. No further publicly available data is obtainable for 2023, however, there are no indications that the decreasing green coffee import trend in Latvia could have changed. While the overall coffee consumption has increased in Latvia, a decrease in green coffee import could indicate consolidation of the industry that could also leave some impact on overall Latvian coffee market in general.

The Company considers risks related to decreased green coffee import in Latvia as low.

#### 4.2.1. Cooperation risks related to coffee machine and equipment manufacturers

One of the Company's business directions is coffee equipment sale / lease with split payments and provision of maintenance services. Cooperation partners include such equipment manufacturers as Simonelli, Eureka, Melitta, Moccamaster, Comandante, Kalita, Hario and others. The Company maintains a mutually successful commercial relationship with the mentioned equipment manufacturers. Malfunctions or other technical problems with coffee machines or equipment potentially can cause damage and expose not only the manufacturer, but also the Company to potential financial risks.

The Company considers cooperation risks related to coffee machine and equipment manufacturers as low.

#### 4.2.1. Risk related to adverse impact from employee performance and conduct

The Company aims to ensure competitive wages and offers additional benefits for its employees. While the Company has experienced low staff turnover and has a good reputation in the market, there are potential risks associated with the performance and conduct of employees that could negatively impact the Company. Despite the current incentive structures, there is a risk that employees may not meet the expected performance levels or sales targets. If café management teams fail to reach KPIs, it could result in lower revenue and reduced operational efficiency. In addition, the behaviour and conduct of employees are critical to maintaining the Company's reputation and operational standards. Any incidents of misconduct or unlikely behaviour may affect the customer experience and trust.

The Company considers risk related to adverse impact from employee performance and conduct as low.

#### 4.3. Risk factors related to Shares and Offering

##### 4.3.1. Share price and share liquidity risk

The alternative market First North of Nasdaq Riga as a stock market is considered less liquid and more volatile if compared to other securities' markets with a longer history. Due to relatively small market capitalisation and low trading volume on Nasdaq First North, Shareholders may face challenges in selling their Shares quickly or in large quantities. The lack of sufficient investors (buyers) at any given time could result in Shareholders being unable to sell their Shares when they wish to. Furthermore, Shares of the Company have not previously been publicly traded, and there is no guarantee that an active and liquid market for Shares will develop. Failure to develop or maintain active trading may affect the liquidity of Shares and the Company cannot assure that the market price of its Shares will not decline below the Offer Price. Consequently, investors may not be able to sell their Shares quickly at or above the Offer Price.

The Company considers share price and share liquidity risk as medium.

##### 4.3.2. Cancellation of the Offering and undersubscription risk

Best efforts will be made by the Company to ensure that the Offering is successful, however, there are no assurances that the Offering will be successful and that the investors will receive the Offer Shares they subscribe for. The Company is entitled to cancel the Offering (please see Section 12.14 "Postponement or cancellation of Offering" of this Information Document).

The Company considers cancellation of Offering and undersubscription risk as low.

<sup>1</sup>The last report issued in April 2023, available at: <https://www.ecf-coffee.org/wp-content/uploads/2023/05/European-Coffee-Report-2022-2023.pdf>

#### **4.3.3. Risks posed to investors whose principal currency is other than EUR**

The Company's shares are, and any dividends to be paid in respect of them will be, denominated in EUR. Investment in the Company's shares by investors whose principal currency is other than EUR exposes such investors to foreign currency exchange rate risk. Any depreciation of EUR in relation to the investor's principal currency will reduce the value of investment in the shares of the Company or any dividends in relation to such currency.

The Company considers risks posed to investors whose principal currency is other than EUR as low.

#### **4.3.4. Tax regime risks**

Changes in the tax regime applicable to transactions with the Shares or to the associated dividends may result in an increased tax burden of the Shareholders and may therefore have an adverse effect on the rate of return from investment into the Shares.

The Company considers tax regime risks as low.

5.

# INTRODUCTORY INFORMATION

## 5.1. Applicable Law

This Information Document has been drawn up and prepared in compliance with (1) Article 16.1 of the Financial Instrument Market Law of the Republic of Latvia and the Bank of Latvia's regulations of 18 December 2023 No. 261 "Rules for the Preparation and Publication of the Information Document for the Public Offer" regarding public offering in Latvia; (2) Article 15(6) of the Securities Market Act of the Republic of Estonia and the Minister of Finance's regulations of 13 May 2024 No. 10 "Requirements for the Securities Offering Information Document" and its annex regarding public offering in Estonia; and (3) Nasdaq Riga Alternative Market First North Rules of 5 May 2020 concerning the listing and admission of shares to trading on Nasdaq Riga First North. Latvian law shall apply to this Information Document and any disputes arising from this Information Document shall be settled in Latvian courts.

Please review the following important introductory information before reading this Information Document.

## 5.2. Responsible Persons and Limitation of Liability

AS Kalve Coffee, joint stock company, incorporated in Latvia, registered in the Register of Enterprises of Latvia with registration number 40203045645, having its registered address at Mazcenu aleja 43B, Jaunmārupe, Mārupes pag., Mārupes nov., LV-2166, Latvia (the "**Company**" or the "**Issuer**") and Gatis Zēmanis, Jānis Viesturs Zēgners and Raimonds Selga each as a member of the Management Board of the Company (the "**Management Board**") are the persons responsible for the information provided in this Information Document. The Company and the Management Board accepts responsibility for the correctness and accuracy of the information contained in this Information Document. Having taken all reasonable care, the Company and the Management Board believes that the information in this Information Document, is to the best of the Company's and Management Board's knowledge, in conformity with the facts and excludes no information likely to affect the meaning of this Information Document.

*Signed with a safe electronic signature*

Chairman of the Management Board  
Gatis Zēmanis

*Signed with a safe electronic signature*

Member of the Management Board  
Raimonds Selga

*Signed with a safe electronic signature*

Member of the Management Board  
Jānis Viesturs Zēgners

Without prejudice to the above, the persons responsible for the information provided in this Information Document are not liable solely on the basis of the summary of this Information Document, unless the information given in the summary is misleading or inaccurate together with this Information Document or does not provide the material information needed for a decision on the investment in Offer Shares together with other parts of the Information Document.

### 5.3. Presentation of Information

#### Approximation of numbers

Numerical and quantitative values in this Information Document (e.g., monetary values, percentage values, etc.) are presented with such precision that the Company deems necessary in order to provide adequate and sufficient information on the relevant matter while avoiding an excessive level of detail. In some cases, quantitative values have been rounded up to the nearest decimal place or whole number to avoid an excessive level of detail. As a result, certain values may not necessarily add up to the respective totals due to the effects of the approximation. Exact numbers can be examined and derived from the Financial Statements to the extent that the relevant information is reflected therein.

#### Currencies

In this Information Document, financial information is presented in euro (EUR), the official currency of the EU Member States participating in the Economic and Monetary Union, including Latvia.

#### Date of financial information

The financial information presented in this Information Document has been derived or taken from the audited standalone financial statements of the Company pertaining to the financial year which ended on 31 December 2023 (the **"Audited Financial Statement"**) prepared in accordance with Latvian Accounting Standards. The Audited Financial Statement has been reviewed and prepared by the audit firm SIA Ilzes Priedes revidentu birojs, registration number: 50103254791, legal address: Brīvības iela 188 – 2, Rīga, LV-1012, Latvia (licence No. 202).

The financial information in this Information Document for the 6-month period which ended on 30 June 2024 has been derived or taken from the reviewed stand-alone interim financial statement of the Company for the 6-month period which ended on 30 June 2024 (the **"Interim Financial Statement"**), prepared in accordance with Latvian Accounting Standards. The Interim Financial Statement has been reviewed by the audit firm SIA Grant Thornton Baltic, registration number: 50003619401, legal address: Blaumaņa iela 22, Rīga, LV-1011, Latvia (licence No. 183) (the Interim Financial Statement together with the Audited Financial Statement also referred to as the **"Financial Information"**).

Unless expressly stated otherwise, this Information Document provides information as of the date of publishing of this Information Document. If information has been provided as of any other date than the date of this Information Document, it will be indicated with a reference to the specific date.

#### Third-party information and market information

Certain information contained in this Information Document has been obtained from third parties. Such information is accurately reproduced and, as far as the Company is aware and can ascertain from the information published by the third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Certain information regarding the markets in which the Com-

pany operates is based on the best assessment made by the Management Board. Reliable information pertaining to the markets in which the Company operates is not always available or conclusive. While all reasonable measures have been taken to provide the best possible assessment of information about the relevant area of activity, such information may not be relied upon as final and conclusive. Prospective investors are encouraged to conduct their own analysis of the relevant areas of activity or employ a professional consultant.

#### Updates

The Company will only update the information contained in this Information Document to such extent, with the regularity, and by such means as required by the applicable law or considered necessary and appropriate by the Management Board. The Company is under no obligation to modify or update the forward-looking statements included in this Information Document (please see the Section 5.5 "Forward-Looking Statements" below).

If any amendments or supplements will be made to this Information Document they will be published on the website of the Company (<https://ipo.kalvecoffee.com/>).

#### Definition of terms

In this Information Document, terms with capitalised first letters have the meaning given to them in Section 13 "Glossary", unless the context evidently requires the contrary, whereas the singular shall include plural and vice versa. Other terms may be defined elsewhere in the Information Document.

#### References to the Company's Website

This Information Document contains references to the Company's website (<https://ipo.kalvecoffee.com/>). The Company does not incorporate the information available on the website in the Information Document. This does not apply to the hyperlinks indicating information incorporated by way of reference.

#### 5.4. Accounting Principles

The Financial Information has been prepared in accordance with Accounting Law of the Republic of Latvia and Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia (the **"Latvian Accounting Principles"**).

#### 5.5. Forward-Looking Statements

This Information Document includes statements that are, or may be deemed to be "forward-looking statements". These forward-looking statements are based on opinions and best judgments by the Company or its Management Board relative to the information currently available to the Management Board. All forward looking statements in this Information Document are subject to risks, uncertainties, and assumptions regarding the future operations of the Company, the local and international macroeconomic environment and other factors.

These forward-looking statements can be identified in the Information Document by the use of words including, but not limited to, "strategy", "anticipate", "expect", "anticipate", "believe", "estimate", "will", "continue", "project", "intend", "tar-

gets”, “goals”, “plans”, “should”, “would” and other words and expressions of similar meaning, or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements can also be identified in the way they do not directly relate to historical and current facts. They appear in a number of places throughout this Information Document and include, but are not limited to, statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Company, and the development of the markets and the industries in which members of the Company operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Information Document. In addition, even if the Company’s results of operations and financial position, and the development of the markets and the industries in which the Company operates, are consistent with the forward-looking statements contained in this Information Document, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements (please see Section 4 “Risk Factors” of this Information Document).

The Company is under no obligation to, and expressly disclaims any obligation to, update or alter the forward looking statements in this Information Document based on changes, new information, subsequent events or for any other reason.

The validity and accuracy of forward-looking statements is influenced by the general operating environment and the fact that the Company is affected by changes in domestic and foreign laws and regulations (including those of the European Union), taxes, developments in competition, economic, strategic, political, and social conditions, as well as other factors. The actual Company’s results may differ from the Management Board’s expectations due to changes caused by various risks and uncertainties, which could adversely impact the Company’s operations, business, or financial results. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward-looking statements.

## 5.6. Use of this Information Document

This Information Document is prepared solely for the purposes of the Offering as well as for the listing and Admission of Shares to Trading on the Nasdaq Riga First North. No public offering of the Offer Shares is conducted in any jurisdiction other than Latvia and Estonia consequently, the dissemination of this Information Document in other countries is restricted or prohibited by law. This Information Document may not be used for any other purpose than deciding on par-

ticipating in the Offering or investing in the Shares. Copying, reproduction (other than for private and non-commercial use) or dissemination of this Information Document without the express written consent of the Company is prohibited.

## 5.7. Documents on display and incorporated by a reference

The following information has been incorporated into this Information Document by a way of reference from the following Financial Information of the Company:

- 1) the Company’s audited stand-alone annual report for the financial year ended 31 December 2023, available: <https://ipo.kalvecoffee.com/>;
- 2) the Company’s reviewed stand-alone interim financial report for the 6-month period ended 30 June 2024, available: <https://ipo.kalvecoffee.com/>;
- 3) the Company’s Articles of Association, available: <https://ipo.kalvecoffee.com/>.

The Company’s audited standalone annual report for the financial year ended 31 December 2023 has been audited by the audit firm SIA Ilzes Priedes revidentu birojs, registration number: 50103254791, legal address: Brīvības iela 188 – 2, Rīga, LV-1012, Latvia.

The Company’s reviewed standalone interim financial report for the 6-month period ended 30 June 2024 has been reviewed by the audit firm SIA Grant Thornton Baltic, registration number: 50003619401, legal address: Blaumaņa iela 22, Rīga, LV-1011, Latvia.

Further information is available in Section 10.4 “Statutory Auditor”.

This Information Document, Financial Information and Articles of Association of the Company are available in electronic form on the website of the Company (<https://ipo.kalvecoffee.com/>) and Nasdaq Riga website ([www.nasdaqbaltic.com](http://www.nasdaqbaltic.com)). Any interested party may download the above documents from the Company’s website free of charge.



6.

# INFORMATION ABOUT THE ISSUER

The legal and commercial name of the Issuer is AS Kalve Coffee. The Issuer is operating as a joint stock company (akciju sabiedrība), incorporated, registered and governed under laws of Latvia. The Issuer was registered on 23 January 2017 with the Commercial Register of Register of Enterprises of Latvia.

The registration number of the Issuer is 40203045645 and the legal entity identifier (LEI) is 64889HJJEWH71X131480. The registered address of the Issuer is Mazzcenu aleja 43B, Jaunmārupe, Mārupes pag., Mārupes nov., LV-2166, Latvia. The Issuer has been established for an indefinite period of time. The information on the Issuer's website does not form part of the Information Document unless that information is incorporated by reference into the Information Document.

## CONTACT DETAILS OF THE ISSUER:

E-mail: [info@kalvecoffee.com](mailto:info@kalvecoffee.com)

Telephone number: +371 25755575

Website: <https://kalvecoffee.com>





7.

# REASONS FOR OFFERING AND USE OF PROCEEDS

The Shares will be offered in Estonia and Latvia, which are investor target markets and countries for the purposes of the Offering. The expected amount of gross proceeds of the Offering is up to EUR 1 500 000 (provided that all Offer Shares are subscribed for and issued).

Prior to the Offering, the Issuer entered into a Convertible Loan Agreement with its existing Shareholder Anna Bertāne. According to Convertible Loan Agreement the loan in the amount of EUR 125 000 is intended to convert into Offer Shares, thereby increasing shareholding of the Shareholder Anna Bertāne. As a result of the loan conversion, the loan amount comprising EUR 125 000 will convert into 20 833 Shares of the Issuer. Consequently, the expected gross proceeds of the Offering will be reduced by EUR 124 998 due to the Convertible Loan Agreement. For rounding purposes, the excess EUR 2 will be repaid back to the Shareholder Anna Bertāne in accordance with the Convertible Loan Agreement (for further information on the Convertible Loan Agreement please refer to Section 9.4 "Changes in Shareholders and Convertible Loan Agreement").

The total expenses and taxes directly related to the Offering and Admission of Shares to Trading, payable by the Issuer, are estimated to be up to EUR 100 000. This includes fees payable to the Settlement Agent and Financial Adviser for organizing the Offering, assuming all Offer Shares are subscribed for. Therefore, after deducting these costs and the convertible loan under Convertible Loan Agreement (in the amount of EUR 124 998), the net proceeds of the Offering are expected to be up to EUR 1 275 002.

The Issuer envisages to use the estimated net proceeds from the Offering in the following manner and order of priority:

- 1) **EUR 550 000** (five hundred and fifty thousand euros) – for the expansion purposes of the Issuer with an aim to open cafes and shops in the Baltic States over the upcoming years;
- 2) **EUR 225 000** (two hundred and twenty-five thousand euros) – for the production and roastery improvement and efficiency purposes of the Issuer;
- 3) **EUR 125 000** (one hundred twenty-five thousand euros) – for the development of an e-commerce platform and private brand products.

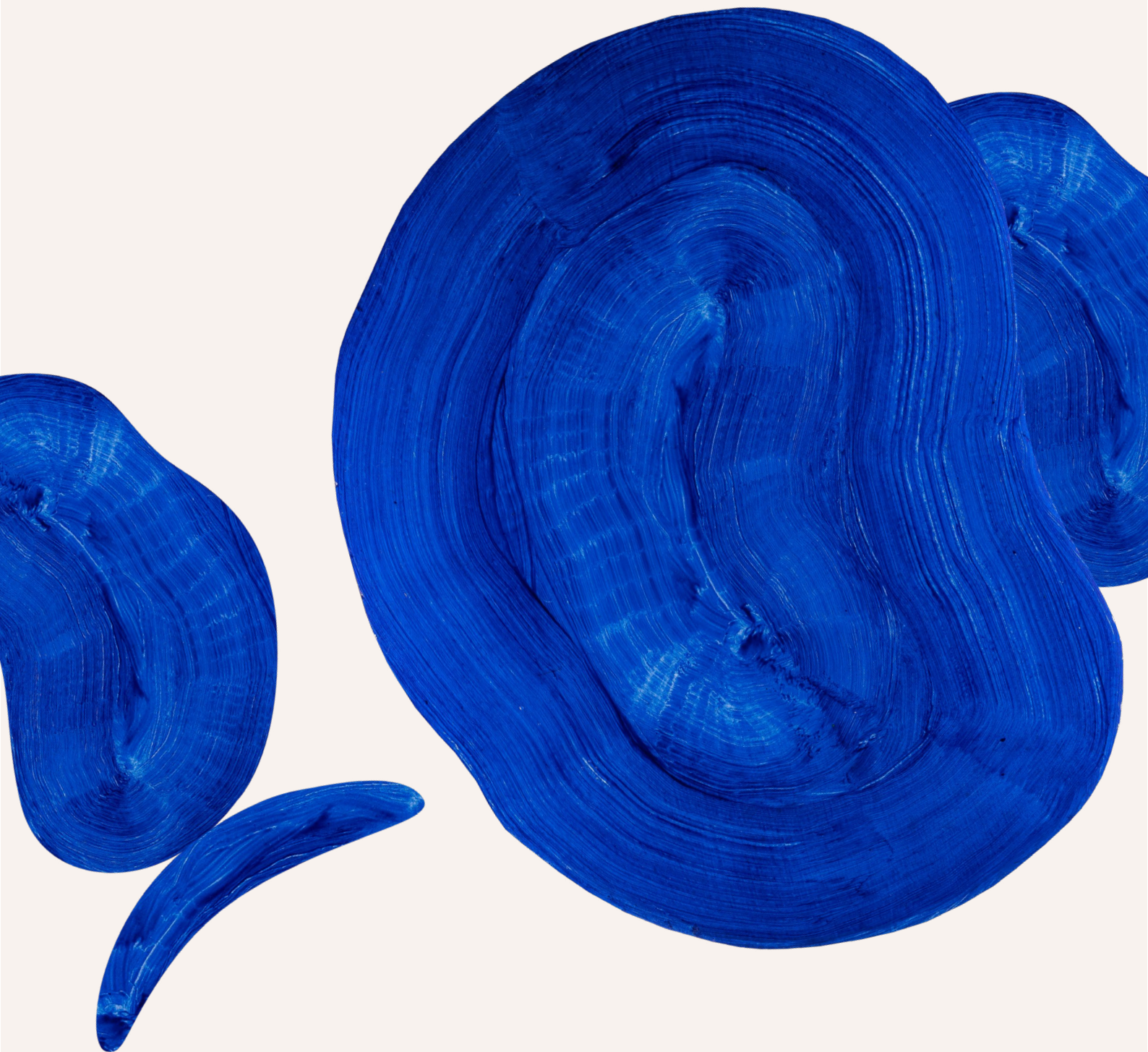
The remaining proceeds shall be used for general corporate purposes of the Issuer. In case not all Offer Shares are subscribed for, the estimated net proceeds would be used in the same manner as described in this Section proportionately to the proceeds raised as a result of the Offering.

The manner and priority order in which the proceeds are used may differ from the anticipated plan assumed in this Section, depending on market conditions in the future, risks, uncertainties and Issuer's business development. The statements included herein shall be considered as forward-looking statements based on the best opinion of the Management Board (please refer to Section 5.5 "Forward-Looking Statements").

8.

# *BUSINESS AND INDUSTRY OVERVIEW*

The key information on business operations and products of the Issuer is provided in this section, which shall be read alongside the information provided elsewhere in this Information Document, including but not limited to, Section 4 "Risk Factors", Section 8.2 "Principal Activities of the Company".



## 8.1. History of the Company and Structure

### History and development of the Company

The Company was established in 2017, and over the years its development has been rather eventful.

YEAR	KEY EVENT / MILESTONE
2017	<ul style="list-style-type: none"> <li>• Kalve Coffee is founded;</li> <li>• Brand development and value formulation commences;</li> <li>• Co-founder Mr Raimonds Selga receives Specialty Coffee Association Coffee Skills diploma and represents Latvia in World Barista Championship in Seoul.</li> </ul>
2018	<ul style="list-style-type: none"> <li>• The Company obtains the official distributor status of Victorio Arduino in Baltics;</li> <li>• Co-founder Mr Raimonds Selga starts journey as national judge for international competitions in France, Italy, Romania, Switzerland, Poland;</li> <li>• Participation in Tallinn Coffee Festival.</li> </ul>
2019	<ul style="list-style-type: none"> <li>• Roastery/showroom accessible to public opened - move to VEF Kvartāls, Riga;</li> <li>• First coffee shop opened in Stabu Street, Riga;</li> <li>• Silver medal award received in Europe's roasting competition - ROAST MASTERS 2019.</li> </ul>
2020	<ul style="list-style-type: none"> <li>• Launch of e-commerce with grind on-demand offering;</li> <li>• Creation of technical department;</li> <li>• Cooperation with e-commerce platform CoffeeDesk.</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Roastery moved from VEF Kvartāls, Riga to Jaunmārupe (outskirts of Riga) to scale roasting capacity;</li> <li>• Kalve Coffee roastery receives ORGANIC certification;</li> <li>• Second coffee shop opened in Baznīcas Street, Riga.</li> </ul>
2022	<ul style="list-style-type: none"> <li>• Direct trade relationship with B-Corp-certified Brazilian cooperative SanCoffee, origin trip to Brazil to strengthen partnership;</li> <li>• Cooperation with SPROUD (alternative pea protein milk in Baltics) – plant-based milk offering in coffee shops without extra charge;</li> <li>• Launch of KALVE ART COLLECTION in cooperation with Latvian National Museum of Arts;</li> <li>• Introduction of next-day delivery for B2B partners;</li> <li>• Kalve Coffee Mini Market opened in Āgenskalns Market, Riga;</li> <li>• First Performance Report presented to the public to facilitate transparency.</li> </ul>
2023	<ul style="list-style-type: none"> <li>• Entering of new segment - office coffee offering;</li> <li>• First in Baltics to obtain B Corp Certification to deepen sustainability focus;</li> <li>• Co-founder R. Selga receives certification to judge World Barista Championship,</li> <li>• Espresso Room No.3 on Miera Street, Riga opened; collaboration with Backdoor Market for pop-up cafe;</li> <li>• Launch of BREW - new coffee shop concept in Düsseldorf, Germany.</li> </ul>
2024	<ul style="list-style-type: none"> <li>• Co-founder Mr Raimonds Selga judges World Coffee in Good Spirits, becomes first person from Baltics to ever judge World finals;</li> <li>• Official distributor and service partner status to MELITTA PROFESSIONAL;</li> <li>• Official distributor and service partner status to JURA;</li> <li>• Public announcement of preparation for IPO;</li> <li>• Company is registered as joint stock company in the Commercial Register of Latvia.</li> </ul>

**Structure and key corporate information of the Company**

**AS KALVE COFFEE**

<b>Legal form</b>	Joint stock company (AS)
<b>Date and place of incorporation</b>	24 January 2017, Latvia, Register of Enterprises
<b>Registration number</b>	40203045645
<b>Legal address</b>	Mazcenu aleja 43B, Jaunmārupe, Mārupes novads, Mārupes pagasts, LV-2166, Latvia
<b>Business activity</b>	Processing of tea and coffee
<b>Share capital</b>	EUR 100 000
<b>Nominal value of one share</b>	EUR 0.10
<b>Number of shares</b>	1 000 000
<b>Shareholders</b>	Please see Section 9.2 "Shareholders"

**8.2. Principal activities of the Company**

The Company is a specialty coffee roasting company based in Latvia with an international outlook. The main principal activities of the Company are related to B2B and B2C segments as indicated below.



\* COOPERATION AGREEMENT WITHOUT EQUITY PARTICIPATION



With respect to principal activity division and revenue - in 2023 the Company generated revenue in both segments (B2B and B2C), with B2C segment generating slightly more than half of total revenue in 2023. At the same time, the cornerstone of the Company operations is a dedication to producing high-quality coffee while maintaining a strong focus on sustainability, social responsibility, and community engagement. For this reason, the Company believes that an environmental, social and community (ESG) dimension layer should be added when talking about the Company’s principal activities.

Consequently, the principal activities cover (1) coffee roasting and production, (2) wholesale and B2B services, (3) retail and coffee shops, (4) sustainability and environmental initiatives, (5) community engagement and customer experience as well as employee well-being and development.

**Coffee roasting and production**

The Company specializes in roasting high-quality coffee beans sourced directly from trusted farmers and cooperatives, primarily from the SanCoffee cooperative in Brazil. There is a strong emphasis on environmentally friendly practices, including using energy-efficient roasting equipment and promoting recyclable and zero-waste packaging solutions.

**Wholesale and B2B services**

The Company provides high-quality coffee solutions to offices, concept stores, hotels, and service stations using fully automated, energy-efficient bean-to-cup machines. Private label coffee solutions are offered tailored to the specific needs of B2B clients. In addition, the Company supplies coffee equipment and provides technical support and coffee workshops to ensure optimal performance and customer satisfaction.

**Retail and coffee shops**

The Company operates several coffee shops in Riga, including:

- Espresso Room No.1 (Stabu Street 38)
- Espresso Room No.2 (Baznīcas Street 13)
- Espresso Room No.3 (Miera Street 19)
- Mini Market (Āgenskalns Market)
- Kalve Bakery

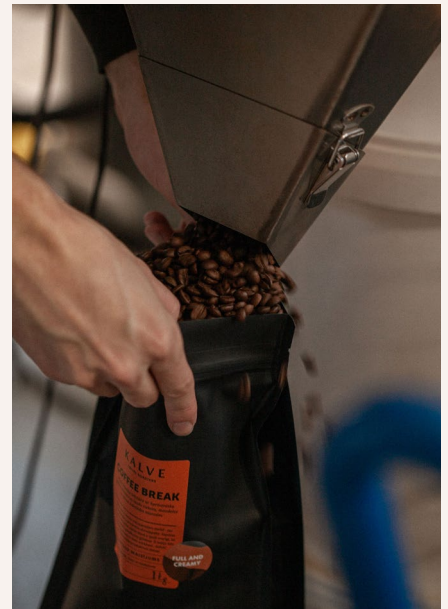
In 2023, the Company expanded internationally with the BREW concept coffee shop in Düsseldorf, Germany. The Company also operates an online store at [www.kalvecoffee.com](http://www.kalvecoffee.com).

**Sustainability and environmental initiatives**

The Company achieved B Corp certification in 2023, highlighting its commitment to high standards of social and environmental performance, transparency, and accountability. Further information on B Corp standards of the Company is available in Section 9.9 “Other good corporate governance practices and ESG” of this Information Document.

**Community Engagement and Customer Experience**

There is a paperless loyalty card system introduced with “Magic Stamp”, offering benefits like free coffee and pastries, and discounts on coffee beans. Overall, the Company combines specialty coffee roasting with a strong commitment to sustainability, community engagement, and high-quality customer experiences. Through these efforts, the Company aims to create a positive impact on the environment, society, and the coffee industry. The Company engages in local and global community support activities, including bio-recovery projects in Brazil with *SanCoffee*.



Source: The Company

### 8.3. Competitive landscape

The European Coffee Federation collects data and on a regular basis issues the European Coffee Report<sup>2</sup>. The key overview below includes green coffee import data in the European Union (including data in Latvia for some areas) during the period from 2020 to 2022.

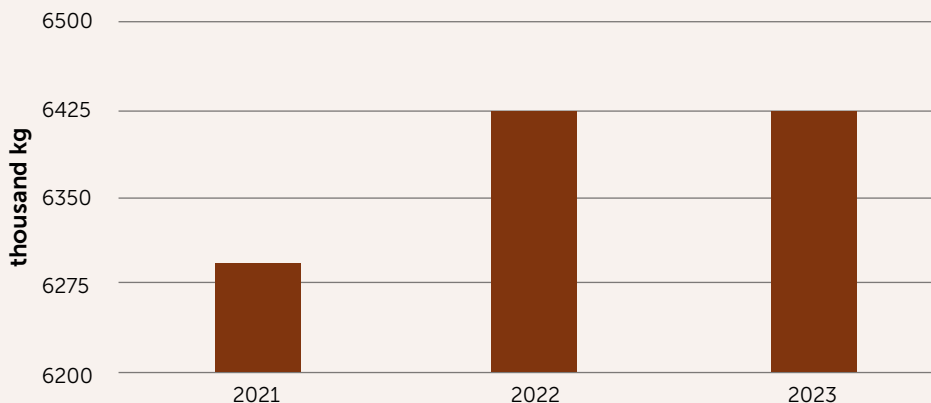
	2020	2021	2022
<b>European Union total (tonnes)</b>	2 782 324.9	2 784 374.2	2 947 693.2
<b>of which Latvia (tonnes)</b>	1 635.2	1 337.3	1 109.8
<b>% of Latvia from total EU27</b>	0.06	0.05	0.04

Source: Information from the European Coffee Report of 2022-2023, where data on the European countries is indicated from Eurostat and other relevant sources

Data indicates that green coffee imports into the European Union during the period from 2020 to 2022 have increased from 2 782 324.9 tonnes in 2020 to 2 947 693.2 tonnes in 2022, while in the same period in Latvia imports have slightly decreased. According to the said report and Eurostat data, Brazil remains the largest supplier of green coffee to the European Union with its market share representing over one third of the total European Union imports (35.3% in 2022). Brazil supplied 1 041 696 tons of green coffee in 2022 after adding 109 385 tons during 2020-2022 (+11.7% in aggregate). In turn, Vietnam supplied 648 005 tons of green coffee to the European Union, representing 22.8% of total imports. Brazil and Vietnam have consistently ranked as the top two suppliers to the European Union countries during the last decade.

According to the European Coffee Report, the coffee consumption in the EU from 2020 to 2022 has showed a stable profile in terms of volume, having a +2.3% increase in 2021 and +0.9% increase in 2022. In turn, Latvia and Estonia are characterised as very dynamic markets, although market volumes are comparatively low (0.3% of the total EU market reported by each country in the European Coffee Report). With respect to coffee-related data in Latvia, the State Revenue Service collects certain information from market participants on the overall coffee volume delivered for consumption in the territory of Latvia as it is an excise good and subject to tax according to law. The visualisation below represents respective quantities of coffee delivered for consumption in Latvia over 2021 – 2023.

#### Coffee delivered for consumption in Latvia



Source: Information indicated in the customs declarations to the State Revenue Service.

<sup>2</sup>The last report issued April 2023 and available: <https://www.ecf-coffee.org/wp-content/uploads/2023/05/European-Coffee-Report-2022-2023.pdf>



Hence, over the period from 2021 to 2023, around 6.4 million kilogrammes of coffee were delivered for consumption in the territory of Latvia. However, it should be noted that the State Revenue Service data represents all types of coffee, indicating the overall coffee market size in Latvia. At the same time, the Company operates particularly in the speciality coffee segment that within the industry is distinguished from the mass consumption coffee segment.

Overall, the European market for speciality coffees is rapidly growing. The growing demand for speciality coffee follows growing consumer interest in taste profiles and the coffee’s origin. Consumers are interested in the “know-how” and origins of the brewed coffee. It has become essential for specialty coffee producers to represent the story behind their coffee, including different processing techniques and the increase of organic coffee trends. These trends offer various opportunities to diversify in the European specialty coffee market<sup>3</sup>.

Key differences between mass consumption and speciality coffee segment are as follows:

**SPECIALITY COFFEE**

**MASS CONSUMPTION COFFEE**

At least 80 points out of 100 possible according to the SCA grading system.

Often lower quality product. May contain defects according to SCA standards.

Obtained from specific regions, farms, or cooperatives. Origin is easily traced.

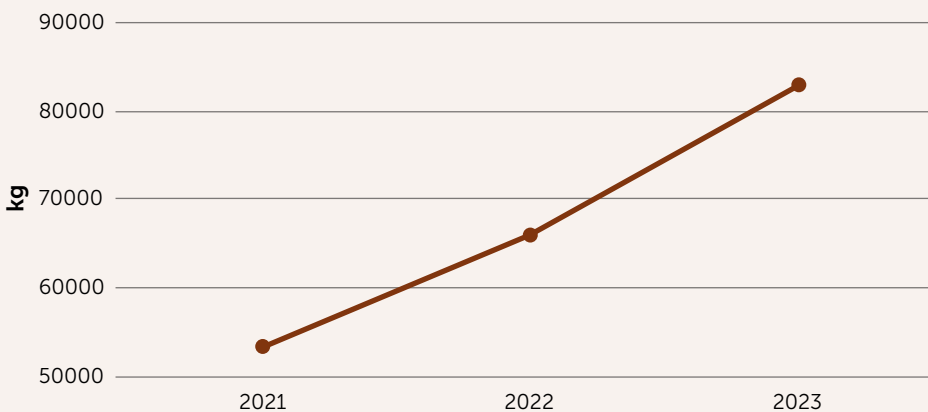
There is usually a mix from different countries and regions (provides uniform taste). Traceability generally is limited.

Grown and processed with great attention to detail. Main goal is high quality.

It is often grown and processed in large quantities. Main measure is quantity.

Even though there is no publicly available data on speciality coffee and other segment split in Latvia, overall, the speciality coffee segment is growing and so is the speciality coffee delivered to the market by the Company. The information on total coffee sold in kilos by the Company from 2021 to 2023 is indicated below.

**Total coffee sold by the Company**



Total coffee sold by the Company Source: The Company

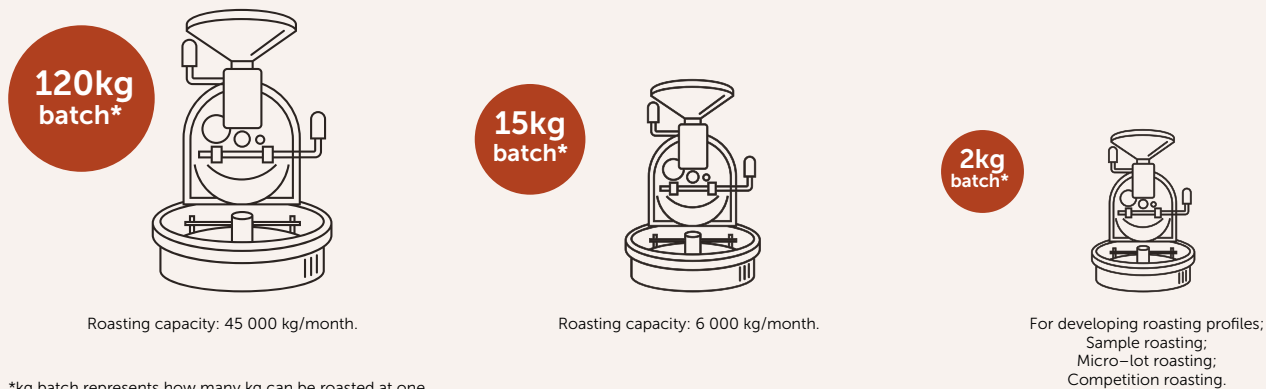
Overall, there is stable growth of the coffee sold by the Company in the period from 2021 to 2023 with an increase of 19% in 2022 and respective 36% in 2023, compared to 2021.

<sup>3</sup> See for example: <https://www.cbi.eu/market-information/coffee/specialty-coffee/market-potential>

The Company recognises the following entities as its main competitors in the speciality coffee segment in Latvia – Rocket Bean Roastery, Andrito Coffee Roastery and Curonia Coffee roasters. According to publicly available information at the date of this Information Document, the key competitive advantages of the Company compared to its closest competitors are as follows:

	AS KALVE COFFEE	ROCKET BEAN ROASTERY	ANDRITO COFFEE ROASTERY	CURONIA COFFEE ROASTERS
Speciality coffee	✓	✓	✓	✓
Direct trade	✓	✓	✓	—
Physical coffee shops in Latvia	✓	✓	—	—
Representation outside Latvia	✓	✓	—	—
Production capacity over 50 tonnes a month	✓	—	—	—
B-Corp certification	✓	—	—	—

Compared to its main competitors, the Company sees its production capacity capabilities as one of the key competitive advantages. In addition, the Company is currently the only specialty coffee roaster in Latvia that holds internationally recognized competence diplomas with a significant focus on ESG (e.g. B Corp Certification) and has set up a representation office outside of Latvia (in Germany where specialty coffee segment is developing rapidly<sup>4</sup>.)



\*kg batch represents how many kg can be roasted at one time, roasting one batch takes 10–12 min.

Source: The Company

**Discussion on margins in industry and the Issuer**

The following is an introduction to the industry from a generic financial analysis perspective. A key factor to first consider is that the underlying commodity has a very wide range of qualities from ‘commercial’ or ‘mass consumption coffee’ (lower grade) to specialty coffee (which represents the Issuer’s sole product focus as at the date of this Information Document. Further information on this can be found in the Section 8.3 “Competitive Landscape” of this Information Document.)

<sup>4</sup> Please see: <https://www.cbi.eu/market-information/coffee/specialty-coffee/market-potential>

Correspondingly, this also creates a wide range of market prices for different coffee qualities while historically the market price of coffee overall has also been somewhat volatile due to various market and weather-related factors.

Coffee trading activity is typically undertaken in pounds (2.2046 pounds = 1 kilogramme) where the wholesale trade uses 45.36 – 70kg bags. The 60kg version is the International Coffee Organization (ICO) standard for statistical purposes, and accounts for the majority of coffee bags sold. The following table is presented in order to provide a ‘generic’ view of a hypothetical situation which was originally developed by the SCAA. The SCA, which is mentioned elsewhere in the Information Document is the union of the Specialty Coffee Association of America (SCAA) and Europe (SCAE).

**Hypothetical example of coffee trade and pricing cycle into US market (USD/lb)**

Source derived from: Coffee, Thurston et al.

	ACTUAL	CUMULATIVE
<b>PURCHASE PRICE</b>	<b>1.50</b>	1.50
Costs (incl. logistics, finance & storage)	0.39	1.89
Ship to roaster & shrinkage due to roasting (water loss)	0.56	2.45
Additional roaster expenses incl. Packaging, labour, overheads	4.04	6.49
<b>Selling to cafeteria @ USD 7.25/lb (revenue)</b>	<b>7.25</b>	
Taxes	0.27	
<b>Net profit/lb</b>	<b>0.49</b>	
Implies net margin of	6.8%	

**Retailer (cafe) makes coffee in shops (focus in metrics per lb)**

Source: SCAA, 'Coffee', Thurston et al.

Assumption: 474ml, 16 cups of coffee/lb, USD 28.00 is total revenue	<b>28.00</b>	
Expenses:		
Beans	7.25	4.8x the initial purchase price of sourced coffee abroad
Cups, lids, condiments (eg. milk etc)	3.18	
Labour in cafeteria	5.60	3.7x the initial purchase price of sourced coffee abroad
Other overheads and taxes	10.29	
<b>Total expenses</b>	<b>26.32</b>	
<b>Net profit for Retailer (cafe)</b>	<b>1.68</b>	
Implies net margin of	6.0%	
Cost of coffee in cafe as % of total cost	27.5 %	

In summary, there are various costs which both suppliers and roasters endure prior to selling (in this example) to a cafeteria. The analysis suggests that there is a slight profitability advantage to the 'upstream' (supply and roasting) activity vs. cafeteria operations ('downstream'): net margin of 6.8% for the upstream activities while downstream is estimated at 6.0%.

This is also confirmed by other data published by the Specialty Coffee Association (SCA)<sup>5</sup>. There it is stated that: "Coffee retailers (shops and cafes) have a solid average gross margin on each item sold (54%), but the added expenses of operating a retail location make it the least profitable business model of the bunch (6.86% profit).

Roaster retailers roast and serve their own brand of coffee, naturally giving them the highest gross margin on each item sold (65%) and a relatively high profit margin (8.79%).

At the end of the day, roasters who offer both wholesale and retail locations fared the best when it comes to business profit margins-by a wide margin-at 11.92%."

The Issuer's activities include both upstream and downstream activities, therefore utilising a combination of vertical integration for increased margin potential exists if running its own roasting and cafeteria operations as well.

Due to the importance of the brand, particularly in the specialty coffee market, management has highlighted that their aim is not to restrict but to avoid overly limiting the cafeteria-based operations. This is because in addition to a visibility/familiarity role for the brand itself the locations run by the Company are profitable in their own right. For the upstream operations the Company presently holds the largest specialty coffee roasting capacity in the Baltic region. As at the date of this Information Document the Issuer has significant scope to increase roasting production levels as a result of historical investments (capacity utilisation of around 15-20%).

It can also be seen that while the final selling price of the coffee in the cafeteria in the above table-based example comes to 4.8x the initial purchase price of sourced coffee abroad (implying a significant gap to the producer of the coffee), there are many additional costs (particularly labour and various overheads) which reduce the overall profitability for the upstream or downstream enterprise if pursuing a traditional industry model of business.

The difference between the initial purchase price (i.e., unroasted or green coffee) and the retail effective price occasionally creates debate about exploitation of coffee growers, however, applying the above approach suggests that this is not accurate using a traditional growing and distribution mechanism (and it is again noted that the price of coffee undergoes significant fluctuations through time).

There are several elements which are relevant to the above table when considering the Issuer's operations compared to those of mass consumption coffee producers.

Firstly, their processes require the ability to have full traceability to the source in terms of the supplied product (rather than potentially undertaking somewhat random blending of various coffee beans). This is also why they engage directly with particular producers, creating more favourable circumstances to help ensure consistent supply (and quality) of specific coffee varieties.

At the same time, the price received by the farmer will be higher than that if they were to sell at the going rate in the coffee market. For example, one of the Issuer's popular products has typically been purchased at a 20% premium to the overall market price at the time. The farmer would alternatively also have the product pass through several middlemen (as shown in the table), in which case the price received by them may well equate to only around 50% of the overall market price.

The Issuer's engagement is typically with other B Corp enterprises, such as SanCoffee. This also provides opportunities to undertake joint projects on improving the conditions for various stakeholders frequently overlooked in the production chain, such as coffee pickers. For further information on ESG-related attributes refer to the Section 9.9 "Other good corporate governance practices and ESG" of this Information Document. The Company's management notes that it would pursue such a strategy whether or not it holds B Corp status due to its overall business philosophy.

<sup>5</sup>Please see: Bellwether article "How to Start a Profitable Roasting Business", <https://store.sca.coffee/products/2017-roaster-retailer-benchmarking-study?variant=47863367878>, Based on 2017 Specialty Coffee Association financial benchmark for roasters and cafes, [https://static1.squarespace.com/static/584f6bbef5e23149e5522201/t/6012eacaf8928e729006cb0e/1611852517832/SCA\\_BenchmarkingReport\\_PRINT.pdf](https://static1.squarespace.com/static/584f6bbef5e23149e5522201/t/6012eacaf8928e729006cb0e/1611852517832/SCA_BenchmarkingReport_PRINT.pdf)

#### **8.4. Recent trends, development and significant change**

The main recent trends, developments and significant change that relate to the Company's principal activities are outlined below.

##### **Sustainable and ethical sourcing**

The specialty coffee brands in Latvia and globally are increasingly focusing on sustainable and ethical sourcing. At the date of this Information Document, the Company sources around 76% of its beans directly from Brazil's Sancoffee cooperative, ensuring fair compensation and sustainable farming practices. This emphasis on ethical sourcing aligns with global trends where consumers prioritise environmentally responsible and socially fair products.

##### **Diverse and innovative offerings**

Specialty coffee market is expanding its offerings with a variety of innovative products. The Company has introduced unique concepts such as the KALVE ART COLLECTION in collaboration with the Latvian National Museum of Art. Additionally, there is a growing trend of hosting coffee tastings and events to engage customers with new blends and brewing techniques.

##### **Technological advancements**

Technological advancements are critical in enhancing the coffee experience. The Company has invested in advanced roasting equipment such as the 120 kg Besca roaster, which allows for energy-efficient large batch roasting. In operated coffee shops, the Company uses such brewers as Victoria Arduino Maverick and TONE Swiss, which are known for their efficiency and high quality.

##### **Health-conscious options**

There is a significant shift amongst consumers towards health-conscious coffee options. The Company promotes alternative milk options, such as SROUD, which is available at no extra charge in operated coffee shops. This aligns with the broader trend of offering healthier beverage choices, including antioxidant-rich coffee blends and alternative drinks, like matcha and decaf coffee.

##### **Online sales and subscriptions**

The trend of online sales and coffee subscriptions is robust. The Company has launched a subscription platform to provide customers with regular deliveries of fresh, high-quality coffee beans. This model has become popular due to its convenience, especially post-pandemic, where home consumption of specialty coffee has increased.

##### **Eco-friendly practices**

Eco-friendly practices are integral to the specialty coffee market. The Company emphasises recyclable packaging, zero-waste initiatives, and upcycling coffee byproducts. For example, there are efforts to include 3kg recyclable packs and a deposit cup system in operated coffee shops to reduce waste. The clients can also bring their empty coffee tin and refill it with new coffee, thus paying only for the coffee and not the packaging.

##### **Comfort and experience in coffee shops**

Creating a comfortable and inviting atmosphere in coffee shops is becoming a standard expectation for clients. KALVE coffee shops are designed with family-sized tables, natural lighting and cozy interiors to provide a pleasant experience for its customers. This approach reflects the trend of enhancing the overall coffee shop experience beyond just the product.

These trends highlight the dynamic and evolving nature of the specialty coffee market, driven by sustainability, innovation, and enhanced customer experiences. The Company exemplifies these trends through its practices and offerings, positioning itself as a leader in the specialty coffee scene.

In relation to significant events that have involved the Company in 2023 and 2024 (until the IPO), please see Section 8.1 "History of the Company and Structure".

### 8.5. Investments and Financing

The Company has obtained financing to facilitate the effectiveness of its operations and expansion of business activities, as well as to purchase modern equipment.

The most recent financing projects (FY 2023-2024) include obtaining financing from Altum for working capital and purchasing equipment for setting up the café, Espresso Room No.3 (Miera Street 19, Riga), as well as vehicle leasing from Citadele Leasing. More detailed information on the agreements with Altum and Citadele Leasing is available under Section 8.6 "Material agreements and dependency on agreements, patents, licences".

### 8.6. Material agreements and dependency on agreements, patents, licences

The Company operations can be segmented into the following categories that are material to the business, considering the main cooperation partners.

#### Cooperation with raw material (coffee) suppliers

The Company has invested great effort to ensure 100% transparency in its raw material supply chain. The key direct partnership is with SanCoffee – a Brazilian multi-farm cooperative that allows to work directly with coffee farmers. In addition, speciality coffee exporters that act as intermediaries, such as Raw Material, Falcon Coffees and Ally Coffee are of great importance as they provide administrative support and assist with logistics, given the limited purchasing power of Baltic region. The cooperation relationship reflects industry standards with international trade element. The Company is also seeking to diversify and expand direct cooperation relationship with another major region – Colombia – given its volume increases.

#### Local cooperation with B2B and B2C segments

The Company is active in both B2B and B2C segments (over 200 cooperation partners) with a mission to bring the specialty coffee experience to as many people as possible. Such cooperation relationships primarily entail product supply (coffee). Another, more recent and currently still evolving area is the offering of coffee equipment for sale or lease from well-known brands such as Simonelli, Eureka, Melitta, Moccamaster, Comandante, Kalita, Hario with split payments and provision of maintenance services. There are also clients for whom the Company has created private label and distributes partners' products through the Company shops. The Company considers all these operations as material to its business and invests significant effort to further develop offerings and onboard new clients rapidly, understanding each segment's specific needs and the most suitable cooperation format.

#### Brand association with aesthetic design as part of exceptional coffee experience

The Company goes beyond mere trademark registration and protection of its own brand. An important part of brand recognition is associated with aesthetic design in various forms from packaging solutions to coffeeshop interior design. The Company has entered into collaboration agreements with the Latvian National Museum of Art to promote artworks that are in their collection as well as SIA "Asketic" for the use of RĪGA Original design.

"KALVE ART COLLECTION" has been created, displaying artworks that are in the Latvian National Museum of Art collection on coffee packaging.



Source: The Company



**Other key agreements**

Agreements material to the business of the Company include cooperation agreements with B2B partners, such as SIA Coffee Address (supplier of coffee machines), SIA KOOL LATVIJA (concept service stations), SIA Evelon (coffee shops) and SIA AVRest (bakery).

**Premises lease agreements**

The Company has entered into lease agreements with respect to the production facility in Jaunmārupe, office premises in Riga as well as each coffee shop. Key overview of lease agreements is listed below. In general, the lease agreements provide the opportunity for the lease renewal, including automatic renewal for production facility premises. The Company diligently reviews the lease agreement terms prior conclusion and evaluates its cooperation partners. The Company has also developed an internal action plan to ensure that the production facility can be relocated in case of such necessity. The relocation can be carried out swiftly, with an estimated time of one month. In such scenario, the Company can arrange additional roasting within one week to ensure the total roast capacity covering a one month time period. Furthermore, in other force majeure cases, if the Company is unable to organize roasting itself, it can ensure roasting by its cooperation partner in Germany according to the Company's recipe.

LOCATION	PURPOSE	LEASE TERM
Mazcenu aleja 43/B, Mārupe parish, Jaunmārupe	Production facility	September 2025
Skolas iela 21, Riga	Office premises	September 2028
Stabu iela 38, Riga	Coffee shop	August 2030
Krišjāņa Valdemāra iela 17A, Riga	Coffee shop and bakery	September 2029
Miera iela 19, Riga	Coffee shop	April 2028
Baznīcas iela 13, Riga	Coffee shop	October 2025
Nometņu iela 64, Riga	Coffee shop	Unlimited renewal until terminated



Source: The Company



### Financing agreements

The Company has entered into loan agreements with Altum. The total outstanding amount of the loans as of 31 December 2023 amounted to EUR 94 317.

The loan agreements have been secured with asset pledges, mortgages (on properties owned by the Shareholder Toms Egle as well as SIA "Liepnieki EKO"), and, in separate cases, personal guarantees by the existing Shareholders of the Company. All property of the Company as an aggregation of assets at the moment of pledging as well as its future components have been pledged. A review of the existing loans is reflected in the table below.

LENDER	BORROWER	AMOUNT (EUR)	INTEREST RATE	PURPOSE	ISSUED / DUE
Altum	The Company	85 000	2.9% + 6 Month EURIBOR	Working capital	15.05.2023. / 15.12.2025.
Altum	The Company	47 500	3.93% + 6 Month EURIBOR	Purchase of equipment, setting up a cafe	17.07.2023. / 15.04.2028.
Altum	The Company	95 000	2% From 15.10.2025 2,5%	Working capital, cafes expansion	31.05.2024. / 15.03.2026.

The Company has entered into finance lease agreements with Citadele Leasing regarding several cars. At the date of this Information Document, the outstanding amount of leasing payments amounts to EUR 31 858. Details of the leasing agreements are reflected in the table below.

LESSOR	LESSEE	ASSET	INTEREST RATE	PURCHASE PRICE (EUR)	ISSUED / DUE
Citadele Leasing	The Company	OPEL COMBO LIFE	4,250% + 3 Month EURIBOR	16 850	24.05.2023. / 31.05.2028.
Citadele Leasing	The Company	OPEL ASTRA SPORTS TOURER+	4,5% + 3 Month EURIBOR	9 500	09.09.2023. / 30.09.2028.
Citadele Leasing	The Company	BMW I I3	4% + 3 Month EURIBOR	27 914	28.05.2021. / 31.05.2026.
Citadele Leasing	The Company	VOLVO V40	5% + 3 Month EURIBOR	14 500	15.04.2021. / 30.04.2026.
Citadele Leasing	The Company	NISSAN NV200	4,5% + 3 Month EURIBOR	34 500	28.03.2019. / 31.03.2024.
Citadele Leasing	The Company	VW KOMBI	2,95% + 3 Month EURIBOR	20 300	01.12.2020. / 30.11.2025.

### 8.7. Related Party Transactions

The Company has entered into several loan agreements with its Shareholders and related persons, which have provided financing to the Company during various business development stages. All Shareholder loans have been paid back by the Company by the date of this Information Document.

**8.8. Benefits and remuneration**

The remuneration and benefits policy of the Company is designed in a way to promote a targeted approach to employee motivation and satisfaction. The Company adheres to the best industry practices, ensuring competitive wages that often exceed the industry average. This helps to attract highly qualified professionals and promotes long-term loyalty of the employees. In addition to the base salary, the Company offers various other benefits, such as, free lunches, health insurance, additional holidays, flexible working hours and professional development opportunities, which are available to a wide range of employees.

In addition, the Company has developed a policy to B2B sellers which provides certain bonus payments in addition to base salary if pre-determined sales targets are met. In turn, for cafés management teams the Company has developed certain key performance indicators (KPIs) as an additional motivation tool with an aim to make café operations more efficient. The Company has not faced issues with lack of employees because of its employee incentive practices and its good reputation in the market. The Company has a low staff turnover, and CVs are regularly sent for various vacancies.

**Number of employees of the Company**

As at 31 December 2023

As at 30 June 2024

40

52

**Employee share option programme**

In line with good corporate governance practices, the Company has implemented an employee share option (incentive) programme. The terms of employee share option programme provide that the programme participants may be eligible to exchange their granted options to certain number of shares of the Company. To execute the exchange, pre-conditions of the share option programme must be met. The vesting period may be set individually to share option participants, however it shall be not less than 12 (twelve) months to ensure compliance with tax exemption criteria according to laws of Latvia.

Overall, within the employee share option programme the targets are split into two categories – individual KPI’s (key performance indicators) and business KPI’s of the Company. The individual KPI’s are set individually according to the work specifics of the employee, whereas the business KPI’s are set in accordance with the EBIT-DA, turnover and gross profit goals of the Issuer. The share options may be granted to key employees, management and supervisory board members.

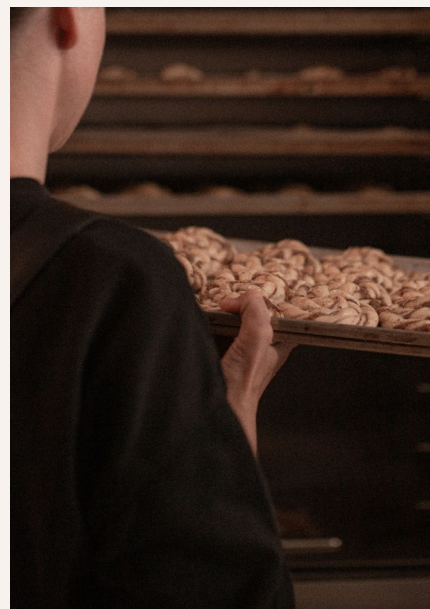
The total amount of the shares exercisable under share option programme is 50 000 which represents the total nominal value of EUR 5 000. According to Commercial Law such amount does not exceed 10% of the total share capital at the time of adopting share option programme. The employee share option programme has been approved by the Extraordinary Meeting of Shareholders with the purpose to reward the key employees of the Company for their loyalty in addition to existing remuneration and to motivate the achievement of common targets.

**8.9. Profit forecasts or estimates**

The Issuer does not include the profit forecasts or estimates in the Information Document.

**8.10. Legal proceedings**

As at the date of this Information Document, the Management Board is not aware of any ongoing, pending or probable governmental, legal, insolvency, bankruptcy or arbitration proceedings against the Company, or any legal proceedings related to fraud, other financial crime or economic misconduct in which the Company or any member of the Management Board is or was involved, or which had occurred in the past five years, which would have a material effect on the financial position or profitability of the Company.



Source: The Company



9.

# SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE, ARTICLES OF ASSOCIATION



### 9.1. Share capital and Shares

The Shares of the Company have been issued in compliance with the Commercial Law. Any changes to the scope of rights and nature of the Company's shares can only be made following the procedure outlined in the Commercial Law and Articles of Association.

The Company is registered and operating as a joint stock company (in Latvian: akciju sabiedrība). The registered share capital of the Company is EUR 100 000, which is divided into 1 000 000 dematerialised shares. Shares are registered with the Nasdaq CSD under the ISIN LV0000102234 and kept in book-entry form. Shares are denominated in euro and governed by the laws of Latvia. No share certificates have or may be issued. All existing Shares are the same category Shares. The nominal (face) value of each outstanding Share is EUR 0.10. All Shares have been issued and fully paid up.

TYPE OF SHARES	NUMBER OF SHARES	NOMINAL VALUE OF ONE SHARE (EUR)	TOTAL NOMINAL VALUE (EUR)
Dematerialised shares	1 000 000	0.10	100 000

### 9.2. Shareholders

At the date of this Information Document, the Shareholders of the Company are as follows:

NAME OF SHAREHOLDER	PERCENTAGE OF THE TOTAL SHARE CAPITAL HELD	NUMBER OF SHARES HELD	ULTIMATE BENEFICIAL OWNER(S) OF THE RELEVANT SHAREHOLDER
<b>Shareholders holding above 5% of the Shares in the Company:</b>			
Gatis Zēmanis	25.46%	254 583	Private individual (Gatis Zēmanis)
SIA "18. Augusts"	24.48%	244 792	Gatis Zēmanis and Paula Zariņa-Zēmane
SIA "FINST"	24.48%	244 792	Toms Egle, Svetlana Berga and Diāna Egle
Raimonds Selga	19.58%	195 833	Private individual (Raimonds Selga)
<b>Shareholders holding below 5% of the Shares in the Company:</b>			
Jānis Andersons	3.92%	39 167	Private individual (Jānis Andersons)
Anna Bertāne	2.08%	20 833	Private individual (Anna Bertāne)

### 9.3. Changes in Share Capital

As at 4 October 2024, the Company's share capital was EUR 25 000, consisting of 25 000 shares with a nominal value of EUR 1 per share. On 4 October 2024, the Company undertook two consecutive corporate actions concerning the share capital - 1) the nominal value of each share was changed from EUR 1 to EUR 0.10 and 2) the share capital was increased by EUR 75 000 through the issuance of 750 000 new shares, each with a nominal value of EUR 0.10, by capitalising a portion of the retained earnings of the Company.

The newly issued shares were distributed to existing Shareholders of the Company on a pro-rata basis. Following these corporate actions, the Company's share capital is EUR 100 000, divided into 1 000 000 shares, each with a nominal value of EUR 0.10 at the date of this Information Document before the Offering.



#### 9.4. Changes in the Shareholders and Convertible Loan Agreement

**Changes in Shareholders.** On 10 October 2024, the existing Shareholders of the Company and Anna Bertāne entered into a share purchase agreement with all other existing Shareholders of the Company at that time – namely, Gatis Zēmanis, SIA “18. Augusts,” SIA “FINST,” Raimonds Selga, and Jānis Andersons to acquire 20 833 Shares in the Company. The purchase price was set at EUR 6.00 per share, resulting in a total purchase price of EUR 124 998 for the 20 833 Shares in the Company. No new shares were issued due to such changes in the shareholding of the Company. Accordingly, Mrs Anna Bertāne acquired the Shares at the same price per share in the Company as offered during the Offering according to this Information Document. The purchase price was distributed among the selling Shareholders in proportion to their respective Shareholdings in the Company at the time.

**Convertible Loan Agreement.** On 10 October 2024, Mrs Anna Bertāne also entered into a Convertible loan Agreement with the Company and its existing Shareholders (namely, Gatis Zēmanis, SIA “18. Augusts,” SIA “FINST,” Raimonds Selga, and Jānis Andersons). The loan amount comprises EUR 125 000. The conversion of the loan into shares is contingent upon the successful completion of the Offering. Upon settlement of the Offering, the loan will be converted into Shares at a rate determined by dividing the loan amount by the Offer Price, with any fractional shares rounded down. Consequently, EUR 124 998 of the loan will be capitalized and converted into 20 833 Shares of the Company. The remaining EUR 2 will be repaid back to the Shareholder Mrs Anna Bertāne in accordance with the terms of the Convertible Loan Agreement.

As a result, 20 833 of the 250 000 Offer Shares have been pre-allocated to the existing Shareholder Anna Bertāne according to the Convertible Loan Agreement. If the Offering does not proceed successfully, the loan will not be converted into Shares and shall be repaid by the Company in accordance with the terms of the Convertible Loan Agreement.

#### 9.5. Rights attached to Shares

This section includes a generic overview of rights attached to the shares owned by Shareholders of the Company according to applicable laws and Articles of Association. This Section does not intend to be exhaustive, nor does it purport to cover all legal issues that may arise in connection with ownership of the Shares. Under the applicable laws, all shareholders of the Company shall be subject to equitable treatment. Each Share of the Company confers upon its holder the same rights to a share of the Company’s assets and profits. In the event of liquidation of the Company, shareholders are entitled to a share of the surplus of assets in the proportion to the number of Shares held (liquidation quota). No restrictions apply with respect to transferability of the Shares, except for the Lock-up agreement involving the existing Shareholders of the Company. Namely, the existing Shareholders have agreed not to sell, transfer, or otherwise dispose of their Shares for a period of 18 months following the start of the Offer Period, without the prior written consent of the Financial Adviser. This lock-up provision aims to prevent any potential dilution of Share value in the immediate aftermath of the Offering and is designed to enhance investor confidence in the stability of the Company’s Share price post-Offering.

Further information on lock-up agreement is available in Section 12.11 “Agreements Related to the Offering” of this Information Document. The following rights attach to each Share:

**Right of share disposal.** Each shareholder of the Company has the right to dispose of the Share(s) owned, which includes sale (transfer of ownership) and other forms of disposal. No restrictions apply to the transferability of Shares under the statutory provisions of Latvian law or the Articles of Association.

**Right to vote.** Shareholders have the right to participate and vote at a General Meeting. A shareholder is eligible to participate and vote at the General Meeting if it is a Shareholder of record (i.e., being recorded as a Shareholder in the Shareholders’ register of the Company) prior to the date of the General Meeting according to law. Each fully paid-up Share, including the Offer Shares, represents one vote for Shareholder at the General Meeting. The annual General Meeting must be held once per year according to the procedure and time specified by law and Articles of Association. The annual General Meeting adopts resolutions on the approval of annual report of the Company, reports by the Management Board and Supervisory Board and the application of profit reported in the previous financial year, as well as on other matters included in the agenda of the annual General Meeting. Shareholders may participate in the annual General Meeting and exercise their voting rights in person or by a proxy. Annual and extraordinary meetings of Shareholders are convened according to law. Commercial Law of Latvia provides certain limits when a Shareholder does not have the right to vote at the General Meeting, for instance:

- The shareholder is a member of the Supervisory Board or Management Board, a liquidator or an auditor of the Company and the General Meeting will be deciding a matter related to the revocation of his or her authority, a motion of no confidence, or the commencement of legal action against the respective shareholder;
- The General Meeting will be deciding a matter concerning enforcement of the Company’s rights against the respective Shareholder, or concerning release of the Shareholder from obligations or liability towards the Company;
- The General Meeting will be deciding a matter concerning entry by the Company into a transaction or arrangement with the Shareholder or person related to the Shareholder, or other limitations provided by law.

**Right to dividends.** Dividend rights are the form of Shareholders’ rights to share in the Company’s profits. Please refer to Section 9.7 “Dividend policy” for further information on dividend policy.

**Right to liquidation quota.** Upon liquidation of the Company, each Shareholder is entitled to receive a liquidation quota in the proportion to their existing shareholding, in the instances and in accordance with the procedures established by law.

**Pre-emption rights.** In the event of an increase in the amount of share capital of the Company, each Shareholder has a right of pre-emption to purchase the newly issued shares in the proportion to the total nominal value of the Shares already owned. If the Shareholder fails to exercise the right of pre-emption within the specified period, the newly issued shares must be offered for subscription to those Shareholders who have exercised their pre-emption rights according to the procedure specified in the terms of share capital increase.

**Disclosure of ultimate beneficial owners.** A shareholder shall promptly, but not later than two weeks after receipt of request from the Management Board, notify the Company on its ultimate beneficial owner (UBO) exercising control through the Shareholder, or inform the Commercial Register directly on its ultimate beneficial owner.

#### 9.6. Articles of Association

The Company carries out corporate governance according to applicable law, internal policies and Articles of Association. The current version of the Articles of Association was adopted on 4 October 2024 available at: <https://ipo.kalvecoffee.com/>.

#### 9.7. Dividend policy

Each Shareholder has the right to a share in the profit of the Company distributed by way of dividends. Pursuant to Articles of Association dividends are paid to the Shareholders in proportion to the total of the nominal value of the Shares owned by them. The dividend policy of the Company was approved by the Extraordinary Meeting of Shareholders on 4 October 2024, available at: <https://ipo.kalvecoffee.com/>.

The annual General Meeting decides on the distribution of dividends based on proposal submitted by the Management Board on the amount of payable dividends, payout procedure and the report of the Supervisory Board.

Amongst other matters, the dividend policy which is in force at the date of this Information Document stipulates that "In compliance with any other obligations of the Company specified in the regulatory acts or agreements binding to the Company, the Management Board of the Company foresees that up to 20% (percent) of the financial year profit will be paid to the Company's Shareholders in the form of dividends, which is determined in the audited annual report of the Company prepared in accordance with Latvian Accounting Standards. At the same time, it is expected that the first three financial years of the Company, following the execution of the initial public offering (IPO) of the Company and admission to trading of its shares on the Nasdaq Riga alternative market First North, the primary target of the Company is to direct the generated profit towards the development of the Company".

The list of Shareholders who are entitled to participate in the distribution of profit and receive dividends shall be determined based on the list of Shareholders maintained by the Nasdaq CSD SE, which is fixed on the date determined by the General Meeting, whereas in respect of companies listed on the Nasdaq Riga, such date may not occur earlier than on

the tenth trading day after the General Meeting where the nature or extent of the rights arising from the securities were determined (rights conferred on holders of securities or their scope). Information regarding tax matters is available in Section 12.17 "Taxation".

#### 9.8. Supervisory Board regulations

According to the provisions of Commercial Law and Articles of Association, the Company has a Supervisory Board in place, consisting of a team of experienced professionals. In line with good corporate governance principles, the Company has developed Supervisory Board regulations, which have been approved by the Extraordinary Meeting of the Shareholders on 4 October 2024. The regulations provide requirements in addition to those specified by law, which include principles for organizing Supervisory Board activities, cooperation with Management Board and Shareholders, as well as process for organizing the Supervisory Board meetings. The said regulations also stipulate matters that are reserved for decision at Supervisory Board meetings, which are aligned with Articles of Association and everyday activities of the Company.

#### 9.9 Other good corporate governance practices and ESG Corporate governance

At the date of this Information Document, in the opinion of the Management Board, the Company is compliant with the applicable corporate governance regime in Latvia. The Company considers that transparent and good corporate governance is important for its long-term success, appropriate risk management and development. The Company has adopted regulations and practices as described in this Information Document, including Section 9 "SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE, ARTICLES OF ASSOCIATION" and further in this Section 9.9 "Other good corporate governance practices and ESG". In addition, the Issuer always ensures that appropriate due diligence process of potential partners (including AML and Sanctions screening) is carried out prior to conclusion of cooperation. At the date of this Information Document, there are no further corporate governance codes adopted at the Company.

#### People and employees

The Company ensures sustainable relationships with its customers and guests. As an employer the Company is always aiming to ensure a work environment that encourages personal and professional growth, to pay wages above the industry average, and provide career growth opportunities. The Company is dedicated in creating a diverse and inclusive team with an open-minded approach.

As a buyer, the Company screens its suppliers for their social and environmental performance to rule out bad social practices in the supply chain. The Company also ensures adequate sanctions screening for its partners, as well as necessary measures aimed at prevention of money laundering and terrorism and proliferation financing. A long-standing and meaningful relationship creation with its cooperation partners has been an important focus of the Company.

**Planet, supply chain**

The Company firmly believes in the saying that “we don’t have a planet B”. Thus, the Company recognizes its own status as a manufacturing company, which has an inherent environmental impact. For this reason, sustainable solutions are a priority in every aspect of the Company operations. The Company is dedicated to work with partners who have strong biodiversity policies in place when sourcing green coffee. These policies are essential for preserving forests and the local fauna that depend on these ecosystems. The Company aims to collaborate with suppliers who are pioneers in integrating ESG efforts into their coffee production processes.

In coffee preparation, the Company places a high priority on energy efficiency alongside maintaining coffee quality. Coffee shops are equipped with coffee machines of Victoria Arduino Maverick and TONE Swiss brewers. These machines feature innovative technology that makes coffee preparation more advanced and efficient, lowering the consequent impact on the environment. Packaging is also an important aspect of the Company operations as coffee needs to be protected from light, oxygen, and moisture, all of which can deteriorate coffee quality. To address this issue, the Company has implemented a deposit system for its local deliveries, as well as refillable coffee cans for retail customers. While the rest of the coffee still needs to be packaged, the Company has made sure that its packaging is completely recyclable, launching a new 3kg recyclable pack. According to the internal estimates of the Company currently over 200 kg of plastic have been reduced through zero-waste deliveries.

In addition, the Company applies a discount to coffee drinks, if a customer comes to the café with their own cup. This practice not only reduces waste, but also minimizes overall costs to the customer. Such an offer has proven to be quite popular, as according to the Company’s internal estimates 4 100 drinks have been served in a customer’s own cups. The Company also makes sure that the supply chain is fully transparent as it is significantly more streamlined compared to other commercial brands that offer coffee for mass consumption. Cooperation is carried out directly with growers or partners with specialty coffee exporters and importers. Unlike commercial coffee distributors, these specialty exporters and importers operate under different principles. The Company collaborates with intermediaries who guarantee transparency throughout the process, particularly in regions where additional value can be created, primarily financial. Collaboration is carried out with responsible and transparent intermediaries who share their values, such as Falcon Coffees, Ally Coffee and Raw Material. Alternatively, the Company follows the principle of direct trade, as in the case of SanCoffee, which is both coffee producer and exporter.<sup>6</sup>

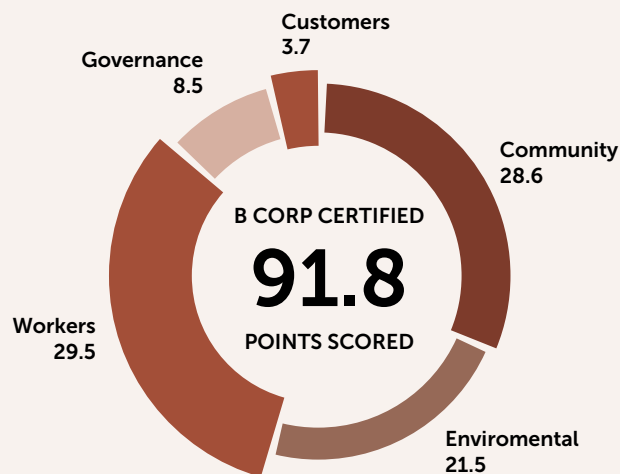
**B Corp certification**

In 2023 the Company became the first business in the Baltics to receive the prestigious sustainability certificate – B Corp, certifying the gold standard in ESG (environmental, social and governance) risk management. Already from its inception the Company has been consciously working on creating values, including openness, honesty, quality, courage and

sustainability aligning naturally with B Corp standards. B Lab is a non-profit organization that certifies Benefit Corporations, known as B Corp. Benefit Corporations are companies which meet the high standards of social and environmental performance, accountability and transparency<sup>7</sup>. It is unique due to its measurement standards towards company’s entire social and environmental impact. The process to obtain a certification is rigorous, as a company must:

- Demonstrate high social and environmental performance with at least 80 points for their B Impact Assessment score and passing the risk review of B Lab;
- Make a legal commitment by changing the corporate governance structure, aiming to be accountable to all stakeholders and shareholders;
- Exhibit transparency to ensure that the company’s performance, which is measured against B Lab standards, is publicly available.

The Company has always worked diligently to ensure a positive impact in all its directions – environment, employees, suppliers, customers and owners. To obtain the B Corp certification, the Company was actively engaged for two years, providing the relevant documents evidencing the Company’s responsibility and corporate governance practices. During this process, the Company changed some of its coffee bean suppliers, however from the inception the Company has adhered to fair trade principles. The Company has never purchased coffee beans on the open market or with unknown origin. Even when purchasing the coffee machines for use in KALVE cafes, eco-friendly machines are sought to ensure less energy consumption. Notably, the median score for businesses completing the B Corp application is 50.9 at the date of this Information Document<sup>8</sup>. Meanwhile, the Company achieved a score of 91.8 points. B Corps are required to recertify every three years.



Visual representation of B Corp score split for the Company  
Source: The Company

<sup>6</sup> <https://kalvecoffee.com/blogs/news/how-does-kalve-source-its-green-coffee>  
<sup>7</sup> <https://www.bcorporation.net/en-us/>  
<sup>8</sup> <https://www.bcorporation.net/en-us/find-a-b-corp/company/advanced-metrics/>

10.

# MANAGEMENT AND SUPERVISORY BODIES AND CONSULTANTS





### 10.1. Governance structure

The Management Board is the executive body of the Company, responsible for carrying out general and strategic management and representation of the Company in accordance with the Commercial Law and the Articles of Association. The Management Board is elected by the Supervisory Board.

The Supervisory Board is the supervisory body of the Company, which represents the interest of the Company and, within the scope of Commercial Law and Articles of Association, supervises the activities of the Management Board and development of the Company. The Supervisory Board is elected by the General Meeting. The meeting of Shareholders is the supreme management and decision-making body of the Company.

The business address of the members of the Supervisory Board, the Management Board is the registered legal address of the Company, being, Mazcenu aleja 43B, Jaunmārupe, Mārupes pag., Mārupes nov., LV-2166, Latvia.

Further information concerning General Meeting is provided in Section 9 "SHARE CAPITAL, SHARES AND OWNERSHIP STRUCTURE, ARTICLES OF ASSOCIATION".

### 10.2. Management Board

#### Responsibilities and functions

The Management Board is the responsible body of the Company for supervision and management of Company affairs. The Management Board is responsible for the commercial activities and accounting of the Company as well as the administration of Company property in compliance with the law, the Articles of Association and the resolutions of the shareholders meeting. Management Board members are elected by the Supervisory Board. The chair of the Management Board is appointed by the Supervisory Board among the Management Board members. In accordance with the Articles of Association, the Management Board of the Company consists of three Management Board members. Management Board members have the right to represent the Company together with another member, whereas the Chairman has the rights to represent the Company solely.

According to the Commercial Law, the Management Board can adopt decisions if more than half of its members take part in the meeting. Decisions are adopted by a simple majority of votes cast at the Management Board meeting. The Management Board is required to report in writing on its activities to the Supervisory Board once every quarter and, at the end of the year, to the General Meeting.

For making decisions on issues of significant importance, the Management Board requires the consent of the Supervisory Board in line with the Articles of Association of the Company, in addition to requirements laid down by law. According to the Commercial Law, a member of the Management Board of the Company is elected to its position for five years.

#### List of Management Board Members at the date of this Information Document:

FIRST NAME, LAST NAME	POSITION	APPOINTMENT DATE	EXPIRY DATE
Gatis Zēmanis	Chairman of Management Board	20.09.2024.	20.09.2029.
Raimonds Selga	Management Board Member	20.09.2024.	20.09.2029.
Jānis Viesturs Zēgners	Management Board Member	20.09.2024.	20.09.2029.



## Professional experience and background of Management Board members



### **GATIS ZĒMANIS**

**Co-founder and CEO,  
Chairman of Management Board**

Gatis Zēmanis is the co-founder and CEO of the Issuer. He is also the Chairman of the Management Board. Gatis Zēmanis is a passionate entrepreneur with a deep commitment to sustainability and ethical business practices. After working in the coffee industry for 15 years, Gatis decided to create a company that aligns with his values of responsible business practice and quality. His motivation for founding the Issuer in was driven by a desire to do something meaningful that balances financial interests with emotional and social values. He is a visionary leader who is not only focused on coffee excellence but also keen on making the coffee industry more ethical. Thanks to the successful and long experience in the coffee and hospitality industry, Gatis Zēmanis can create a long-term strategy for the Company and build a capable team. Gatis Zēmanis is also a Shareholder of the Company at the date of this Information Document (further see Section 9.2 "Shareholders").

As at the date of this Information Document positions and activities of Gatis Zēmanis outside the Issuer are not significant with respect to the Issuer.



### **RAIMONDS SELGA**

**Co-founder and COO,  
Management Board Member**

Raimonds Selga is the co-founder and COO of the Issuer, who has been active in the specialty coffee industry for over ten years. As part of his operation, Raimonds is involved in all aspects of the coffee operations, including green coffee procurement, roasting profile development and post-roasting quality control. He has dedicated his work to fostering direct and transparent relationships with coffee growers, exporters and importers. In addition, Raimonds Selga leads and supports the technical team managing a range of coffee equipment brands. Raimonds is a World Coffee Championships (WCC) certified judge with experience judging international competitions, including the World Coffee in Good Spirits Finals in Copenhagen 2024 and the World Brewers Cup Athens 2023, as well as various events across Europe. He has been selected to participate in the WCC representative training (rep-in-training) programme, which will make him the first World Coffee Championship representative from the Baltics. He is also a certified Q Arabica Grader, one of only four registered license holders in the Baltics, which underlines his commitment to the highest quality and excellence at the Issuer. Raimonds Selga is also a Shareholder of the Company at the date of this Information Document (further see 9.2 "Shareholders").

As at the date of this Information Document positions and activities of Raimonds Selga outside the Issuer are not significant with respect to the Issuer.



## JĀNIS VIESTURS ZĒGNERS

**Chief Financial Officer (CFO),  
Management Board Member**

He holds a master’s degree in Management Science from Vrije Universiteit Brussels and Solvay Business School and has 10 years of experience in corporate finance. After graduating, he joined the finance team at Airbus, where he worked closely with the group’s CFO and executive management team, primarily focusing on financial planning & analysis (FP&A). Over the past decade, he has gained extensive experience in financial analysis, modelling, reporting, and providing strategic financial insights. In recent years, Jānis Viesturs Zēgners started his own financial advisory firm, through which he holds the CFO position at a Danish wave energy startup and consults startups and SMEs on improving their strategic business plans and financial infrastructure.

As at the date of this Information Document positions and activities of Jānis Viesturs Zēgners outside the Issuer are not significant with respect to the Issuer.

### 9.3. Supervisory Board

#### Responsibilities and functions

The Supervisory Board is the responsible institution of the Company for representing Shareholders’ interests between Shareholders’ Meetings and supervising Management Board activities and the development of the Company in the scope laid down by the Commercial Law and the Articles of Association. Among the key functions of the Supervisory Board are electing and removing Management Board members, monitoring that Company business is conducted according to the law, the Articles of Association and decisions of Shareholders’ meetings, examining annual accounts, submitting proposals to the Management Board for use and allocation of profits, approving the general principles of operation and the development and financial objectives of the Company, also supervision of the implementation thereof, monitoring the operation of the internal control and risk management systems.

According to the Articles of Association, the Supervisory Board consists of three members elected by the Shareholders’ Meeting for a term of 5 years. The chair and deputy chair of the Supervisory Board are elected by the Supervisory Board members amongst themselves. The Supervisory Board can adopt a decision if more than half of the Supervisory Board members are present at the meeting. Decisions are adopted by a simple majority vote of the Supervisory Board members present. A Supervisory Board member may be recalled from office at any time by a decision of the Shareholders’ Meeting. Meetings of the Supervisory Board are convened according to necessity, but not less than once in each calendar quarter.

#### List of Supervisory Board Members at the date of this Information Document:

FIRST NAME, LAST NAME	POSITION	APPOINTMENT DATE	EXPIRY DATE
Rūdolfs Strēlis	Chairperson of Supervisory Board	20.09.2024.	20.09.2029.
Justīne Lība Elferte	Deputy Chairperson of Supervisory Board	20.09.2024.	20.09.2029.
Jānis Andersons	Supervisory Board Member	20.09.2024.	20.09.2029.

## Professional experience and background of Supervisory Board members



### RŪDOLFS STRĒLIS

#### Chairperson of Supervisory Board

Rūdolfs Strēlis is the Chairperson of the Supervisory Board of the Issuer. Rūdolfs Strēlis is a service designer and strategist with professional experience in large private and public organizations. In 2017, Rūdolfs Strēlis graduated from Pratt Institute with a master's degree in design management. Professional experience includes working at Tiffany's on CSR strategies, the Ministry of Economics in the foreign investment unit, Latvijas Mobilais Telefons (LMT) as the innovation lead for 5G technologies, and If Insurance, supporting Nordic teams in creating digital services for insurance. Experience from large organizations has been transferred to additional design projects managed by the co-founded design studio Hint, where he holds the head of strategy position. Top skills include seeing the big picture, communicating, and turning intangible ideas into testable prototypes. The main values are honest communication, doing what feels right, and keeping things fun.

As at the date of this Information Document positions and activities of Rūdolfs Strēlis outside the Issuer are not significant with respect to the Issuer.



### JUSTĪNE LĪBA ELFERTE

#### Deputy Chairperson of Supervisory Board

Justīne Lība Elferte is the Deputy Chairperson of the Supervisory Board of the Issuer. She is a strategic management professional with over 10 years of experience across NGO, public, private, and startup sectors. Justine holds an LLM in international and European law from the Riga Graduate School of Law and is a PMI-certified Project Management Professional. Her core competencies include strategic planning, stakeholder management, fundraising, capacity-building projects, and operational strategy, positioning her as a versatile leader in complex, dynamic environments. She honed these skills while serving as head of the international department at Riga Graduate School of Law, head of strategic development at the Latvian Transatlantic Organisation and project manager for the Financial Intelligence Unit of Latvia. Her strategic vision and leadership have been instrumental in successfully coordinating large-scale initiatives and raising over 3 million euros in funding. Currently serving as head of operations at Longenesis, a Latvian HealthTech startup, Justīne Lība Elferte oversees strategic planning, operational efficiency, and team management.

As at the date of this Information Document positions and activities of Justīne Lība Elferte outside the Issuer are not significant with respect to the Issuer.



## JĀNIS ANDERSONS

### Supervisory Board Member

Jānis Andersons is the Supervisory Board Member and co-founder of the Issuer. Jānis Andersons is a designer who specializes in both graphic and interior design. Jānis Andersons is a brand author and entrepreneur with vast experience and the ability to create visually exciting and functionally complementary design solutions. Jānis primarily works with private projects and has created successful graphic identity, packaging and interior designs that have won awards both in Latvia and abroad. Jānis Andersons is the owner and manager of the design studio Field, which has created brands such as Etide Botanicals and the Issuer (Kalve Coffee brand). He has created designs for such brands as Valmiermuižas Alus, Latvijas Balzāms, Pavāru Māja, Pūre Chocolate, Kuldīga Piano Festival, Rīga Champagnes, Better Bread, Mikla and others. Jānis Andersons is also a Shareholder of the Company at the date of this Information Document (further see 9.2 "Shareholders").

As at the date of this Information Document positions and activities of Jānis Andersons outside the Issuer are not significant with respect to the Issuer.

### 10.4. Statutory Auditor

Audited Financial Statement (pertaining to the financial year ending on 31 December 2023) has been audited by the audit firm SIA Ilzes Priedes revidentu birojs, registration number: 50103254791, legal address: Brīvības iela 188 – 2, Rīga, LV-1012, Latvia.

SIA Ilzes Priedes revidentu birojs is the certified auditor (licence No. 202), and a member of the Latvian Association of Certified Auditors.

The Company's Interim Financial Statement (reviewed stand-alone interim financial report for the 6-month period ended 30 June 2024) has been reviewed by the audit firm SIA Grant Thornton Baltic, registration number: 50003619401, legal address: Blaumaņa iela 22, Rīga, LV-1011, Latvia.

SIA Grant Thornton Baltic has been appointed as the certified auditor of the Company (licence No. 183) for the present financial year (2024) and is a member of the Latvian Association of Certified Auditors.

The financial year for the Company is from 1 January to 31 December.

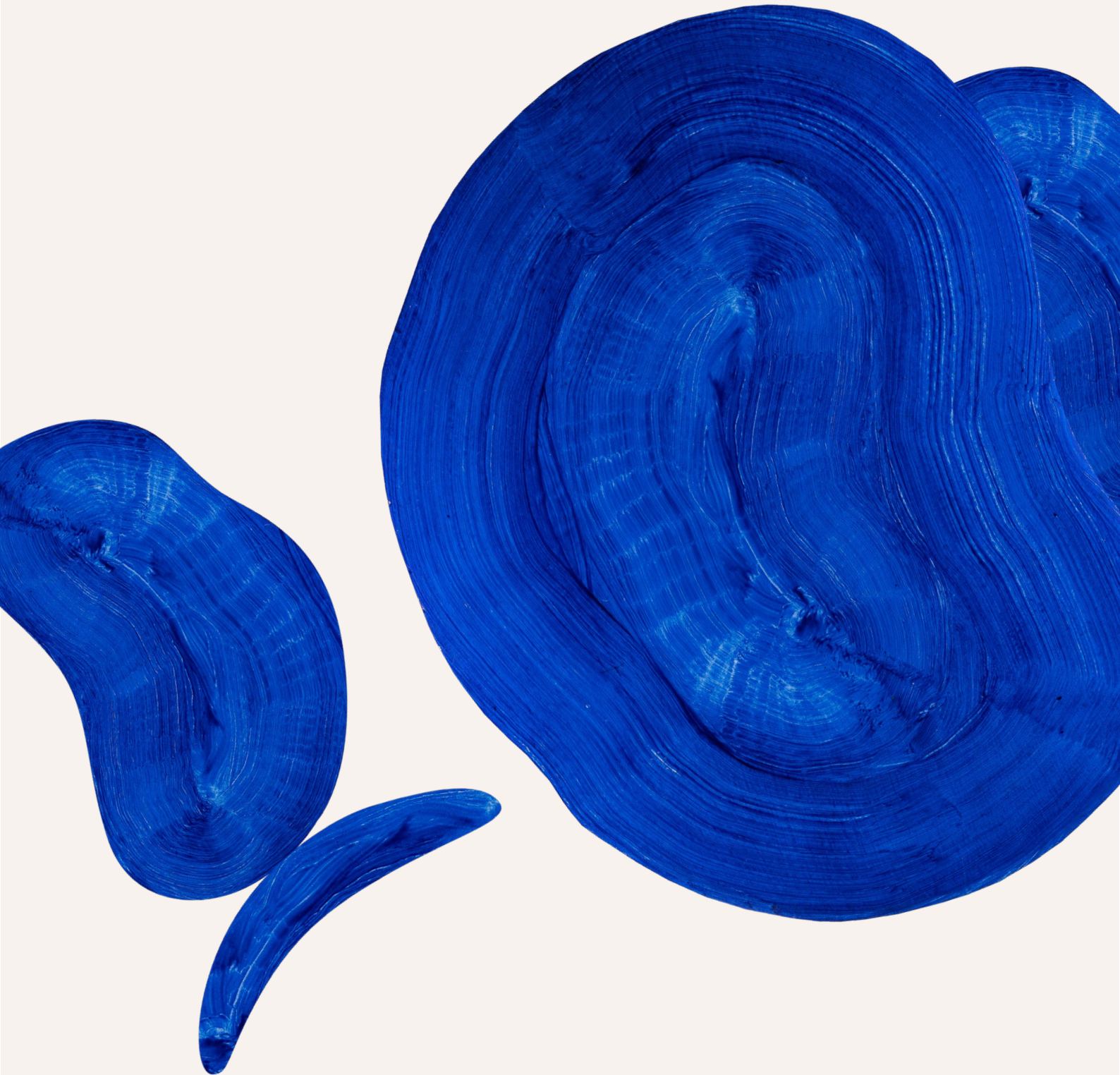
### 10.5. Conflicts of interest and other declarations

The Company is not aware of any potential conflict of interests between any duties to the Company of the Management Board members or the Supervisory Board members of the Company. The Company is not aware of any other conflicts of interest which may be significant regarding the Offer Shares pursuant to this Information Document.



11.

# FINANCIAL INFORMATION





The financial information contained in this Section is extracted from the audited financial statements of the Issuer pertaining to the financial year ending on 31 December 2023 (the **"Audited Financial Statement"**) and reviewed financial statement of the Issuer pertaining to the 6-month period ending on 30 June 2024 (the **"Interim Financial Statement"**), (Audited Financial Statement and Interim Financial Statement together referred to as the **"Financial Information"**), which are incorporated into this Information Document by reference.

### 11.1. Financial Information of the Issuer

#### Statement of Income, EUR

The table below sets out selected information from the Issuer's statement of income for the year ended 31 December 2023 and the six-month period ended 30 June 2024.

ITEM	YEAR ENDED: 31 DECEMBER 2023		SIX-MONTH PERIOD: ENDED 30 JUNE 2023	SIX-MONTH PERIOD: ENDED 30 JUNE 2024
	AUDITED	UNAUDITED & RESTATED*	UNAUDITED & RESTATED*	REVIEWED
Net turnover	2 488 766	2 488 766	1 063 983	1 492 249
From other core business activities	2 488 766	2 488 766	1 063 983	1 492 249
Cost of goods sold, cost of purchased goods or services provided	(1 932 072)	(1 076 281)	(468 660)	(754 712)
<b>Gross profit or loss</b>	<b>556 694</b>	<b>1 412 485</b>	<b>595 323</b>	<b>737 537</b>
Selling expenses	(198 667)	(1 008 002)	(425 770)	(437 285)
Administrative expenses	(271 225)	(317 681)	(147 228)	(189 483)
Other operating income	32 366	32 366	27 184	6 897
Other operating expenses	(41 040)	(41 040)	(2 086)	(7 940)
Interest payments and similar expenses	(20 939)	(20 939)	(9 213)	(8 280)
To other entities	(20 939)	(20 939)	(9 213)	(8 280)
<b>Profit or loss before corporate income tax</b>	<b>57 189</b>	<b>57 189</b>	<b>38 210</b>	<b>101 446</b>
Corporate income tax for the reporting year	(3 750)	(3 750)	0	(1 042)
<b>Profit or loss after calculation of corporate income tax</b>	<b>53 439</b>	<b>53 439</b>	<b>38 210</b>	<b>100 404</b>
<b>Profit or loss for the reporting year</b>	<b>53 439</b>	<b>53 439</b>	<b>38 210</b>	<b>100 404</b>

\* Note: The statement of income for the year ended 31 December 2023 was restated according to a new cost allocation implemented in 2024 to ensure comparability between both reporting periods. The total profit for the reporting period remains unchanged.

**Statement of Financial Position, EUR**

The table below sets out selected information from the Issuer’s statement of financial position for year ended 31 December 2023 and the six-month period ended 30 June 2024.

ITEM	YEAR ENDED 31 DECEMBER 2023	SIX-MONTH PERIOD ENDED: 30 JUNE 2024
	AUDITED	REVIEWED
<b>ASSETS</b>		
<b>Fixed assets:</b>		
Long-term investments in leased fixed assets	32 625	29 130
Technological equipment and devices	102 521	95 491
Other fixed assets and inventory	239 363	254 220
<b>Total fixed assets</b>	<b>374 509</b>	<b>378 841</b>
<b>Total long-term investments</b>	<b>374 509</b>	<b>378 841</b>
<b>Current Assets</b>		
<b>Inventory:</b>		
Raw materials, basic materials, and auxiliary materials	89 504	110 590
Work in progress and orders	14 526	9 230
Finished goods and goods for sale	156 567	114 133
Advance payments for inventory	2 182	0
<b>Total inventory</b>	<b>262 779</b>	<b>233 953</b>
<b>Receivables</b>		
Trade receivables and customer orders	76 736	91 043
Other receivables	8 779	12 681
Prepaid expenses	1 625	710
<b>Total receivables</b>	<b>87 140</b>	<b>104 434</b>
<b>Short-term Financial Investments</b>		
Cash	66 443	73 692
<b>Total current assets</b>	<b>416 362</b>	<b>412 079</b>
<b>ASSETS</b>	<b>790 871</b>	<b>790 920</b>

**Statement of Financial Position, EUR**

ITEM	YEAR ENDED 31 DECEMBER 2023	SIX-MONTH PERIOD ENDED: 30 JUNE 2024
	AUDITED	REVIEWED
<b>EQUITY AND LIABILITIES</b>		
<b>Equity:</b>		
Share capital (registered capital)	2 800	2 800
Retained earnings	154 240	254 644
Retained earnings from previous years or accumulated losses assets and inventory	100 801	154 240
Profit or loss for the reporting year	53 439	100 404
<b>Total equity</b>	<b>157 040</b>	<b>257 444</b>
<b>Creditors</b>		
<b>Long-term creditors:</b>		
Loans from credit institutions	94 317	111 741
Other loans	77 175	75 086
<b>Total long-term creditors</b>	<b>171 492</b>	<b>186 827</b>
<b>Short-term creditors:</b>		
Loans from credit institutions	75 468	113 339
Other loans	35 030	33 594
Advances received from customers	6 021	3 305
Liabilities to suppliers and contractors	38 231	16 549
Taxes and mandatory contributions to state social insurance	216 555	80 524
Other creditors	44 366	47 337
Accrued liabilities	46 668	52 001
<b>Total short-term creditors</b>	<b>462 339</b>	<b>346 649</b>
<b>Total creditors</b>	<b>633 831</b>	<b>533 476</b>
<b>EQUITY AND LIABILITIES</b>	<b>790 871</b>	<b>790 920</b>

\*As of 4 October 2024, the Company's share capital was EUR 25 000, consisting of 25 000 shares with a nominal value of EUR 1 per share. On 4 October 2024, the Company undertook two consecutive corporate actions: 1) The nominal value of each share was changed from EUR 1 to EUR 0.10, and 2) the share capital was increased by EUR 75 000 through the issuance of 750 000 new shares, each with a nominal value of EUR 0.10, by capitalizing retained earnings of the Company. The newly issued shares were distributed to existing shareholders on a pro-rata basis. Consequently, following these corporate actions, the Company's share capital is EUR 100 000, divided into 1 000 000 shares, each with a nominal value of EUR 0.10 at the date of this Information Document before the Offering.

## 11.2. Insight into Issuer's Financial Standing

In the first half of 2024, the Issuer demonstrated significant growth in both production volumes and financial results. The Issuer's growth and operational expansion has been in line with the long-term development strategy, which anticipates further substantial growth in the coming years.

The revenue increase was driven by higher sales in our coffee shop network in Latvia and the growth of our B2B client portfolio.

EBIT and EBITDA almost doubled in 2024 compared to previous year. This significant growth was driven by several factors, including improving production efficiency, cost control, and growing sales volumes in both domestic and export markets. This is also reflected in the improved margins.

Along with the increase in profit, the volume of coffee produced in the first half of 2024 increased by 15% compared to the same period last year. This growth indicates a growing demand for the Issuer's products and more efficient production methods that ensure greater production capacity.

This year, the Issuer took several significant steps to improve production and sales efficiency. The Issuer's production capacity was optimised thanks to investments in modern equipment, as well as improvements in logistics and supply chain management. As a result of these upgrades, the Issuer has been able to reduce production costs and increase profit margins while ensuring higher productivity.

The performance in the third quarter of 2024 confirms the strong results achieved in the first half of the year. The unaudited and preliminary financial results, which may change upon the audit of the 2024 financial year, show revenue in the amount of EUR 2 483 763 for the nine-month period ended 30 September 2024, compared to EUR 1 770 709 in the same period of the previous year. EBIT and EBITDA increased to EUR 273 479 and EUR 349 313, respectively.

### Alternative performance measures (APM)

The Issuer uses alternative performance measures (APMs) derived from the Financial Statements to assess its financial and operational performance. This information should be viewed as supplemental to the Issuer's Financial Information.

				6 months 2024	Q3 2024	9 months 2024
Coffee sold in kg, growth vs previous year (%)				+11	+24	+16
Alternative Performance Measures (APM) *	6 months 2023	Q3 2023	9 months 2023	6 months 2024	Q3 2024	9 months 2024
EBIT, EUR	47 423	(51 496)	(4 073)	109 726	163 753	273 479
EBIT margin (%)	4	(7)	0	7	16	11
EBITDA, EUR	83 942	(28 777)	55 165	163 325	185 989	349 313
EBITDA margin (%)	8	(4)	3	11	19	14

\*Not audited. However, EBIT and EBITDA is calculated based on audited and unaudited profit and certain positions in the audited Financial Statements.

EBIT (Earnings Before Interest and Taxes) and EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), and the respective margins, are widely accepted standard metrics for tracking profitability and helping the Issuer to better understand its business performance. These metrics help assess the Issuer's ability to generate profits and cash flows from its day-to-day activities.

The Issuer defines its APM as follows:

EBIT: Profit or loss for the reporting year excluding corporate income tax and interest payments and similar expenses.

EBITDA is defined as EBIT, excluding depreciation of fixed assets and amortisation of intangible assets. Depreciation refers to the allocation of the cost of tangible fixed assets, such as machinery, over their useful life. Amortisation is a similar process but applies to intangible assets, like websites. These adjustments help provide a clearer view of the Company's operating performance by removing non-cash expenses related to past investments in assets. The information and financial impacts are provided in the Notes to our Financial Statements, and are accounted for under Costs of Goods Sold, Marketing & Selling expenses and Administration expenses.

### **Management Guidance for 2025**

The Issuer operates under the assumption of stable economic conditions and the absence of significant geopolitical disruptions in the Baltic region and key supplier markets.

Based on the Issuer's growth in 2024 compared to the previous year, and assuming an equity raise of at least EUR 1 000 000 by the end of 2024, the Issuer is targeting an EBITDA of EUR 1 200 000 in 2025.

### **Working Capital**

The Issuer confirms that in its opinion the working capital available is sufficient for its present requirements and will be adequate to meet its financial obligations and operational needs for at least the next 12 months from the date of this Information Document. This assessment is based on reasonable assumptions regarding the Issuer's projected cash flows, current financial position, and access to capital resources, ensuring the continuity of business operations without any material interruptions.

The Issuer will regularly assess the need for new financing, particularly to support investments into future growth. As at the date of the Information Document no significant new equity raising is foreseen for at least eighteen months.

### **Accounting Policies**

#### **Legal Basis for Preparation of Financial Statements**

The financial statements are prepared in accordance with the Accounting Law of the Republic of Latvia, the Law on Annual Reports and Consolidated Annual Reports, and Cabinet Regulations No. 775. The Issuer is classified as a small company under Article 5 of the Law on Annual Reports and Consolidated Annual Reports, and the profit and loss statement is structured by the function of expenses.



### **Applied Accounting Principles**

The following accounting principles have been applied:

- The company assumes ongoing future operations.
- Consistent valuation methods are applied year over year.
- Prudence is observed, with only realised profits included, while accounting for foreseeable risks, losses, and asset impairments.
- Financials are prepared on an accrual basis, recognising revenues and expenses when they occur, regardless of payment timing.
- Expenses are matched with corresponding revenues by reporting period.
- Opening balances match the previous year's closing figures, and any reclassifications are explained.
- Assets and liabilities are evaluated separately.
- Transactions are recorded based on their economic substance, not just legal form.
- Items in the balance sheet and profit and loss statement are valued at acquisition or production cost.

Additionally, all significant items impacting the understanding of the financial statements are fully disclosed.

12.

# TERMS AND CONDITIONS OF *THE OFFERING*



### 12.1. The Offering

In the course of the Offering, up to 250 000 Offer Shares are being offered by the Company.

The Offer Shares are offered (i) publicly to retail investors in Latvia and Estonia (the **"Retail Offering"**); and (ii) non-publicly to qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the **"Prospectus Regulation"**) in certain selected Member States of the European Economic Area as well as other selected investors in accordance with the exemptions set out in the legislation of the Member States (the **"Institutional Offering"**). The public offering shall take place in Latvia and Estonia only and Offer Shares shall not be publicly offered in any other jurisdiction.

Shares (also the Offer Shares will be) dematerialized shares with the nominal value of EUR 0.10 each. The Shares are registered with Nasdaq CSD under ISIN LV0000102234 after the publication of this Information Document and before the start of the Offer Period and will be kept in book-entry form. No share certificates have or may be issued. The Offer Shares are denominated in euro and governed by the laws of Latvia. The Offer Shares are freely transferable.

All the Shares, including the Offer Shares, are of one class, rank pari passu with each other and carry equal rights to dividends declared by the Company (if any). For further information of the rights attached to the Shares, including the Offer Shares, please refer to Section 9.3 "Rights attached to Shares" of this Information Document.

The division of the Offer Shares between the Retail Offering and the Institutional Offering has not been predetermined and will be decided by the Company in accordance with the principles described in Section 12.7 "Allocation of the Offer Shares" of this Information Document. The total amount of Offer Shares may decrease in case any part of the Offering is cancelled (please refer to Section 12.14 "Postponement or Cancellation of the Offering" of this Information Document).

#### The indicative timetable of the Offering

Start of the Offer Period	13 November 2024 at 10.00 Riga time
End of the Offer Period	29 November 2024 at 15.30 Riga time
Announcement of results of the Offering and Allocation	2 December 2024
Settlement of the Offering	On or about 4 December 2024
First trading day on Nasdaq Riga First North	On or about 6 December 2024

### 12.2. Offer Period

The Offer Period is a period during which persons who have a right to participate in the Retail Offering and the Institutional Offering may submit Subscription Undertakings for the Shares. The Offer Period commences on 13 November 2024 at 10.00 Riga time and terminates on 29 November 2024 at 15.30 Riga time in Latvia and Estonia unless it is shortened or extended (described in more detail in Section 12.12 "Change to the Offer Price and Offer Period" of this Information Document).

The time of the termination of the Offer Period on 29 November 2024 at 15.30 Riga time has been indicated subject to the closing of auction system of Nasdaq Riga through which each financial institution that is a member of Nasdaq Riga will register the received Subscription Undertakings.

It cannot be guaranteed that each financial institution that is a member of Nasdaq Riga will provide the possibility to submit the Subscription Undertakings until 15.30 Riga time as the timetable of closing the respective systems may vary. Investors are recommended to contact the financial institutions that are members of Nasdaq Riga for more details with respect to the deadline of submission of Subscription Undertakings on 29 November 2024 at 15.30 Riga time.

### 12.3. Retail Offering

#### Rights to participate in the Retail Offering

The Retail Offering is directed to all retail investors in Latvia and Estonia. For the purposes of the Retail Offering, a natural person is considered to be "in Latvia", if such person has a securities account with a financial institution which is a member of Nasdaq Riga. A legal person is considered to be "in Latvia", if such person has a securities account with a financial institution which is a member of Nasdaq Riga, or such person's registration number is a registration number of the Commercial Register.

For the purposes of the Retail Offering, a natural person is considered to be "in Estonia", if such person has a securities account with a financial institution which is a member of Nasdaq Riga. A legal person is considered to be "in Estonia", if such person has a securities account with a financial institution which is a member of Nasdaq Riga, or such person's registration number registered is a registration number of the Estonian Commercial Register.

The Offering is not addressed to investors who are Russian or Belarusian nationals or natural person residing in Russia or Belarus. The latter shall not apply to nationals of a Member States of the European Union or natural persons holding a temporary or permanent residence permit in a Member State of the European Union. The Offering is also not addressed to investors that is a legal person, entity or body established in Russia or Belarus.

#### Submitting Subscription Undertakings in Retail Offering

Subscription Undertakings may only be submitted during the Offer Period. An investor participating in the Offering may apply for the Offer Shares for the Offer Price only. The minimum investment amount is EUR 6.00 for which an inves-

tor can subscribe for one share. All investors participating in the Offering may submit Subscription Undertakings in euros only. An investor shall bear all costs and fees charged in connection with the submission, cancellation or amendment of a Subscription Undertaking pursuant to the price list of the respective financial institution who is a member of the Nasdaq Riga accepting the Subscription Undertaking.

In order to subscribe for the Offer Shares an investor must have a securities account with a financial institution which is a member of Nasdaq Riga. The Subscription Undertakings submitted within the Retail Offering are registered through the auction system of Nasdaq Riga.

Investors may open a securities account through financial institution which is a member of Nasdaq Riga. The list of financial institutions that are members of Nasdaq Riga is available on the webpage of Nasdaq Riga at <https://nasdaqbaltic.com/statistics/en/members> (in order to review the list of members of the Nasdaq Riga, the selection "Riga" should be made).

### Submission of Subscription Undertakings within Retail Offering

An investor wishing to subscribe for the Offer Shares must contact the financial institution, which is a member of the Nasdaq Riga and manages such investor's securities account and submit a Subscription Undertaking for the purchase of Offer Shares in a form accepted by the financial institution and in conformity with the terms and conditions of the Information Document. The investor may use any method that such investor's account operator offers to submit the Subscription Undertaking (e.g., physically at the client service venue of the account operator, via internet bank or by other means).

An investor may submit a Subscription Undertaking through a nominee account only if such investor authorises in writing the holder of the nominee account to disclose in writing the investor's identity to Nasdaq Riga. Subscription Undertakings submitted through nominee accounts shall be taken into account in allocation only if the owner of the nominee account has disclosed in writing to Nasdaq Riga the investor's identity, place of residence or seat, personal identification number or registry code, the number of securities subscribed for and the total amount of the transaction. Among others, the person's permanent address, personal identification number or the registered address of a legal person must be disclosed. An investor may submit a Subscription Undertaking either personally or through a representative whom the investor has authorised to submit the Subscription Undertaking.

A Subscription Undertaking is deemed submitted from the moment Nasdaq Riga receives a duly completed transaction instruction from the financial institution managing investor's securities account. An investor must ensure that all information contained in the Subscription Undertaking is correct, complete and legible. The Company reserves the right to reject any Subscription Undertakings which are incomplete, incorrect or illegible, or which have not been completed and submitted during the Offer Period in accordance with all the terms and conditions of the Information Document.

By submitting a Subscription Undertaking each investor:

1. confirms that they have read this Information Document and its Summary, including (but not limited to) risk factors set out in this Information Document and a description of rights and obligations resulting from the ownership of the Shares;
2. accepts the terms and conditions of the Offering set out in this Section and elsewhere in this Information Document and agrees with the Company that such terms will be applicable to the investor's acquisition of any Offer Shares;
3. acknowledges that the Offering does not constitute a binding sales offer of the Offer Shares, and that the submission of a Subscription Undertaking does not constitute the acceptance of a binding sales offer, and therefore does not in itself entitle the investor to acquire the Offer Shares, nor does it result in an agreement for the sale of the Offer Shares between the Company and the investor;
4. accepts that the number of the Offer Shares indicated in the Subscription Undertaking will be regarded as the maximum number of Offer Shares which the investor wishes to acquire (the "**Maximum Amount**") and that the investor may receive less (but not more) Offer Shares than the Maximum Amount (described in more detail in the Section 12.7 "Allocation of Offer Shares");
5. undertakes to acquire and pay for any number of Offer Shares allocated to them in accordance with these terms and conditions up to the Maximum Amount;
6. authorises the financial institution and instructs them to forward the registered Subscription Undertaking to Nasdaq Riga;
7. consents to the processing of investor's personal data to the extent such data processing is required for the purposes of the Offering in accordance with this Information Document;
8. authorises the financial institution, or Nasdaq Riga, as the case may be, to amend the information contained in the Subscription Undertaking, including to (a) specify the value date of the transaction and (b) specify the number of Offer Shares to be purchased by the investor and the total amount of the transaction, which results by multiplying the Offer Price by the number of Offer Shares allocated to the respective investor.

Investors have the right to amend or cancel their Subscription Undertakings at any time until the end of the Offer Period. To do so, the investor must contact the financial institution which is a member of Nasdaq Riga through whom the Subscription Undertaking in question has been made and carry out the procedure required by the financial institution for amending or cancelling the Subscription Undertaking (such procedures may differ between different financial institutions).



## 12.4. Institutional Offering

### Rights to participate in the Institutional Offering

The Institutional Offering is directed at qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in member states of the European Economic Area, except Latvia, Estonia, and to other investors in reliance on certain exemptions available in the laws of respective member states. The Institutional Offering is carried out non-publicly. The Institutional Offering is not subject to a minimum subscription consideration.

### Submitting Subscription Undertakings in the Institutional Offering

In order to subscribe for the Offer Shares in the Institutional Offering, an application must be submitted during the Offer Period informing the financial institution, who is a member of Nasdaq Riga of the number of Offer Shares the investor wishes to subscribe (the **"Subscription Undertaking"**). Investors have to submit the Subscription Undertaking with a value date that enables settlement "delivery versus payment" on 4 December 2024.

Institutional investors should contact a financial institution, who is a member of Nasdaq Riga, who manages the securities account of the respective investor, and submit a Subscription Undertaking in a format accepted by the respective financial institution for subscribing to the Offer Shares. An investor may use any method suggested by the financial institution for submitting the Subscription Undertaking (e.g., physically at the location of the broker or the bank's customer service, via Internet Bank or in any other way).

The investor may amend the Subscription Undertaking or cancel it at any time before the end of the Offer Period. For this, the investor should contact the financial institution through which the respective Subscription Undertaking was submitted, and carry out the actions required by the financial institution for changing or annulling the Subscription Undertaking. Upon ending of the Subscription Period, all Subscription Undertakings which have not been cancelled become binding on the investor.

An investor may submit the Subscription Undertaking through a nominee account only in case the investor authorises the holder of the nominee account to disclose the identity of the investor to Nasdaq Riga in writing. Subscription Undertakings submitted via nominee accounts shall be taken into account upon allocation only if the holder of the nominee account has disclosed the investor's identity, seat and registry code, the number of securities subscribed for and the total amount of the transaction to or Nasdaq Riga in writing. Among others, the registered address of a legal person must be disclosed.

### 12.5. Offer Price

The Offer Price is EUR 6.00 per one Offer Share, of which EUR 0.10 is the nominal value of one Offer Share and EUR 5.90 is the share premium. The Offer Price will be the same in the Retail Offering and in the Institutional Offering.

### 12.6. Payment

By submitting a Subscription Undertaking, each investor authorises the financial institution managing the investor's

current account connected to their securities account to immediately block the whole transaction amount on the investor's current account until the settlement is completed or funds are released in accordance with the terms and conditions of this Information Document. The transaction amount to be blocked will be equal to the subscription price multiplied by the Maximum Amount. An investor may only submit a Subscription Undertaking when there are sufficient funds on the current account. The Offer Shares allocated to the investor shall be paid for pursuant to that which is described in the Section 12.9 "Settlement".

Depending on the terms and conditions of the financial institution, which is a member of Nasdaq Riga, the financial institution which operates the current account connected to the investor's securities account, may immediately block the whole transaction amount on the investor's current account until the settlement is completed or funds released in accordance with the terms and conditions described in this Information Document. The Offer Shares allocated to the investor shall be paid for pursuant to as described in Section 12.9 "Settlement"

### 12.7. Allocation of the Offer Shares

The Company will decide on the allocation of the Offer Shares after the expiry of the Offering Period, on or about 2 December 2024. The allocation of the Offer Shares between the Retail Offering and the Institutional Offering has not been previously determined. The Company will determine the exact allocation upon its sole discretion taking into account factors such as the quantitative and the qualitative analysis of the order book and information provided in this Information Document.

Employees of the Issuer as at the date of the Information Document who submitted a Subscription Undertaking in the Retail Offering will receive priority allocation of the first 100 (one hundred) Offer Shares subscribed for.

The Offer Shares will be allocated to the investors participating in the Retail Offering in accordance with the following principles, which the Company may change depending on the distribution of subscription undertakings collected in the Retail Offering and the Institutional Offering, the total demand and other circumstances.

A Subscription Undertaking is deemed submitted from the moment Nasdaq Riga receives a duly completed transaction instruction from the financial institution managing investor's securities account (please see Section 13 "Glossary" of this Information Document).

Each investor will receive a minimum number of shares subscribed for. This will apply for the first 100 (one hundred) shares an investor subscribes for and is expected to represent the threshold required to participate in the shareholder loyalty programme. In any event, if subscribed for at least 100 (one hundred) shares, the investor will be eligible to participate in the shareholder loyalty programme of the Issuer. In case of exceptional demand for the Offer Shares, the Company reserves the right to adjust the minimum guaranteed Allocation of the Offer Shares, however such minimum would also correspond with the number of shares required to participate



in the shareholder loyalty programme.

The Issuer is anticipating to introduce the loyalty programme and shall publish information on the loyalty programme terms after admission to trading on Nasdaq Riga First North by publishing the relevant information on the website of Nasdaq Riga <https://nasdaqbaltic.com/statistics/en/news> and the Issuer's website (<https://ipo.kalvecoffee.com/>). It is expected that the loyalty programme would include various discounts for the Issuer's products and services offered. It is envisaged that at least 100 (one hundred) shares will be required to participate in the shareholder loyalty programme. Upon allocation, all Subscription Undertakings submitted by one investor shall be aggregated.

The Company reserves the right to deem a Subscription Undertaking submitted in the Retail Offering to be part of the Institutional Offering and decide on the allocation of Offer Shares to such investor in accordance with the principles of allocation of the Institutional Offering at their sole discretion within the applicable law. The treatment of Subscription Undertakings in the allotment may not be determined on the basis of which firm they are made through or by.

If the Offering is undersubscribed, the Company may reduce the number of the Offer Shares accordingly, or cancel the Offering as described in the Section 12.14 "Postponement or Cancellation of the Offering".

The funds blocked on the current account of the investor who participated in the Retail Offering will be released in the amount corresponding to the Offer Price multiplied by the number of Shares not allocated to such investor as described under the Section 12.13 "Release of Funds".

The Company expects to announce the results of the allocation process on the website of Nasdaq Riga <https://nasdaqbaltic.com/statistics/en/news> and the website of the Company at <https://ipo.kalvecoffee.com/> on or about 2 December 2024.

### **12.8. Settlement Through the Settlement Agent**

In order to simplify and expedite the settlement of the Offering, the Company will borrow the necessary number of Offer Shares from Gatis Zēmanis (existing Shareholder of the Company) and will transfer these to the account of the Settlement Agent as a free of payment (FOP) transaction so as to allocate these existing Shares to investors in accordance with the allocation rules described above.

The net proceeds of the Offering will then be passed to the Company and used by the Company for payment of newly issued Shares. When the payment for such new Shares has been completed, the Settlement Agent on behalf of the Company will transfer the newly issued Shares to the securities accounts of Gatis Zēmanis as a free of payment (FOP) transaction.

During the period of time when the Settlement Agent holds Shares for the purpose of the Offering, no Shareholders' Meetings will be held by the Company, and no shareholders' resolution will be adopted, unless agreed otherwise by the parties to the share lending agreement.

### **12.9. Settlement**

Settlement of the Offering will be carried out by Nasdaq CSD. The Offer Shares allocated to investors will be transferred to their securities accounts on or about 4 December 2024 through the "delivery versus payment" method simultaneously with the transfer of payment for such Offer Shares, in accordance with the rules of Nasdaq CSD. The title to the Offer Shares will pass to the relevant investors when the Offer Shares are transferred to their securities accounts. Dealing with the Offer Shares may begin when the Offer Shares allocated to investors are transferred to their securities accounts which will take place on or about 4 December 2024.

If an investor has submitted several Subscription Undertakings through several securities accounts, the Offer Shares allocated to such investor will be transferred to all such securities accounts proportionally to the number of shares indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary, in order to ensure that a whole number of Offer Shares is transferred to each securities account. If the transfer cannot be completed due to the lack of sufficient funds on the investor's current account, the Subscription Undertaking of the respective investor will be rejected and the investor will lose all rights to the Offer Shares allocated to such investor.

### **12.10. Trading**

The Company will submit a listing application to Nasdaq Riga for the listing of all the Shares of the Company, including the Offer Shares, on the Nasdaq Riga First North. The Company will take all necessary measures in order to comply with the rules of Nasdaq Riga to ensure that the application is approved. The expected date of listing and Admission of Shares to Trading on the Nasdaq Riga First North is on or about 6 December 2024.

### **12.11. Agreements Related to the Offering**

#### **Financial Adviser Agreement**

The Company has appointed ViaClarus OÜ as its Financial Adviser in connection with the Offering. The Financial Adviser is responsible for providing a comprehensive range of services, including the structuring of the overall Offering activities, strategic advisory, and other consultancy services, such as advising on capital-raising.

#### **Settlement Agent Agreement**

The Company has appointed AS BluOr Bank as the Settlement Agent in connection with the Offering, which includes the obligation of the Settlement Agent to conduct all actions necessary to duly settle the transactions related to the Offering on a best market practice basis.

For the avoidance of doubt, the Settlement Agent shall not assume the role of an underwriter of the Offering, i.e., the Settlement Agent shall not assume any undertaking to ensure the distribution and sale of the Offer Shares offered in the course of the Offering and shall not be under any obligation to hold or acquire any of the Offer Shares offered in the course of the Offering in its own name and on its own account save for the details described in the share lending agreement.

### **Certified Adviser Agreement**

The Company has concluded Certified Adviser agreement with ZAB Eversheds Sutherland Bitāns SIA. The aim of the agreement is to provide certified adviser services to the Company according to applicable law, including Nasdaq Riga First North regulations. The contact person for the purposes of Certified Adviser agreement is Justine Ignataviciute (e-mail: Justine.Ignataviciute@eversheds-sutherland.lv).

### **Lock-up Agreement**

Shareholders of the Company have agreed to be subject to a lock-up agreement as follows:

Gatis Zēmanis, which holds 254 583 Shares of the Company before the Offering, SIA "18. augusts", which holds 244 792 Shares of the Company before the Offering, SIA "FINST", which holds 244 792 Shares of the Company before the Offering, Raimonds Selga, which holds 195 833 Shares of the Company before the Offering, Jānis Andersons, which holds 39 167 Shares of the Company before the Offering, and Anna Bertāne, which holds 20 833 Shares of the Company before the Offering, have agreed without the prior written consent of the Financial Adviser not to, directly or indirectly, sell, contract to sell, exercise any option to sell, or otherwise dispose of any of the Shares of Company owned by them at any time during period commencing on the date of the lock-up agreement (entered into on or about the start of the Offer Period) and ending after the lapse of 18 (eighteen) calendar months from the date of the lock-up agreement, save as may be stated otherwise in this section of the Information Document. The same restriction shall apply to any securities convertible into or exchangeable for the Shares of the Company and to any swap or other agreement or any transaction the economic consequence of which would be the transfer of the ownership to the Shares of the Company.

The lock-up agreement is executed on or around the date of this Information Document. Under the lock-up agreement the Shareholders have agreed not to, directly or indirectly, take any action designed to or that might reasonably be expected to cause or result, in stabilisation or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares of the Company. The Financial Adviser is not entitled to unreasonably withhold its consent, provided that the proposed new owner of the locked-up shares of the Company has executed or has committed to execute a lock-up agreement on similar terms for the remaining term of the lock-up period.

### **Share Lending Agreement**

In connection with the settlement of the Offering, the Company, Gatis Zēmanis (existing Shareholder of the Company) and the Settlement Agent have entered into a share lending agreement in order to simplify and expedite the settlement of the Offering. Under the agreement, the Company will borrow Offer Shares from Shareholder Gatis Zēmanis and the Settlement Agent will allocate Offer Shares to investors in accordance with the allocation rules described in Section 12.7 "Allocation of the Offer Shares". In accordance with the decision of the Extraordinary Meeting of the Company, the Company will issue new shares to Gatis Zēmanis in the amount equal to the number of the shares transferred to investors.

The Settlement Agent will use the proceeds of the Offering to pay for the newly issued shares on behalf of Issuer. As soon as possible after the registration of the newly issued shares, the Settlement Agent will transfer the newly issued shares to the securities accounts of Gatis Zēmanis. The number of Shares held by Gatis Zēmanis will not change due to the above-described share lending structure.

No fees will apply to the Company in relation to share lending and no remuneration of Gatis Zēmanis is envisaged under the Share Lending Agreement.

Any Offer Shares that are not transferred to the investors due to undersubscription or cancellation of the Offering shall be returned by Company to Gatis Zēmanis as soon as possible after the adoption of the allocation plan, but no later than on the day of settlement with investors.

The Share Lending Agreement may not be unilaterally amended or terminated by any party.

Except for the purposes of the Offering, the Settlement Agent shall not offer, sell, or contract to sell, or otherwise dispose of or encumber any settlement shares or newly issued shares, nor exercise any rights attached to such Shares until the end of the Settlement. The same restriction applies to any securities convertible into or exchangeable for such Shares and to any derivative transactions or any transactions the economic consequence of which would be the transfer of the ownership to the Shares or encumbering the Shares. During the time when the Settlement Agent holds Shares for the purposes of the Offering, no shareholders' meetings shall be held by the Company, and no shareholders' resolutions shall be adopted, unless otherwise agreed by the parties of the Share Lending Agreement in writing. This clause is not applicable in the case of any debt owed by the Company or the Shareholder to the Bank and does not limit the Bank's rights to fulfil its obligations under regulatory acts.

The Offering is not subject to an underwriting agreement.

### **12.12. Change to the Offer Price and Offer Period**

The Company will draw up a supplement to the Information Document if the Offer Price of the Offering is changed or the Offer Period is shortened or prolonged. The supplement to this Information Document will be published in the same way as this Information Document and its Summaries.

Furthermore, every significant new factor, material mistake or material inaccuracy related to the information included in this Information Document which may affect the assessment of the Shares and which arises or is noted between the time this Information Document is published and the time the Company's Shares are listed on Nasdaq Riga, shall be mentioned in a supplement to the Information Document. All other changes will be disclosed on the website of Nasdaq Riga <https://nasdaqbaltic.com/statistics/en/news> and on the Company's website <https://ipo.kalvecoffee.com/>.

In the case that the Company will publish a supplement to the Information Document, an investor, who has submitted a Subscription Undertaking in the Offering before the publica-

tion of the supplement to the Information Document, has a right to withdraw within 2 working days (or within another time period as specified to this Information Document) after publication of the supplement to the Information Document in accordance with the procedure described under the Section 12.3 "Retail Offering" and 12.4 "Institutional Offering".

### 12.13. Release of Funds

If the Offering or a part thereof is cancelled in accordance with the terms and conditions described in this Information Document, if the investor's Subscription Undertaking is rejected or if the allocation deviates from the amount of Offer Shares applied for, the funds blocked on the investor's current account, or a part thereof (the amount in excess of payment for the allocated Offer Shares), is expected to be released by the respective account operator within two working days. Regardless of the reason for which funds are released, the Company shall not be liable for the release of the respective funds and for the payment of interest on the released funds for the time they were blocked.

### 12.14. Postponement or Cancellation of the Offering

The Company has reserved the right to postpone or cancel the Offering in full or in part at any time until the end of the Offer Period. The reason for postponement or cancellation of the Offering could be, among others, the following circumstances:

- Unexpected and significant change in the economic or political situation in Latvia or the world, which may affect the financial markets, the economic situation or the prospects and operations of the Company;
- Significant change or development, which affects the general situation, management, financial position, capital or results of operations of the Company;
- Insufficient demand for the Offer Shares.

Any cancellation of the Offering will be announced on the website of Nasdaq Riga <https://nasdaqbaltic.com/statistics/en/news> and through the Company's website (<https://ipo.kalvecoffee.com/>). All rights and obligations of the parties in relation to the cancelled part of the Offering will be considered terminated as of the moment when such announcement is made public.

### 12.15. Conflicts of Interest

Certain members of Management Board and Supervisory Board of the Company own shareholdings in the Company and therefore such members of the Management Board and Supervisory Board are interested in the future wellbeing and success of the Company and the Offering. Further information on size of the shareholdings is provided in Section 9.2 "Shareholders".

According to the knowledge of the Management Board of the Company, the persons connected with the Offering have no other material personal interests from the viewpoint of the Offering. The Management Board is not aware of any conflict of interest related to the Offering.

### 12.16. Dilution

As of the date of this Information Document, the number of the Shares of the Company is 1 000 000. The number of the Offer Shares is up to 250 000. Therefore, the number of the Shares of the Company after the successful registration of the increase of the share capital of the Company will be up to 1 250 000, provided, however, that the number of the Offer Shares is not changed in accordance with the terms and conditions described in the Section 12.14 "Postponement or Cancellation of the Offering". Therefore, the shareholdings in the Company existing immediately prior to the Offering will be diluted by up to 20% as a result of the Offering (with the assumption that existing Shareholders do not subscribe in the course of the Offering for Shares corresponding to their shareholding).

### 12.17. Taxation

*The following outlines key principles at the date of this Information Document of the Latvian and Estonian tax regime that may be relevant to the acquisition, holding and transfer of the Shares, as well as a general overview of taxation principles applicable to the Company as a Latvian tax resident. Tax legislation of the potential investor's member state and of the Company's country of incorporation may have an impact on the income received from the Shares. Tax rates and conditions for paying taxes may change, provided that such changes could apply also retroactively. The Section does not constitute a comprehensive or exhaustive explanation of all possible aspects of taxation that may be of relevance to the Shareholders and is not intended to constitute tax or legal advice to potential investors. Persons interested in the acquisition of the Offer Shares should seek the individual professional tax advice of qualified tax advisors in order to establish the particular tax implications of acquiring, holding or transferring the Shares as well as the required procedures related to the payment of withholding tax, if applicable. The Company is not responsible for any possible tax changes which may occur at some time in the future after the date of this Information Document.*

Latvia has entered several tax conventions on elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident prospective investor, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001.

#### 12.17.1. Latvia Taxation of the Company

This Section contains a general overview of taxation principles applicable to the Company as a Latvian tax resident. The Company is subject to, or liable to, a number of tax obligations, including with respect to corporate income tax, value added tax, personal income tax (to the extent personal income tax is withheld at source as payroll tax or withholding tax, which may apply to other sources of income of private individuals), social security contributions, real estate tax and company car tax along with other taxes. The tax policy of the government may change in a manner creating material

adverse effects on business, prospects, financial condition, results of operations or cash flows of the Company.

In respect to corporate income tax, taxation is shifted from the moment of accrual to the moment of distribution of profit. Therefore, corporate income tax is only applicable to the distributed profits (actual or deemed), but retained and reinvested profits are not taxable with corporate income tax. Corporate income tax rate is 20% and is applicable to the taxable base that is divided by a coefficient of 0.8. The corporate income tax charged on the profit distributions (actual or deemed) is only payable at the level of the Company with the Company being responsible for calculating, declaring and paying the respective corporate income tax. Corporate income tax imposed on distributed profit is not a withholding tax, therefore recipient of distributed profits might be subject to tax in its country of residence.

### **Taxation of Shareholders**

For the purpose of this Section a "resident individual" means a private individual who is deemed a Latvian resident for personal income tax purposes under Latvian laws and any applicable Double taxation treaty as outlined below. Under Latvian laws an individual will be considered as a resident of Latvia for taxation purposes:

- if the individual's declared place of residence is in the Republic of Latvia; or
- if the individual stays in the Republic of Latvia 183 days or more within any 12-month period, starting or ending in the taxation year; or
- if the individual is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia.

"Resident entity" means a legal person that is deemed a Latvian resident for tax purposes under Latvian laws and any applicable Double taxation treaty, if any. Under Latvian laws an entity will be considered as a resident of Latvia for tax purposes if it is or should have been established and registered in the Republic of Latvia in accordance with the legislative acts of the Republic of Latvia. This also include permanent establishments of foreign entities in Latvia.

"Non-resident individual" and "non-resident entity" in this Section means all private individuals and legal persons that do not qualify as a resident individual or resident entity.

Dividends distributed by the Company to resident and non-resident individuals or entities are generally not subject to deduction at source or withholding tax except in case of low-tax or no-tax non-residents.

For resident individuals no additional personal income tax is applicable if corporate income tax is applied upon profit distribution by the respective company.

In case private individuals use an investment account for their investments that qualifies as such under the Latvian Law on Personal Income Tax and is opened with an invest-

ment services provider, personal income tax of 20% is applied to the difference between the amount that is paid into the investment account and the amount that is paid out from the investment account (minus dividends that have already been taxed upon payment at source; minus income from Latvian or other EU or European Economic Area state and local government securities). Thus, personal income tax is only applied upon making payments out from the investment account and not upon each case when income is received in the investment account from any investments made.

For non-resident individuals dividends will not be subject to tax in Latvia if corporate income tax is applied upon profit distribution by the respective company. Each non-resident individual, however, should always seek professional advice and determine if any tax obligations with regards to taxation and reporting are applicable under the domestic law of his/her country of residence.

For resident entities no corporate income tax is applicable to the received dividends. For non-resident entities dividends will not be taxable in Latvia. Each non-resident entity, however, should determine if any tax obligations with regards to taxation and reporting are applicable under the domestic law of its country of residence.

Non-residents located, registered or incorporated in a no-tax or low-tax country or territory, as defined in accordance with Regulation of the Cabinet of Ministers No. 333 of 27 June 2023, may be subject to withholding tax of 20 per-cent. However, payments by Latvian legal entities to no-tax or low-tax non-Latvian residents for securities publicly circulated in the EU or EEA are exempt from withholding tax if made at the market price.

### **Taxation of capital gains**

Personal income tax at a 20% rate is applicable to the capital gains (determined as the difference between the sale price and acquisition value of an asset) obtained by the resident individual from the sale of the Shares. Depending on the amount of capital gains, personal income tax should be paid and reported either on monthly/quarterly or annual basis. Losses from the sale of assets within a taxation year may be covered with income from the sale of other assets of the same type within the same taxation year.

Capital gains from the sale of publicly traded shares (i.e., the Shares) owned by a non-resident individual are not subject to personal income tax in Latvia except in case of low-tax or no-tax non-residents. A non-resident individual might have an obligation to pay income tax from the sale of publicly traded shares in his/her country of residence. Each non-resident individual should always seek professional advice and determine if any tax obligations with regards to taxation and reporting are applicable under the domestic law of his/her country of residence.

Capital gains from the sale of Shares owned by a resident entity are exempt from corporate income tax irrespective of the percentage of shareholding and holding period. Holding period of the Shares might affect the taxation of further profit distribution by the resident entity to its shareholders.



Capital gains from the sale of Shares owned by a non-resident entity are generally not subject to corporate income tax or any withholding tax in Latvia. Each non-resident entity should determine if any tax obligations with regards to taxation and reporting are applicable under the domestic law of its country of residence.

In case non-residents are located, registered or incorporated in a low-tax or no-tax jurisdiction, as defined in accordance with Regulation of the Cabinet of Ministers No. 333 of 27 June 2023, and payment of the income is made by a Latvian resident, non-resident may be subject to withholding tax of 20 per-cent if the payer is a Latvian legal entity or 23 per-cent if the payer is a Latvian individual resident having obligation to withhold tax.

### 12.17.2. Estonia

The Company is not considered to be a resident of Estonia for tax purposes. Therefore, this Section outlines the key principles of Estonian income tax issues that may be relevant to certain Estonian resident Shareholders in relation to acquisition, holding and transfer of the Shares.

#### Taxation of Shareholders

In this Section a "resident individual" means a private individual who is deemed an Estonian resident for personal income tax purposes under Estonian laws and any applicable Double taxation treaty as outlined below. Under Estonian laws a resident individual is a private individual whose place of residence is in Estonia or who stays in Estonia for at least 183 days over the course of a period of twelve consecutive calendar months. Estonian diplomats who are in foreign services are also deemed to be Estonian residents for tax purposes.

"Resident entity" means a legal person that is deemed an Estonian resident for tax purposes under Estonian laws and any applicable Double taxation treaty, if any. Under Estonian laws a resident entity is primarily a tax resident in Estonia if it is established pursuant to Estonian laws. European public limited companies (SE) and European associations (SCE) whose seat is registered in Estonia are also tax residents in Estonia.

"Non-resident individual" and "non-resident entity" in this Section means all private individuals and legal persons that do not qualify as a resident individual or resident entity under Estonian laws.

Dividends distributed by the Company to Estonian resident individuals or entities are not subject to withholding tax in Latvia, however the Company pays corporate income tax upon profit distribution to its shareholders. Estonian resident individuals do not pay personal income tax for received dividends from a foreign legal entity, provided that either the underlying profits out of which dividends are paid have been subject to foreign income tax or if income tax was withheld from the respective dividends. When tax has not been paid or withheld at the legal entity level or corresponding documents are not provided, Estonian resident individuals shall pay personal income tax of 20% for dividend income received from a foreign legal entity.

Estonian resident entities do not pay corporate income tax upon the receipt of dividends.

In general, corporate income tax is only levied upon further profit distribution by the Estonian resident entity to its shareholders and currently a 20% tax rate is applicable to the taxable base that is divided by a coefficient of 0.8. Distribution of profits includes dividends, share buy-backs, capital reductions, liquidation proceeds, certain issued loans to a shareholder or a partner, or deemed profit distributions (such as transfer pricing adjustments, business non-related expenses and payments). Currently, corporate income tax at the rate of 14% (dividing taxable base by a coefficient of 0.86) is applicable to Estonian resident entities making regular profit distributions, namely, dividends paid in the amount that is below or equal to the extent of taxed dividends paid during the three preceding years. In addition, a withholding tax of 7% will apply in such case. Certain corporate income tax exemptions might be applicable for the distribution of profits to the shareholders of the Estonian resident entity, for instance, in case the company passing through the dividends holds a minimum of 10% of the shares in the subsidiary company.

#### Taxation of capital gains

Estonian resident individuals pay personal income tax of 20% on capital gains from the sale or exchange of shares. Capital losses can be offset against capital gains.

A tax-exempt investment account scheme is applicable for Estonian resident individuals, under which individuals can defer the moment of taxation of investment income and capital gains derived from qualified securities.

Individuals who have decided to grow their Estonian mandatory funded pension (II Pillar) via pension investment account (in Estonian: pensioni investeerimiskonto), can also acquire the Shares through pension investment account. It is a separate bank account opened with an Estonian credit institution, which, on the one hand, is part of the mandatory funded pension system (incl. relevant benefits, such as additional contributions from the state), but on the other hand allows the person to make their own investment decisions. When withdrawing money from the pension investment account, the rules for taxation of second pillar pension apply. Monetary means withdrawn from PIA are, generally, taxed at a 20% income tax rate, unless withdrawn after reaching the retirement age, in which case a 10% income tax rate or a tax exemption (depending on the method of payment) applies.

Estonian resident entities do not pay corporate income tax upon the receipt of capital gains. General corporate income tax principles apply to the income of Estonian resident entities from the sale of a shareholding and are outlined above in the dividend taxation section.



13.

# GLOSSARY



The following definitions will apply throughout this Information Document unless the context requires otherwise. They are not intended as technical definitions and are provided purely for assistance in understating certain terms used in this Information Document.

<b>Admission of Shares to Trading</b>	Admission of Shares of the Company to Trading on Nasdaq Riga First North.
<b>Altum</b>	Akciju sabiedrība "Attīstības finanšu institūcija Altum", a joint stock company incorporated in Latvia, registered in the Register of Enterprises of Latvia with registration number 50103744891, Doma laukums 4, Rīga, LV-1050, Latvia.
<b>AML</b>	Anti-money laundering.
<b>Articles of Association</b>	Articles of Association of the Company effective as of the date of this Information Document.
<b>Audited Financial Statement</b>	Audited stand-alone financial statement of the Company pertaining to the financial year ending on 31 December 2023 prepared in accordance with Latvian Accounting Standards.
<b>The Baltic States</b>	The Republic of Latvia, the Republic of Estonia, and the Republic of Lithuania as a whole.
<b>Bank of Latvia</b>	The Bank of Latvia (in Latvian: Latvijas Banka) with its registered office in Riga, Latvia. The Latvian financial supervision authority.
<b>B2B</b>	Business to business
<b>B2C</b>	Business to consumer
<b>Citadele Leasing</b>	SIA "Citadele Leasing", a limited liability company incorporated in Latvia, registered in the Register of Enterprises of Latvia with registration number 40003423085, Republikas laukums 2A, Rīga, LV-1010, Latvia.
<b>Convertible Loan Agreement</b>	The Convertible Loan Agreement concluded in October 2024 by the Company and its existing Shareholders, according to which a loan in the amount of EUR 125 000 has been provided by the existing Shareholder Anna Bertāne. As a result of successful completion of the Offering, the loan would convert into Shares of the Company in accordance with the terms of this Information Document.
<b>Commercial Law</b>	Commercial Law of the Republic of Latvia, adopted on 13 April 2000.
<b>Commercial Register</b>	Commercial Register of Register of Enterprises of the Republic of Latvia.
<b>Company or Issuer</b>	AS Kalve Coffee, joint stock company, incorporated in Latvia, registered in the Register of Enterprises of Latvia with registration number 40203045645, legal address at Mazcenu aleja 43B, Jaunmārupe, Mārupes pag., Mārupes nov., LV-2166, Latvia.
<b>COVID-19</b>	The respiratory disease caused by the SARS-CoV-2 virus.

<b>Double Taxation Treaty</b>	General reference to any applicable tax treaty for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income that is concluded by Latvia, Estonia or Lithuania.
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortization.
<b>Estonian Financial Supervision Authority</b>	The Estonian Financial Supervision Authority (in Estonian: <i>Finantsinspektsioon</i> ), a financial supervision institution with autonomous competence and a separate budget which conducts supervision over credit institutions, insurance companies, insurance intermediaries, investment firms, management companies, investment and pension funds as well as the payment service providers, e-money institutions and the securities markets that have been authorised by the Financial Supervision Authority in the name of the state and which is independent in its activities and decisions.
<b>ERS</b>	The Estonian Register of Securities, operated by Nasdaq CSD SE Estonian Branch, address Maakri 19/1, 10145 Tallinn, Estonia.
<b>Estonia</b>	The Republic of Estonia.
<b>EU</b>	The European Union.
<b>EUR</b>	Euro, the official currency of eurozone countries, including Latvia, Estonia, and Lithuania.
<b>Eurozone</b>	The economic and monetary union of the European Union member states, which have adopted euro as their single official currency.
<b>Financial Adviser</b>	ViaClarus OÜ, registration number: 16750527, legal address: Suur-Karja tn 14, Kesklinna linnaosa, 10140 Tallinn, Harju Maakond, Estonia.
<b>Financial Statements</b>	Audited Financial Statement and Interim Financial Statement.
<b>General Meeting</b>	Meeting of the Company's shareholders, the highest governing body of the Company.
<b>Information Document</b>	This Document.
<b>Institutional Offering</b>	The non-public offering of the Offer Shares in Latvia and in selected member states of the European Economic Area to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and other types of investors in reliance on certain exemptions available under the laws of each jurisdiction where the Offering is being made.

<b>Interim Financial Statement</b>	The Issuer's reviewed stand-alone interim financial statements for the 6-month period which ended on 30 June 2024, which has been prepared in accordance with Latvian Accounting Standards and reviewed by external auditor, included in this Information Document as a reference.
<b>ISIN</b>	International Securities Identification Number.
<b>Latvia</b>	The Republic of Latvia.
<b>Latvian Association of Certified Auditors</b>	Association of Certified Auditors of the Republic of Latvia.
<b>Latvian Accounting Standards</b>	Accounting Law of the Republic of Latvia and Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia.
<b>Listing</b>	Listing of Shares on Nasdaq Riga First North.
<b>Management Board</b>	The Management Board of the Company.
<b>Member States</b>	The Member States of the European Union.
<b>MEUR</b>	Million euro.
<b>MIFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
<b>Nasdaq CSD</b>	Nasdaq CSD SE (Societas Europaea), Central Securities Depository with a business presence in Estonia, Iceland, Latvia, and Lithuania, registration No. 40003242879, registered address Vaļņu iela 1, Riga LV-1050, Latvia.
<b>Nasdaq Riga</b>	Nasdaq Riga AS, registration No. 40003167049, registered address at Vaļņu iela 1, Riga, LV-1050.
<b>Nasdaq Riga First North</b>	The Nasdaq Riga First North multilateral trading facility operated by Nasdaq Riga, AS.
<b>OFAC</b>	The Office of Foreign Assets Control of the United States Department of the Treasury.
<b>Offering</b>	The Retail Offering and the Institutional Offering jointly.
<b>Offer Period</b>	Period during which prospective investors may subscribe for the Offer Shares commencing on 13 November 2024 at 10:00 Latvian time and is expected to end on 29 November 2024 at 15:30 Latvian time.
<b>Offer Price</b>	The price at which each Offer Share is to be issued or sold under the Offering.

<b>Offer Shares</b>	Up to 250 000 Shares which are being offered to investors in the course of the Offering.
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public of admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Retail Offering</b>	The public offering of the Offer Shares to retail investors in Latvia and Estonia.
<b>Sanctions</b>	Restrictive measures, namely, restrictions or prohibitions imposed pursuant to international public law, including restrictive measures adopted by the United Nations Security Council (e), the European Union (EU), Office for Foreign Assets Control (OFAC) and by the Republic of Latvia.
<b>Section</b>	The relevant section of this Information Document.
<b>Settlement Agent</b>	BluOr Bank AS, a credit institution incorporated under the laws of Latvia with registration number: 40003551060, legal address: Smilšu iela 6, Riga, LV-1050, Latvia.
<b>Shares</b>	The shares of the Company with the nominal value of EUR 0.10, that will be registered in the Nasdaq CSD under the reserved ISIN LV0000102234 after the publishing of this Information Document and before the start of the Offer Period.
<b>Shareholder</b>	Natural or legal person(s) holding the Share(s) of the Company at any relevant point in time.
<b>State Revenue Service</b>	State Revenue Service of Latvia.
<b>Subscription Undertaking</b>	An order submitted by an investor for the purchase of the Offer Shares in accordance with the terms and conditions of the Offering.
<b>Summary</b>	The summary of this Information Document.
<b>Supervisory Board</b>	The Supervisory Board of the Company.
<b>UN</b>	The United Nations.



**KALVE**  
COFFEE ROASTERS

## **THE ISSUER**

### **AS "Kalve Coffee"**

(registration No. 40203045645, registered address:  
Mazcenu aleja 43B, Jaunmārupe, Mārupes pag.,  
Mārupes nov., LV-2166, Latvia)

 **ViaClarus**

## **FINANCIAL ADVISER TO THE ISSUER**

### **ViaClarus OÜ**

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**EVERSHEDS  
SUTHERLAND  
BITĀNS**

## **LEGAL COUNSEL TO THE ISSUER**

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 **BluOr Bank**

## **SETTLEMENT AGENT**

### **BluOr Bank AS**

(registration number: 40003551060, legal address:  
Smilšu iela 6, Rīga, LV-1050, Latvia)