



COMPANY DESCRIPTION
SECURED NOTES

25 February 2020

Important legal information



- This Company Description has been drawn up by the Management Board of AS Sakret Holdings (“Sakret”, hereinafter also the “Company” or the “Issuer”) and made public solely for the purposes of admission to trading of the Company’s Notes on the multilateral trading facility (an alternative market) First North operated by the NASDAQ Riga and may not be used for any other purposes.
- This Company Description or any information contained herein does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute a violation of applicable securities laws of such countries.
- This Company Description is drawn up based on information which was valid as of 25 February 2020.
- The Notes that are mentioned in this Company Description have their own Terms, which should be read and considered separately.
- The statements of fact, information, opinions and estimates contained in this Company Description have been obtained, compiled or arrived at by AS «Sakret Holdings», its founders and its associated companies from sources believed to be reliable and in good faith, but no representation or warranty expressed or implied is made as to their accuracy, completeness or correctness. In particular any numbers, valuations and schedules contained in this document are preliminary and are for discussion purposes only.
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- This document should not be used for advertising, broadcast or as product endorsement purposes or exploit the information available in this document to any third parties in any manner without the written consent of AS «Sakret Holdings».
- Investing into debt securities involves risks. While every care has been taken to ensure that this Company Description presents a fair and complete overview of the risks related to the Issuer, the operations of the Issuer and its subsidiaries, and to the Notes, the value of any investment in the Notes may be adversely affected by circumstances that are either not evident at the date hereof or not reflected in the Company Description.

Management Board Statement



Hereby We, members of the board of AS «Sakret Holdings», Māris Ķelpis, Juris Grīnvalds, Andis Ziedonis certify that, by paying sufficient attention to this purpose, the information included in the Company Description and in the Terms of the Notes is true, in accordance with the facts, and no information which may affect its meaning is concealed therein.

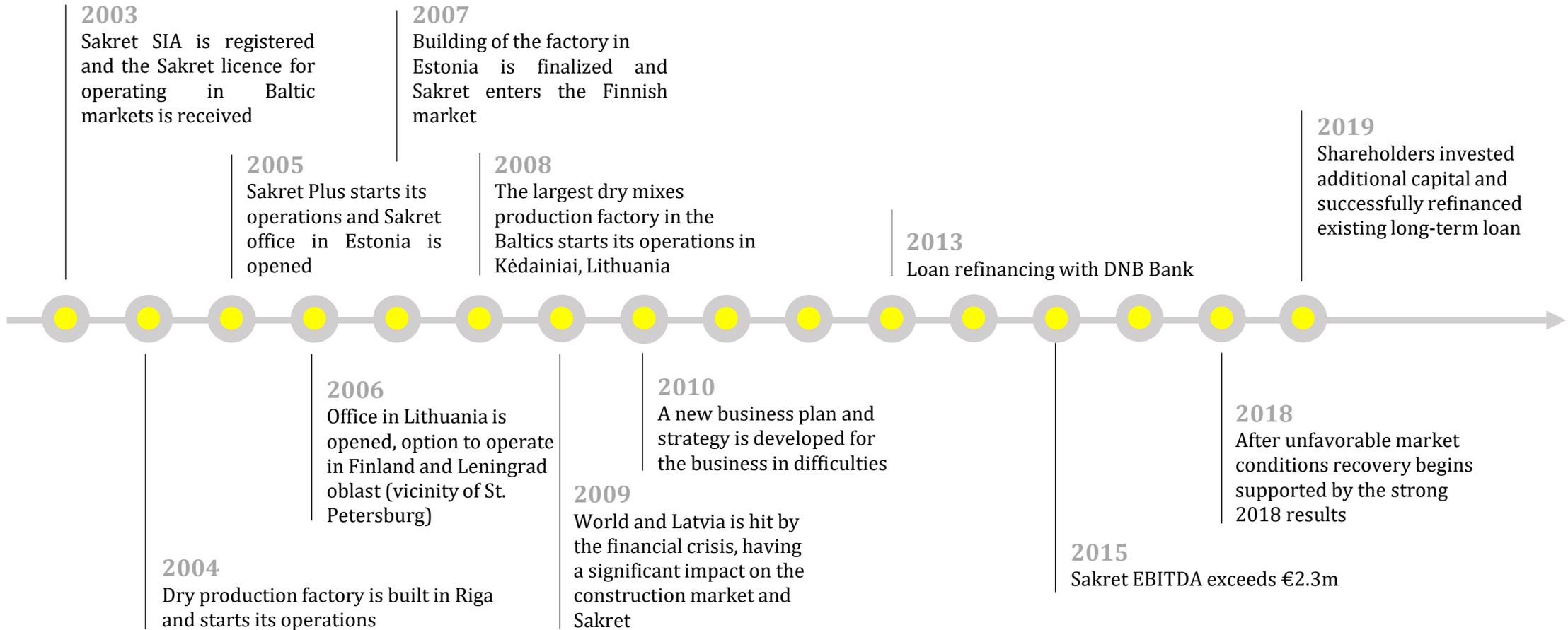
The Company Description contains references to the Terms of the Notes Issue dated as of 8 August 2019. Investor must read and consider the specified section of the Terms of the Notes Issue. The latest financial data is included in this Company Description, for additional information please see financial reports attached to this document.

Māris Ķelpis
Chairman of the Board

Juris Grīnvalds
Member of the Board

Andis Ziedonis
Member of the Board

Company history





Business overview

- Founded in 2003, Sakret is a Latvia-based leading manufacturer of ready-mixed dry mortars.
- Main products include masonry and repair mortars, ETICS³, concrete and plasters.
- Products are distributed in Latvia, Lithuania, Estonia and Finland.
- The company has more than 25% market share in the Baltics with a leading position in it's key market segments.
- Total production capacity of Sakret plants is 500k tonnes per year, located in three countries, 150k in Estonia, 100k in Latvia and 250k in Lithuania.
- The company operates under the global Sakret license which was founded in 1966 by American and German entrepreneurs.
- Sakret holds exclusive distribution rights for the Baltic states and Finland where it currently operates, along with Belarus, Ukraine and Volga Federal district in Russia, which are not operational yet.
- The company has a leading position in profit margins compared to other Sakret franchises in EU.

KEY FINANCIALS

EUR '000	2016	2017	2018	2019 ¹
Revenue	17,648	19,299	21,266	21,870
<i>growth %</i>	-7.8%	9.4%	10.2%	2.8%
Gross profit	4,427	4,649	5,393	6,005
<i>margin %</i>	25.1%	24.1%	25.4%	27.5%
EBITDA	2,061	1,798	1,971	10,155²
<i>margin %</i>	11.7%	9.3%	9.3%	46.4%
Net profit	26	(221)	367	8,277
<i>margin %</i>	0.1%	-1.1%	1.7%	37.8%

SAKRET'S PRODUCTS



Masonry and repair mortars



ETICS



Concrete



Plasters

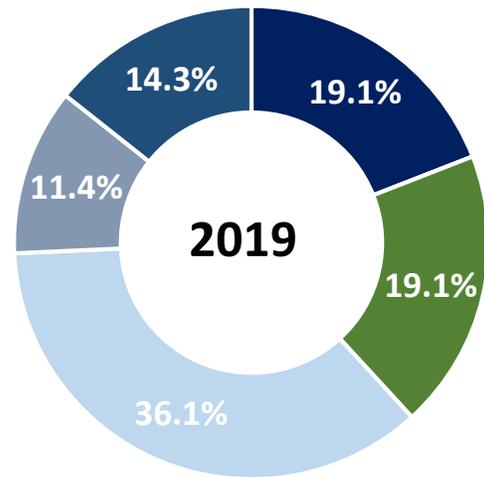


Coatings

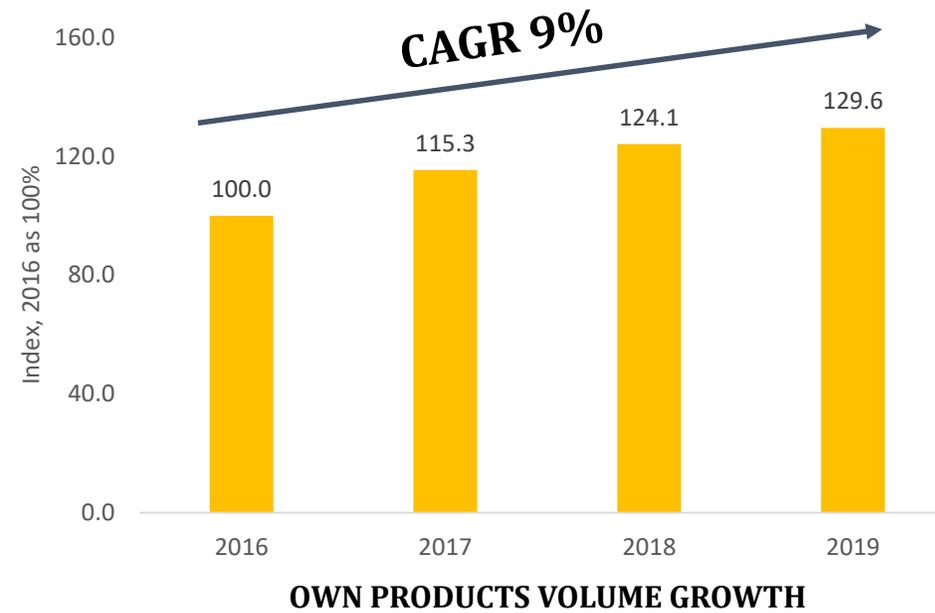
1) Unaudited
 2) Includes one time income from debt value adjustment in the amount of 8 494 ths. EUR
 3) External thermal insulations component systems.



Own product breakdown



- Masonry and repairing mortars
- ETICS mortars
- Concrete, plasters and decorative plasters
- Tiles and floors
- Other own products



Production plants



RĪGA



KĖDAINIAI



PAIDE

YEAR OF CONSTRUCTION

2004

2008

2007

MAXIMUM CAPACITY

100,000 TONNES PER YEAR

250,000 TONNES PER YEAR

150,000 TONNES PER YEAR

PRODUCTION OF LIQUID MIXTURES



PRODUCTION UNDER ONE ROOF



STORAGE FACILITIES

⌘ 4,700 m² / 880 m² ⌘

⌘ 6,000 m² / 1,000 m² ⌘

⌘ 4,000 m² / 1,000 m² ⌘

⌘ with-out heating / with heating ⌘



Organizational structure



Note: At the end of 2019 Sakret had 140 employees

Management

**MĀRIS KĒLPIS****Founder, Chairman of the Management Board**

Māris is the founder of Sakret and the main visionary. He is the main decision maker, but has a strong belief in his management team and employees. He has held a controlling stake in Sakret since the foundation of the company and still follows the operations on a daily basis.

**JURIS GRĪNVALDS****Chief Commercial Officer**

From 1996 to 2003, worked in the Danish paint company SKALFLEX. Joined Sakret in early beginning of 2003 as Sales Director. Lead the construction project of the largest dry mixing plant in the Baltic states. Plant in Kėdainiai in Lithuania was opened in 2008. Currently coordinates Sakret sales in the Baltics and Scandinavian countries, as well as is the Director of Sakret Plus. Juris graduated from the Faculty of Civil Engineering of Latvia University of Agriculture. Currently serves as Board Member of Association of Building Materials Manufacturers.

**ANDIS ZIEDONIS****Chief Financial Officer**

Andis has more than 20 year experience as CFO. He joined Sakret in 2006 after 8 years in one of the largest press publishing house in the Baltics, where he started as an Economist and was promoted to Chief Economist and CEO. He also has experience in banks. Andis follows every number in Sakret books and is responsible identifying financial efficiencies, as well as for putting together the future financial plan. He holds a combined BSc in Engineering and Economics from Riga Technical University.

Supervisory board



ANDRIS VANAGS

Chairman of the Supervisory Board

Andris has spent long years working for construction material companies producing cement, concrete and other products. Prior experience include client service manager at AS Brocēni (currently Schwenk) and project manager at AS Brocēnu šiferis. Andris holds a BSc in chemical technology, MSc in silicate and high-temperature materials chemistry and technology from Riga Technical University and PhD in management science in the sub-branch of business management from Business University Turība. He acted as a Special Advisor to the former Prime Minister of Latvia, Māris Kučinskis, and is a Member of the Counsellors Convention of RTU and Member of the Board of Latvian Chamber of Commerce and Industry.



VALĒRIJA LIEGE

Member of the Supervisory Board

With more than 15 years' experience in corporate finance and change management, Valērija has led top Baltic companies through complex turnarounds, implementing operational and financial restructurings. She is Partner at Oaklins Latvia and has managed various M&A and capital raising projects and advised top regional banks and private equity houses. Valērija is an Executive Committee member of Oaklins International as well as a supervisory council member of International School of Riga and Lido AS. Valērija holds an MSc in Consulting and Coaching for Change (with distinction) from Oxford/HEC Paris, a BSc in Economics and Business Administration from the Stockholm School of Economics in Riga and is a CFA charter holder



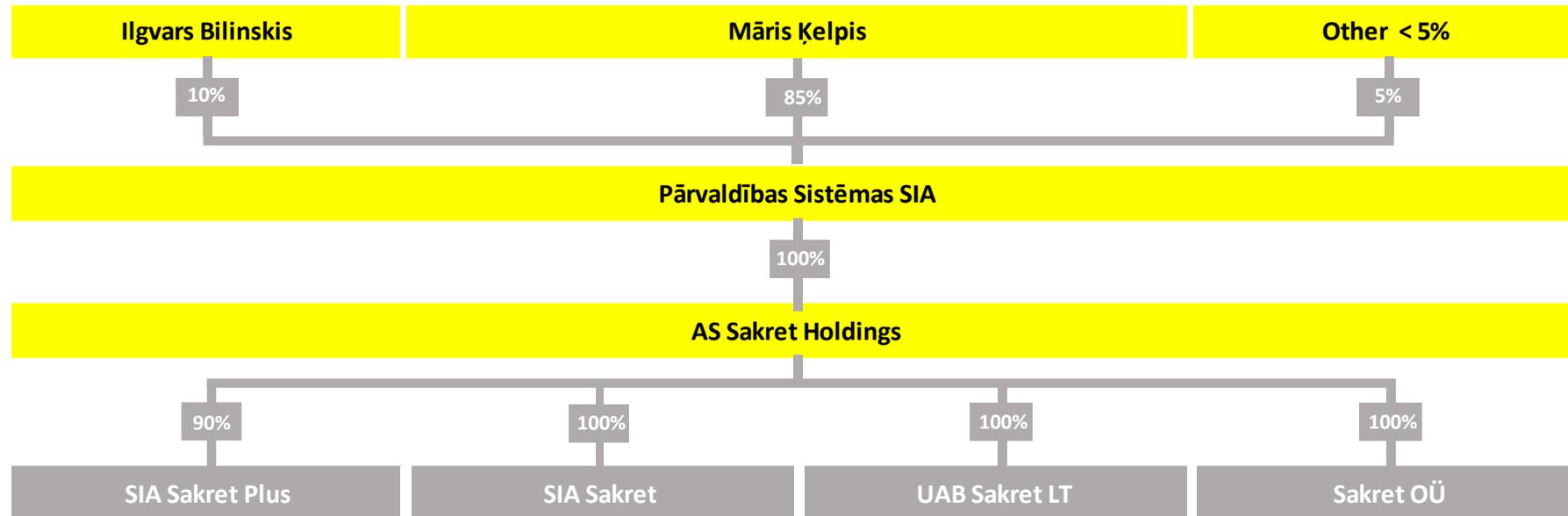
ARTIS GRINBERGS

Member of the Supervisory Board

Artis Grinbergs served as an economic adviser to two prime ministers of the republic of Latvia. Previously he gained experience in manufacturing industrial building materials and participated in an apprenticeship program on global financial systems and economic development trends. Artis holds a BSc degree in Business and Economics from University of Latvia.



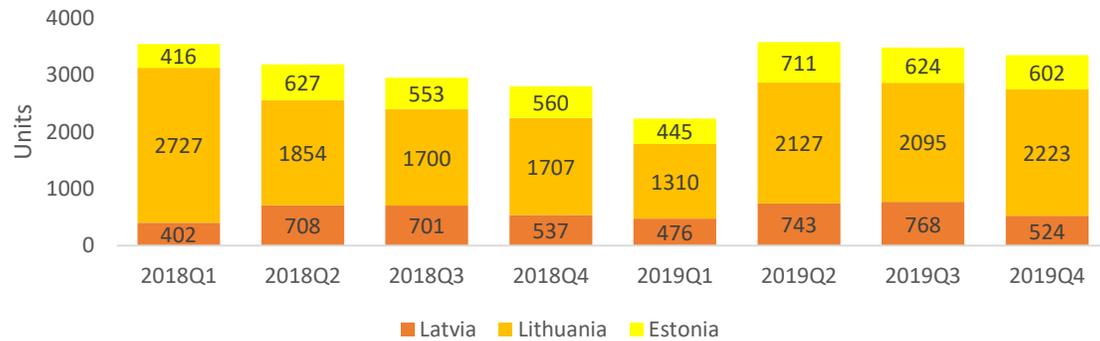
Shareholder structure



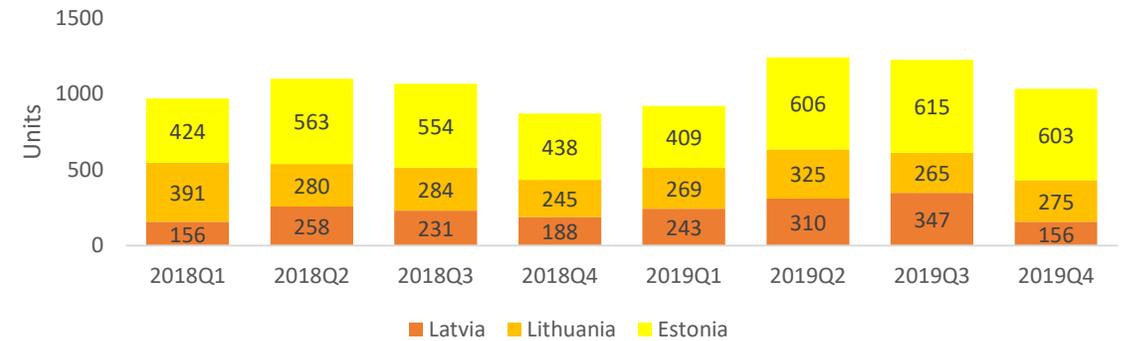


Market overview (1)

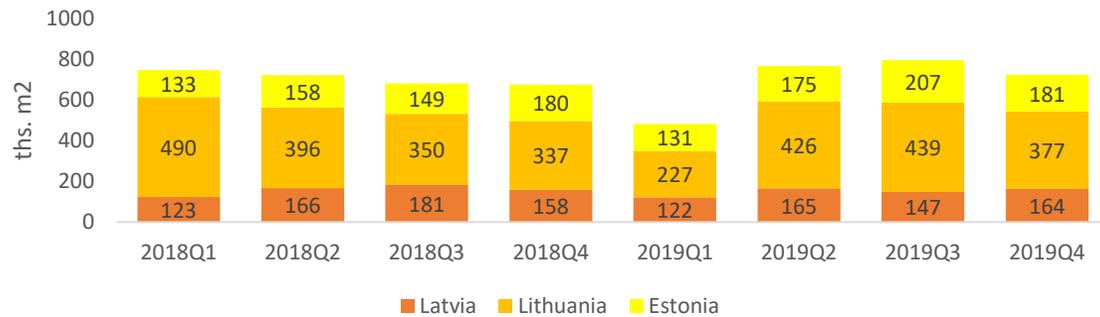
New Residential Building Permits



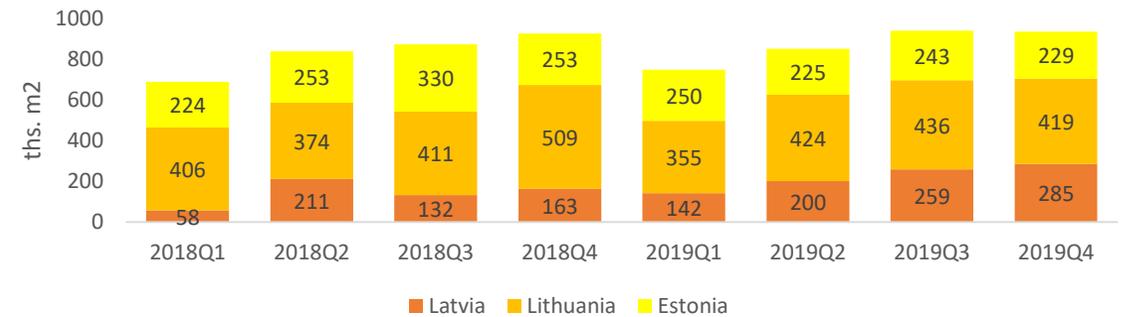
New Non-residential Building Permits



Floor Area of New Residential Permits



Floor Area of New Non-residential Permits



- Last 3 quarters of 2019 have seen a steady pickup in new building permits across all markets comparing to the same period in 2018.
- Most notable growth was in Lithuanian residential building permits +22.5% and Latvian non-residential building permits +20%.

Market overview (2)

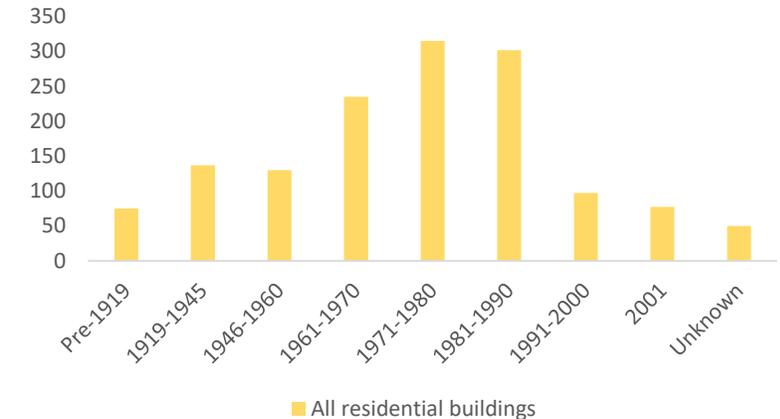
LATVIA



ESTONIA



LITHUANIA

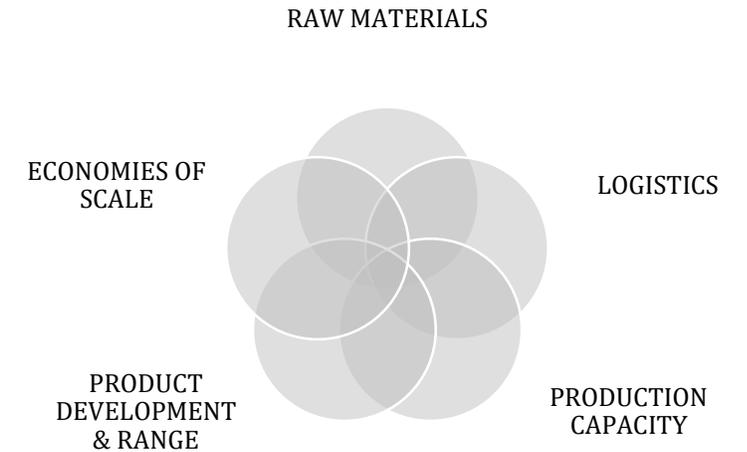


- Most of the residential buildings in the Baltics have been built during USSR with low energy efficiency standards and require maintenance.
- The current market is not renewing the buildings at their rate of depreciation thus creating a shortage of new housing stock and demand for renovation services.
- Favorable bank financing, low interest rates, greater household purchasing power and government support programs for first home buyers accelerate demand for new houses.
- These factors indicate of the expected residential construction growth, including heat insulation works on the outdated and energy inefficient buildings.



Competition

- Raw materials – a key cost component and their quality / specifics determine the recipe of the end product, its quality and margin. A strategic location of the plant is important in order to be located in close proximity to the suppliers.
- Production capacity – development of a new factory requires significant capital inflow, which often can reach the level of expected revenues over several years. However, available capacity ensures the ability to produce a wide range of products as well as capitalize on market growth;
- Product development & range – includes innovative solutions and adaptations of products (recipes) to specific developing and local market needs.
- Economies of scale – substantial capital investment and operating costs of the plant require high revenues in order to reach a break-even point.



KEY PLAYERS



Major clients

LATVIA (SAKRET SIA)



LITHUANIA (SAKRET LT)



ESTONIA (SAKRET OÜ)





Use of proceeds

- Historically, Sakret made expansion investments co-financed by Luminor (then DNB bank), including loans for construction of the factories in Lithuania (total investment 9.50m EUR) and Estonia (total investment 6.70m EUR).
- As a result of the financial crisis of 2008-2009, Sakret's core markets contracted and return on the loans was negatively affected.
- In 2013, a restructuring was done, forming a holding structure and renegotiating the repayment schedule, Sakret returned to positive cash flow.
- At the end of 2017, two Scandinavian banks – DNB and Nordea, decided to merge their Baltic operations. Luminor bank was created as a result. In 2018, the newly formed bank was sold to USA-based investment fund Blackstone.
- In 2018 Luminor bank reevaluated its existing strategy. As a result, Luminor has decided to accept refinancing of Sakret loan at a discount due to the length of the repayment schedule and the internal procedures that do not allow to write-off part of the loan.
- In 2019 proceeds from the bond issue were used to refinance Luminor liabilities.

Transaction structure

EUR '000	pre-transaction	post-transaction
Long-term loan from Luminor bank	15,591	-
Long-term loan from BlueOrange bank	-	4,000
Bonds	-	3,000
Long-term liabilities with financial institutions	15,591	7,000
Credit-line limit from Luminor bank	1,000	-
Factoring limit from Luminor bank	1,000	-
Credit-line limit from BlueOrange bank	-	2,000
Factoring limit from BlueOrange bank	-	1,700
Short-term liabilities with financial institutions	2,000	3,700
TOTAL LIABILITIES WITH FINANCIAL INSTITUTIONS	17,591	10,700

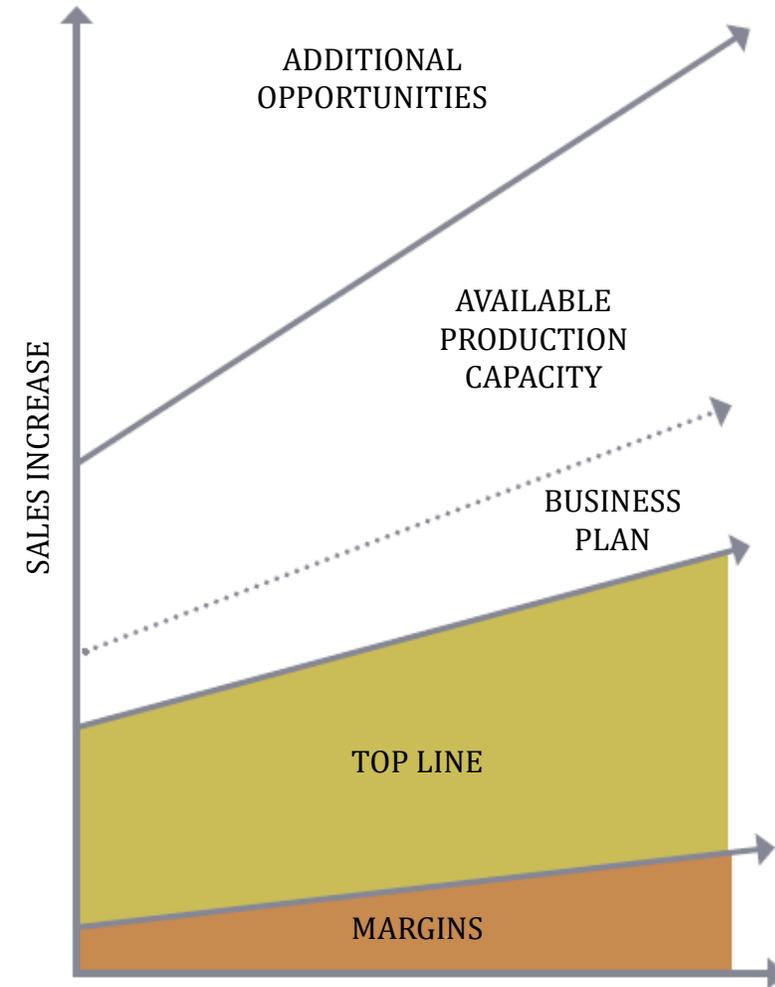
Achieving positive equity

The current shareholders invested 1.015m EUR in share capital. Due to the discount granted by Luminor bank, the equity has increased. Together with the shareholders contribution, the consolidated equity is now positive, allowing Sakret to participate in several grant and energy-efficiency increase programs.

EUR '000	2018	2019
Share capital	35	1,050
Reorganisation reserve	(8,492)	(8,492)
Other reserves	26	26
Retained earnings	259	8,498
Minority interest	194	232
TOTAL EQUITY	(7,978)	1,314

Future growth strategy

- Concrete, masonry and basic plasters – key product groups that take up most of the Sakret’s revenue share as well as market share in the key geographies. The market is expected to be fairly flat, however, it is key to retain the existing market share in order to remain the most competitive player.
- Given that manufacturing of building materials implies significant fixed costs (i.e. running of the factories), retention of revenues is the key driver behind margin sustainability – once the breakeven point has been reached, EBITDA growth accelerates significantly through any additional production.
- Growth strategy is oriented towards developing products that supplement the existing product line such as floor waterproofing and facade insulation systems. Another development route includes products with simpler manufacturing process and lower raw material requirement, thus allowing to increase production volumes.
- Insulation systems & accessories – a quickly growing market, given the aged residential building capital in the Baltics. Sakret is best positioned to capitalize on this growth, given its unique product portfolio and offering (i.e. ability to offer the ‘full package’ to its clients when it comes to insulation, including all of the necessary accessories);
- Flooring, glues and other segments – smaller segments of Sakret that are not top priority, however, pose additional growth opportunities in future, in case any of the ‘key’ segments would start to lag.
- Significant upside is available for Sakret, supported by both unused production capacity, market potential overseas and potential to relocate the existing Latvian factory next to a sand quarry.

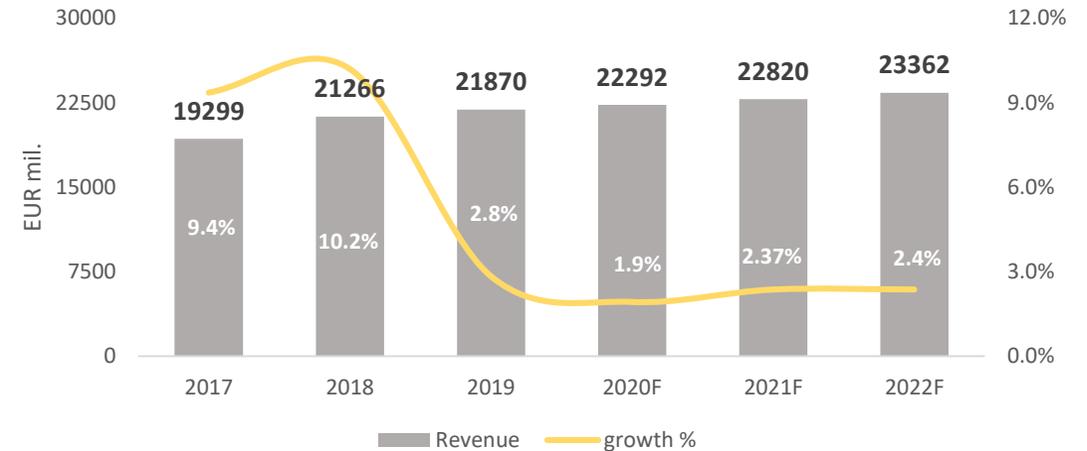




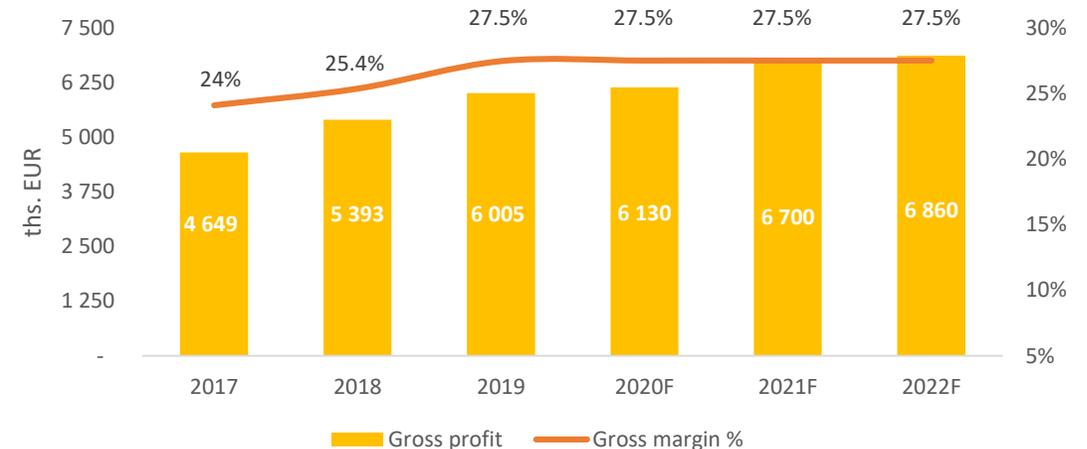
Financial forecast

- Over the next two years, Sakret is expected to record stable revenue CAGR of c.2.2%, reaching almost € 23.4 m in revenues by the end of 2022.
- While the largest markets (concrete, basic plasters, masonry) are expected to stagnate during this period, this will be offset by strong growth in heat insulation as well as further expansion in other higher priced markets, such as value added plasters.
- Sakret is continuously in discussions with its clients to increase the market price and is expecting to record sustainable growth in costs.
- It is conservatively expected that the gross profit margin will stabilize at 2019 level over the coming three years due to stagnation of the main product line, which will be compensated by introducing higher margin products.

REVENUE AND GROWTH FORECAST



GROSS PROFIT FORECAST





Financial statements

EUR '000	2016A	2017A	2018A	2019A ¹
Revenue of own production	16,152	17,639	19,611	20,622
<i>growth, %</i>	-7.8%	9.2%	11.2%	5.2%
Revenue from sales of cement	587	555	552	533
Revenue from sales of accessories	1,477	1,651	1,816	1,530
Other revenue	466	648	620	564
Discounts given	(1,037)	(1,195)	(1,333)	(1,379)
Revenue	17,648	19,299	21,266	21,870
<i>growth, %</i>	-7.8%	9.4%	10.2%	2.8%
Gross Profit	4,427	4,649	5,393	6,005
<i>margin, %</i>	25.1%	24.1%	25.4%	27.5%
Sales costs	(2,545)	(2,765)	(2,800)	(2,900)
Administration costs	(982)	(1,049)	(1,470)	(2,239)
Other income (expense)	83	(64)	(54)	8,427
EBITDA	2,061	1,798	1,971	10,155²
<i>margin, %</i>	11.7%	9.3%	9.3%	46.4%
Depreciation and amortisation	(1,077)	(1,028)	(902)	(862)
Interest income (expense)	(878)	(977)	(653)	(965)
Profit before tax	106	(205)	417	8,329
<i>margin, %</i>	0.6%	-1.1%	2.0%	38.1%
Net Profit	26	(221)	367	8,277
<i>margin, %</i>	0.2%	-1.1%	1.7%	37.8%

EUR '000	2016A	2017A	2018A	2019A ¹
Intangible assets	317	412	446	464
Fixed assets	12,231	11,424	10,628	9,867
Long-term financial assets	14	14	34	-
Total long-term assets	12,562	11,850	11,108	10,331
Inventory	2,515	2,292	2,287	2,140
Accounts receivable	2,182	2,730	2,951	2,340
Cash and cash equivalents	398	306	342	710
Total short-term assets	5,094	5,328	5,580	5,190
TOTAL ASSETS	17,656	17,178	16,688	15,521
TOTAL EQUITY	(8,125)	(8,345)	(7,978)	1,314
Long-term liabilities to financial institutions	17,341	16,641	-	2,200
Long-term liabilities to related parties	768	758	644	575
Other long-term liabilities	167	167	167	3,167
Long-term liabilities	18,276	17,566	811	5,942
Short-term liabilities to financial institutions	3,342	2,458	18,575	3,814
Short-term liabilities to related parties	625	422	469	258
Accounts payable	1,957	3,006	2,977	2,747
Other short-term liabilities	1,580	2,072	1,834	1,446
Short-term liabilities	7,505	7,958	23,855	8,265
TOTAL LIABILITIES	25,781	25,523	24,666	14,207
TOTAL EQUITY AND LIABILITIES	17,656	17,178	16,688	15,521

1) Unaudited

2) Includes one time income from debt value adjustment in the amount of 8 494 ths. EUR



Issue terms

ISSUER	AS SAKRET HOLDINGS
SECURITY TYPE	Secured Notes
ISIN	LV0000870038
ISSUE SIZE	EUR 3,790,000
TOTAL NUMBER OF NOTES	3790
NOMINAL VALUE	EUR 1,000
CURRENCY	EUR
ANNUAL INTEREST RATE	9%
COUPON FREQUENCY	Quarterly
DAY COUNT CONVENTION	European 30/360
FIRST SETTLEMENT DAY	30.08.2019
MATURITY DATE	30.08.2024
REPAYMENT SCHEDULE	Quarterly
CALL OPTION (EARLY REDEMPTION)	The Issuer can carry out full early redemption (call option), on 30 August 2021 by paying 90% for the Nominal amount, or on 30 August 2022 by paying 95% for the nominal amount or on 30 August 2023 by paying 100% for the Nominal amount. If the Issuer takes decision on the early redemption of Notes, the Issuer shall notify Noteholders at least 20 (twenty) Business Days prior to the redemption date of Notes.
PUT OPTION (EARLY REDEMPTION)	Each Noteholder has a right to demand full early redemption (put option) on 30 August 2023 at 90% for the Nominal amount. In order to exercise the put option the Noteholders have to submit an application to the Issuer or to its appointed agent not later than 40 (forty) Business Days prior the put option date.
ADMISSION TO TRADING	First North Nasdaq Riga
ARRANGER	BlueOrange Bank AS
CERTIFIED ADVISER	BlueOrange Bank AS
PAYING AGENT	Nasdaq CSD SE
USE OF PROCEEDS	Funds that are raised from Notes issue were used in refinancing of current loan liabilities of the Issuer and its subsidiaries.



Covenants (1)

From the Issue Date of Notes to the date of repayment thereof, the Issuer and its subsidiary companies (if any) shall undertake the following:

The Issuer and its subsidiaries shall continue business operations in the production of dry mixes and ready-made liquid mixes;

- Not to change the control of the Issuer (not to sell more than 50% of shares of the Issuer or its ultimate holding company);
- Not to commence Issuer's liquidation and not to reduce the equity capital;
- Any transactions with Related Persons shall be at market prices;
- In case of investment larger than EUR 100,000 the Issuer or its subsidiaries may invest in share capital of other companies only if the participation share is at least 51% and the Issuer or its subsidiaries retains full control of a company;
- Not to sell, present, change, rent, invest, or otherwise transfer into utilization the right to use the trademarks owned or otherwise utilized by the Issuer and/or its subsidiary companies, except if trademarks are sold, presented, changed, rented, invested, or otherwise transferred into utilization to the Issuer's subsidiary company, its managing company, or any companies dependent on the managing company, other enterprises or companies which have directly or indirectly acquired participation in the equity capital of the Issuer or in which the Issuer has acquired direct or indirect participation (if any), or except if trademarks are sold, presented, changed, rented, invested, or otherwise transferred into utilization to be used outside Latvia, Estonia and Lithuania;
- Not to pay out dividends, if only audited consolidated Net Debt/Equity indicator is below 3.5 and if such dividend payout is allowed by other credit agreements;
- To maintain consolidated DSCR (profit before interest payments, tax payments, depreciation and amortization calculation against all interest, coupon and principal payments) at least 1.1¹;
- To maintain both consolidated Net Debt/Equity (total interest bearing liabilities minus cash against equity) and Net Debt/EBITDA (total interest bearing liabilities minus cash against profit before interest payments, tax payments, depreciation and amortization calculation) indicators not exceeding:
 - 5.0¹, as of 31.12.2019
 - 4.5, as of 31.12.2020
 - 4.0, as of 31.12.2021
 - 3.5, as of 31.12.2022

¹ for DSCR, Net Debt/Equity and Net Debt/EBITDA calculations as of 31.12.2019, EBITDA and Equity will be adjusted to one-off refinancing expenses



Covenants (2)

- From the Issue Date, to prepare and publish unaudited consolidated quarterly reports as per Latvian accounting standards within 2 months after the reporting period;
- Starting from 31.05.2020, to prepare and publish unaudited consolidated quarterly reports as per International Financial Reporting Standards within 2 months after the reporting period;
- Until 31.05.2020, to prepare and publish audited consolidated annual report as per International Financial Reporting Standards for the year 2019 audited by Big4 (EY, Deloitte, PwC or KPMG). The respective auditor's opinion shall be unqualified;
- Starting from 01.01.2021, to prepare and publish audited consolidated annual report as per International Financial Reporting Standards within 4 months after the reporting period audited by Big4 (EY, Deloitte, PwC or KPMG). The respective auditor's opinions shall be unqualified;
- Proof of compliance with the financial covenants to be included in every audited consolidated annual report.

Note: The slide presents a short and fractional summary of certain sections of the Terms of the Notes issue. For full overview please refer to the Terms of the Notes



Investor rights

Any Noteholder has the right to receive Coupon and Nominal payments in accordance with the Section 4.2.7. “Coupon payments” and 4.2.8. “Procedure of Notes repayment”, as well as exercise other rights fixed in the Terms of the Issue and legislation of the Republic of Latvia.

Collateral

- The Notes are secured with Collaterals established in accordance with the Collateral Agent Agreement executed between the Issuer and the Collateral Agent and the Collateral Agreements executed between the Collateral Agent and Sakret Group companies.
- Ranking of the Collaterals securing the Secured Obligations is in detail described in Annex 5 to the Terms of the Issue.

Restrictions on free circulation of the Notes

- The Notes are freely transferable securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the laws of the Republic of Latvia and the United States of America.

The Issuer is in default if at least one of the following occurs:

- The Issuer has failed to make a Coupon payment in full for more than 5 (five) Business Days following the planned payment date;
- The Issuer has failed to make a Nominal value payment in full for more than 5 (five) Business Days following the planned payment date;
- The Issuer has violated the conditions of the Section 5.5. “Covenants” of the Terms of the Notes;
- The Issuer has failed to service other liabilities in the amount of over EUR 100,000 for more than 5 (five) Business Days;
- Insolvency proceedings have been initiated against the Issuer;
- The Issuer has submitted an application for liquidation in the relevant state authorities in Latvia.

Note: The slide presents a short and fractional summary of certain sections of the Terms of the Notes issue. For full overview please refer to the Terms of the Notes



Risk factors related to the Issuer (1)

Changes in regulatory enactments	The Issuer carries out its production activity in Latvia, Estonia and Lithuania and most of the risks, which affect it, are related to the general economic situation in all three Baltic countries and regulatory enactments adopted by each country. The Issuer is headquartered in Latvia and has manufacturing plants in Latvia, Lithuania and Estonia via local subsidiaries, thus every subsidiary operates under the laws of the respective country and any significant changes in existing regulatory enactments or implementation of new regulations governing corporate taxation, employees' remuneration, natural resources taxation and others might negatively affect the business and solvency of the particular subsidiary and Sakret Group as a whole.
Macroeconomics risk	The Issuer is engaged in production of high-end quality dry and read-made liquid construction mixtures and construction chemicals in Latvia, Lithuania and Estonia. The majority of the Sakret Group revenue was generated by building material sales in Latvia, Lithuania and Estonia, remaining was generated by sales of services. The economic situation in all Baltic countries are assessed as stable which is supported by both macroeconomic data, such as GDP and employment indicators. Latvia and Lithuania currently have an A+ credit rating assigned by Standard & Poor's with a stable outlooks. Estonia currently has an AA- credit rating assigned by Standard & Poor's with a stable outlook. Financial results of Sakret Group depends on the stable macroeconomic situation in each of the Baltic countries.
Construction industry risk	The demand for dry and read-made liquid construction mixtures that Sakret Group produces is directly linked to the state of construction industry in Baltic countries. Following a rapid growth over the period of 2003 – 2008, the construction industry in the Baltics went into a nose-dive, with 2010 falling back to the level of 2002. Further years brought approximately 75% of cumulative growth until the industry faced another fall in 2016. Latvia is expected to face substantial GDP growth above the average EU level over the next couple of years. Real estate prices have been increasing in line with domestic income and the current low interest environment expand consumer capabilities in housing investments. In Estonia, construction confidence index has currently reached its post-crisis-high level, expecting further sector growth. Despite positive outlook on construction sector in Baltic countries, the decline of activity in the industry may adversely affect the Sakret Group's business and financial condition.
Competition risk	Sakret Group direct competitors across all Baltic countries are "Knauf", "Ceresit", "Saint-Gobain", and "Baumit". All Sakret's direct competitors are international companies and have one or more factories in Latvia, Lithuania and Estonia. In contrast to its competitors, Sakret Group is working exclusively for the Baltic market and is headquartered in the Baltics. The Issuer may have difficulties to compete with these competitors, thus to remain competitive and to protect profit margins, Issuer must offer new products that keep pace with industrial and technological developments and must respond to customer requirements on a timely basis. New technologies, changing commercial circumstances (for example, consolidation within a relevant sector), existing competitors (including those with a longer operating history, greater resources and/or broader range of products) and new entrants to the markets in which Issuer currently operates or markets in which Sakret Group might target for expansion may adversely affect the Group's business, financial condition, results of operations or prospects.
Production risk	Sakret Group operates 4 production plants in Riga (Latvia), Kedainai (Lithuania) and Paide (Estonia), thus any technological issues, human errors, incorrect planning or other issues directly connected with production processes might result in stoppage of production output of plants, which will negatively affect the financial results of the Sakret Group. Group is operating its production plants since 2004 and its employees have an extensive experience in managing production processes, thus any potential production risks are monitored and controlled.
Relations with key customers	Over the past years, the Issuer has maintained a moderate concentration among its customer base and this concentration has been stable over recent years. Sakret Group's clients are all the largest DIY chains in the Baltics, therefore, the concentration is directly linked with DIY market concentration. The loss of any of key customers and Issuer's inability to find adequate alternative customers on a timely basis, or at all, on commercially acceptable terms, could have a material adverse effect on its business, financial condition and results of operations.
Credit risk of clients	Issuer's customers have a period of time, generally 45 to 90 days after the date of invoice, depending on the type of customer, in which to effect payment. As a result, Issuer is subject to the risk that its customers will not pay or will delay the payment for the products they purchased. This credit exposure risk may increase due to liquidity or solvency issues experienced by Issuer's customers, for example, as a result of an economic downturn or an adverse change in their business. If Issuer is unable to collect payment for amounts invoiced from its customers, it could have a material adverse effect on its business, financial condition and results of operations. Issuer assigns credit to customers according to internal credit policy, which is developed, applying thorough internal analysis of Issuer's customers and seeking to diversify and limit its credit risk exposure.
Financial risk	After the refinancing of Luminor loan, BlueOrange Bank has provided EUR 4 million long-term loan, EUR 2 million overdraft facility, EUR 1.7 million credit line and EUR 3.0 million was raised via Notes Issue. Despite the Issuer's track record with credit institutions, there is a possibility that sources of financing may not be available in the amount required for the Issuer, or their conditions may be too unfavorable, which may significantly affect Issuer's ability to ensure sufficient financing for the company's growth.
Refinancing risk	Principal of Notes will be repaid as a lump sum at maturity date, therefore the Issuer has increased refinancing risk. The Issuer will seek to refinance Notes issue or look for other funding sources in order to decrease refinancing risk, but if Notes will not be refinanced before maturity date, as per the management estimates, the Issuer should be able to cover principal of Notes from Group's own cash flow. In case of additional capital investments would be required during the duration of Notes, which would decrease cash available for repayment of Notes at the maturity, Issuer plans to refinance part of the Notes lump sum using long-term liabilities, which will be significantly decreased by 2022, based on the repayment schedule.



Risk factors related to the Issuer (2)

Dependence on future employees	In the future, the Issuer's activities will be affected by its ability to attract, preserve, and motivate highly qualified and experienced personnel. There is competition for personnel with the relevant skills and experience in Baltic countries and it is comparatively high; however, the Issuer has successful experience in the field of personnel management, offering education, professional growth, and development possibilities, as well as different motivation programs to the employees. As of 2019, the Issuer's total number of employees was 140 persons. The majority of workers are involved in manufacturing processes.
Operational risks	Operational risk is a possibility of experiencing losses due to insufficient or unsuccessful inner processes, personnel management, systems, or external circumstances. As of 2019, the number of Group's employees reached 140 persons; therefore, thorough personnel selection is carried out, accurate descriptions of job duties are compiled, division of duties is coordinated, constant investments are made within the IT system, which allows the Issuer to reduce operational risks.
Legal proceeding and risk of other claims	The Issuer may be adversely affected by contractual claims, complaints and legal proceedings arising from relationships with partners, customers, competitors or regulatory authorities, as well as negative publicity such proceedings might cause. Any such legal proceedings, complaints, contractual claims or negative publicity may materially affect the operational activities, financial situation and business results of the Issuer.



Risk factors related to Notes

	<p>Notes will be secured with Collaterals that will be subject to ranking described in Annex 5 of the Terms of the Notes</p>
Collateral risk	<p>Noteholders should be aware that since the Estonian subsidiary of the Issuer is giving upstream collaterals, such collaterals could be contested under Estonian law in a certain case. As per the provisions of Estonian Commercial Code, an OÜ (osaühing)-type company shall not amongst others guarantee a loan taken by its shareholder whose share represents more than 5 per cent of its share capital. However, the Estonian law stipulates that this prohibition does not apply to guaranteeing or securing a loan taken by the parent if grant of guarantee or security/collateral does not harm the financial status of the company or the interests of its creditors.</p> <p>If the Issuer fails to make the Coupon and / or Nominal payments in a timely manner, the Collateral Agent, acting in the interest of the Noteholders, will commence the Collateral enforcement proceedings according to the procedures described in Section 5.4. of the Terms of the Issue.</p>
Notes repayment risk	<p>Notes will be secured with Collaterals established in accordance with the Collateral Agreements executed between the Collateral Providers and the Collateral Agent. In case of Issuer's insolvency, Noteholders have the same right to receive their investment as other creditors of the relevant group in accordance with applicable regulatory enactments.</p>
Notes early repayment risk	<p>Issuer has a call option, which means, that at certain dates during the term of Notes the Issuer may decide to execute an early repayment of Notes by paying back the principal at the certain price for the Nominal amount to the Noteholders. Noteholders should take into account that Notes early redemption price may be lower than Notes price on the secondary market.</p>
Delisting risk	<p>There is a risk, that Nasdaq Riga order to delist Notes from the First North before the maturity after the admission to trading took place, due to changes in FCMC opinion and Legal acts, including Nasdaq Riga regulations.</p>
Price risk	<p>Notes will be repaid for their Nominal Value at the maturity, yet the price in the secondary market may change significantly. Neither the Issuer, nor any other person undertakes to maintain a certain price level of Notes.</p>
Liquidity risk	<p>Neither the Issuer, nor any other person guarantees the minimum liquidity of Notes. Noteholders should take into account that there may be difficulties in selling Notes in the secondary market.</p>
Tax risk	<p>Tax rates and tax payment procedure applicable at the moment of purchase of Notes to the tax residents, non-residents of Latvia, and residents of other countries may change. The Issuer will not compensate for the increase in taxes to Noteholders, therefore Noteholders may receive smaller payments related to Notes.</p>

Other material information

Transactions with related parties

- Transactions with related parties shall mean transactions between the Issuer and the following entities, controlled by members of the Management board and/or members of the Supervisory Board:
 - 1) SAKRET NORDEN OY
 - 2) ALBAU GROUP: ALBAU SIA, ALBAU UAB, ALBAU NORDE OU
 - 3) LM21 SIA

Legal proceedings (last year)

- There are no insolvency applications nor instituted insolvency proceedings against the Issuer.
- Management Board of the Issuer is not aware of any legal proceedings in connection with fraud or other economic violations in which Management Board Members or Supervisory Board Members or other employees of the Issuer have been involved.

Share incentive programs

- There are no share-based incentive programs or extraordinary bonus programs in place in the Issuer.

Significant patents

- The Issuer does not hold any significant patents

EUR	31.12.2017		31.12.2018	
	Receivables	Liabilities	Receivables	Liabilities
SAKRET NORDEN OY	63 053		39 433	
ALBAU SIA		159 814	26 140	39 922
ALBAU UAB	19 629		50 521	68 650
ALBAU NORDEN OU				15 417
LM21 SIA	2 686	201 721		261 335

EUR	2017		2018	
	Purchases	Sales	Purchases	Sales
SAKRET NORDEN OY		368 577		318 794
ALBAU SIA	1 328 454	21 937	1 108 204	21 604
ALBAU UAB	28 508		356 306	13 960
ALBAU NORDEN OU			47 062	70 960
LM21 SIA	338 852	7 720	311 648	2 220



Certified Adviser

«BlueOrange Bank» acts as the First North Certified Adviser for AS «Sakret Holdings»

- Official name: AS BlueOrange Bank
- Registration number: 40003551060
- Main field of activity: Banking services
- Address: Smilšu iela 6, Riga, LV-1050, Latvia
- Web page: www.blueorangebank.com

- **Representative:**

- Deniss Makedonskis
- E-mail: deniss.makedonskis@blueorangebank.com
- Phone: +371 67034219



As BlueOrange Bank is advising **AS «Sakret Holdings»** with the preparation of admission documents. The agreement is valid from the day of submitting the application for admission to trading on First North to Nasdaq Riga until the actual first trading day of the Notes on First North platform.



Annexes

Annex 1 - Audited consolidated annual report for 2017 (in English)

Annex 2 - Audited consolidated annual report for 2018 (in English)

Annex 3 - Audited non-consolidated annual report for 2017 (in Latvian)

Annex 4 - Audited non-consolidated annual report for 2018 (in Latvian)

Annex 5 – List of collaterals

Annex 6 – Terms of the Notes Issue (without annexes)



Contact information

AS "SAKRET HOLDINGS"

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e-mail: info@sakret.lv

AS SAKRET HOLDINGS
(Company's registration number 40103251030)

2017 consolidated annual report,

*prepared in accordance with
Latvian statutory requirements,
and Independent auditors' report**

(8th financial year)

** This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.*

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

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AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

CORPORATE INFORMATION

NAME OF THE COMPANY	SAKRET HOLDINGS
LEGAL STATUS	Joint-Stock Company
REGISTRATION NUMBER, PLACE AND DATE	40103251030, Riga, 30 September 2009
TYPE OF OPERATIONS	Holding companies' activity. Production and sale of dry, ready for use building materials, chemicals and paints.
NACE CODE	64.99, 23.64, 64.20, 20.12, 20.3, 20.5, 23.6, 46.73, 64.2
SHAREHOLDERS	SIA Māris un Partneri (100%) Reg. No. 40103296793 „Ritvari”, Rumbula, Stopinu region, Latvia, LV-2121
LEGAL ADDRESS	„Ritvari”, Rumbula, Stopinu region, Latvia, LV-2121
BOARD MEMBERS	Māris Kelpis, Chairman of the Board Andis Ziedonis, Member of the Board Juris Grīnvalds, Member of the Board
SUBSIDIARIES	SIA SAKRET (100%) Reg. No. 40003622109, „Ritvari”, Rumbula, Stopinu region, LV-2121 SIA SAKRET PLUS (90%) Reg. No. 40003749392, „Ritvari”, Rumbula, Stopinu region, LV-2121 UAB SAKRET LT (100%) Reg. No. 3005988522 Biochemikų g. 2, LT-57234, Kėdainiai, Lithuania OÜ SAKRET (100%) Reg. No. 111961147 Mäo küla, Paide vald, 72751 Järvamaa, Estonia
COUNCIL OF THE COMPANY	Andris Vanags, Chairman of the Council <i>(from 10 December 2013)</i> Elīna Salava, Deputy Chairman of the Council <i>(from 10 December 2013)</i> Mārtiņš Biezais, Member of the Council <i>(from 10 December 2013)</i>

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvija, LV-2121

CORPORATE INFORMATION

REPORTING YEAR 1 January – 31 December 2017

PREVIOUS REPORTING YEAR 1 January – 31 December 2016

INDEPENDENT AUDITORS' AND
CERTIFIED AUDITOR'S NAME AND
ADDRESS SIA „Deloitte Audits Latvia”
Licence No. 43
Gredu street 4a
Riga, Latvia,
LV-1019

Kitija Ķepīte
Certified auditor
Certificate No. 182

AS SAKRET HOLDINGS

Registration No.: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

CONSOLIDATED MANAGEMENT REPORT

AS SAKRET HOLDINGS is the Group's controlling entity in following associated companies:

- SIA SAKRET (registered in the Republic of Latvia, unified registration No. 40003622109, legal address: „Ritvari”, Rumbula, Stopinu region, LV2121), 100% of shares,
- SIA SAKRET PLUS (registered in the Republic of Latvia, unified registration No. 40003749392, legal address: „Ritvari”, Rumbula, Stopinu region, LV2121), 90% of shares,
- UAB SAKRET LT (registered in the Republic of Lithuania, registration No. 3005988522, legal address: Biochemikų g. 2, LT-57234, Kėdainiai, Lithuania), 100% of shares and
- OÜ SAKRET (registered in the Republic of Estonia, registration No. 111961147, legal address: Mäo küla, Paide vald, 72751 Järvamaa, Estonia), 100% of shares.

The consolidated turnover in amount of EUR 19,30 million consists of the Group's subsidiaries turnovers. SIA Sakret unconsolidated turnover in 2017 is EUR 7,41 million (+6% compared to 2016), OU Sakret unconsolidated turnover is EUR 5,99 million (+6% compared to 2016), UAB Sakret LT unconsolidated turnover is EUR 7,51 million (+40 % compared to 2016), SIA Sakret Plus unconsolidated turnover is EUR 2,35 million (+6 % compared to 2016).

SAKRET Group's results can be considered as satisfactory, due to observed various trends in Baltic construction sector market in 2017. Although there was a moderate increase in construction volumes in Estonia and Lithuania, however in Latvia, even though the total construction volumes compared to 2016 have risen by 19.5%, there was a decrease by 11% in the residential construction segment, which is the Company's target market. Similar to the year 2016 there was almost no insulation of buildings in 2017 because the co-financing of European funds was not ensured.

The Group continues to work with direct product consumers - builders, in order to introduce to them new products and to explain the application specifics and the advantages of the existing products. Training seminars are organized on regular basis, where both in theory and in practice, we inform about the right ways of choosing and using the materials manufactured by our Company. In addition, the Company also works on discovering additional product segments in the building materials market in order to increase its competitiveness.

SAKRET Group is actively working on strengthening the product range with additional products. During the reporting period, SAKRET Group's investment in research and development was in amount of EUR 109,0 thousands.

Future prospects

In October 2013 the Company and its affiliated companies have concluded a long-term credit agreement with AS DNB Bank (now AS Luminor Bank). According to credit agreement conditions, the term of the credit principal repayment was set at December 31, 2017 with a possibility to extend it. At the beginning of 2018 the credit agreement term was extended and set at January 31, 2019. Based on current credit agreement terms, the entity and its related parties have to agree on further cooperation with AS Luminor bank, in line with Sakret Group's future development plans, until the above mentioned date.

Since the restructuring of the credit in 2013, the Company and its related companies have completed all of the liabilities against the bank until December 2017, when the repayment of the remaining amount of the credit was intended under the contract, therefore the Governing Board of the company considers that the agreement with the Bank will be achieved. The credit agreement provided that the repayment deadline, given that both parties would achieve an agreement, may be extended. In 2017, the Company commenced discussions with the bank on the extension of the maturity date of the credit. A corresponding agreement with the bank was achieved and as a result the credit agreement No 34/13K23 Amendments No 3 were signed on 28 February 2018, which provide for the final maturity of the credit on 31 January 2019. In the reporting period, the Company has not fulfilled certain conditions of the Credit Agreement relating to financial (profit) indicators.

The financial statements were signed on 28 May 2018 on the Company's behalf by:



Māris Ķelpis

Chairmen of the board



Andis Ziedonis

Member of the Board



Juris Grīnvalds

Member of the Board

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

**CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2017**

	Notes	31.12.2017. EUR	31.12.2016. EUR
ASSETS			
Non-current assets			
Intangible assets	3	<u>411 872</u>	<u>317 129</u>
Property, plant and equipment			
Land, buildings and constructions		8 780 792	9 229 525
Equipment and machinery		2 537 216	2 925 925
Other fixed assets		99 582	71 068
Prepayments for property, plant and equipment		6 529	4 296
Total property, plant, equipment and intangible assets	4	<u>11 424 119</u>	<u>12 230 814</u>
Non-current financial investments			
Other non-current receivables		13 918	13 926
Other investments		-	28
Total non-current financial investments		<u>13 918</u>	<u>13 954</u>
Total non-current assets		<u>11 849 909</u>	<u>12 561 897</u>
Current assets			
Inventories			
Raw materials, materials and consumables		1 367 758	1 565 903
Finished goods and goods for sale		896 466	942 702
Prepayments for goods and services		27 670	6 319
Total inventories		<u>2 291 894</u>	<u>2 514 924</u>
Receivables			
Trade receivables	6,19(c)	2 515 993	1 953 264
Other receivables		142 318	159 127
Deferred expenses		36 392	33 776
Short-term loan to shareholder	5	35 572	35 572
Total receivables		<u>2 730 275</u>	<u>2 181 739</u>
Cash and cash equivalents		306 063	397 591
Total current assets		<u>5 328 232</u>	<u>5 094 254</u>
TOTAL ASSETS		<u>17 178 141</u>	<u>17 656 151</u>

Notes on pages 11 to 23 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET
 AS OF 31 DECEMBER 2017**

	Notes	31.12.2017. EUR	31.12.2016. EUR
EQUITY AND LIABILITIES			
Equity			
Share capital	7	35 000	35 000
Denomination reserve	7	572	572
Reorganization reserve	23	(8 491 750)	(8 491 750)
Foreign exchange rate fluctuations reserve		24 899	24 899
Retained earnings:			
a) prior year retained earnings		148 327	143 870
b) loss for the year		(239 138)	4 457
Equity attributable to parent Company's shareholders		(8 522 090)	(8 282 952)
Minority shareholder's participation share		176 877	158 371
Total equity		(8 345 213)	(8 124 581)
Liabilities			
Non-current liabilities			
Bank loans	8	16 641 137	17 341 139
Other borrowings	10	167 093	167 093
Payables to related parties	19(d)	757 532	767 932
Finance lease liabilities	9	-	-
Total non-current liabilities		17 565 762	18 276 164
Current liabilities			
Loans from credit institutions	8	1 700 000	2 799 999
Other borrowings	10	1 170 582	654 835
Finance lease liabilities	9	37 545	37 545
Advances from customers		118 865	222 099
Trade payables		3 005 926	1 957 165
Payables to related parties	19(d)	421 535	624 844
Taxes and mandatory state social security contributions		325 638	520 983
Other payables	11	139 133	98 845
Accrued liabilities	12	1 009 365	559 250
Unpaid dividends to minority shareholder		29 003	29 003
Total current liabilities		7 957 592	7 504 568
Total liabilities		25 523 354	25 780 732
TOTAL EQUITY AND LIABILITIES		17 178 141	17 656 151

Notes on pages 11 to 23 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR 2017**

	Notes	2017 EUR	2016 EUR
Revenue	13	19 298 618	17 648 223
Cost of goods sold	14	<u>(14 649 323)</u>	<u>(13 220 742)</u>
Gross profit		4 649 295	4 427 481
Selling expenses	15	(2 764 948)	(2 544 522)
Administration expenses	16	(1 048 794)	(982 097)
Other operating income	17	21 767	139 523
Other operating expenses		(87 570)	(56 821)
Interest and similar income		1 552	1 284
Interest and similar expenses		<u>(976 775)</u>	<u>(878 922)</u>
(Loss)/Profit before taxes		(205 473)	105 926
Corporate income tax		<u>(15 159)</u>	<u>(79 557)</u>
(Loss)/Profit for the reporting year		<u>(220 632)</u>	<u>26 369</u>
(Loss)/Profit attributable to:			
<i>Parent Company's shareholders</i>		(239 138)	4 457
<i>Minority shareholders</i>		<u>18 506</u>	<u>21 912</u>
		<u>(220 632)</u>	<u>26 369</u>

Notes on pages 11 to 23 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS
 Registration number: 40103251030
 Address: "Ritvart", Rumbula, Stopinū region, Latvia, LV-2121

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR 2017**

	Share capital	Denomination reserve	Reorganization reserve (Note 27)	Foreign exchange rate fluctuations	(Accumulated losses)/ retained earnings/	Total equity attributable to parent Company's shareholders	Minority shareholders' participation share	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of 31 December 2015	35 000	572	(8 491 750)	24 899	138 256	(8 293 023)	136 459	(8 156 564)
Profit for the year	-	-	-	-	4 457	4 457	21 912	26 369
Reclassification of deferred tax	-	-	-	-	5 614	5 614	-	5 614
As of 31 December 2016	35 000	572	(8 491 750)	24 899	148 327	(8 282 952)	158 371	(8 124 581)
Loss for the year	-	-	-	-	(239 138)	(239 138)	18 506	(220 632)
As of 31 December 2017	35 000	572	(8 491 750)	24 899	(90 811)	(8 522 090)	176 877	(8 345 213)

Notes on pages 11 to 23 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR 2017**

	Notes	2017 EUR	2016 EUR
Cash flows from operating activities			
(Loss)/Profit before taxes		(205 473)	105 926
Adjustments for:			
Depreciation and amortization	14,15,16	1 027 755	1 077 005
Interest income		(1 552)	(1 284)
Interest expenses		976 775	878 922
Net profit from disposal of fixed assets		(10 925)	(3 795)
Profit before adjustments for capital		1 786 580	2 056 774
Net changes in working capital		717 837	542 770
Cash flows from operating activities		2 504 417	2 599 544
Corporate income tax paid		(71 271)	(40 950)
Net cash flows from operating activities		2 433 146	2 558 594
Cash flows from investing activities			
Purchase of fixed and intangible assets		(309 013)	(309 092)
Interest received		-	-
Net cash flows from investing activities		(309 013)	(309 092)
Cash flows from financing activities			
Proceeds from sale of fixed assets		20 369	4 567
(Paid) loans, net		(1 284 254)	(1 392 722)
Interest paid		(951 776)	(903 512)
Payments for leased property, plant and equipment		-	(49 416)
Net cash flows from financing activities		(2 215 661)	(2 341 083)
Net (decrease) in cash and cash equivalents		(91 528)	(91 581)
Cash and cash equivalents at the beginning of the year		397 591	489 172
Cash and cash equivalents at the end of the year		306 063	397 591

Notes on pages 11 to 23 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2017**

1. GENERAL INFORMATION

The main business activity of the Company is holding companies' operations, production and sale of dry, ready for use building materials, chemicals and paints.

2. STATEMENT OF ACCOUNTING POLICIES*Basis of preparation of consolidated financial statements*

Consolidated financial statements have been prepared in accordance with the Law of the Republic of Latvia On the Annual Financial Statements and Consolidated Financial Statements.

The consolidated financial statements include accounting data of AS "SAKRET HOLDINGS", SIA "SAKRET", SIA "SAKRET PLUS", OU "SAKRET", UAB "SAKRET LT". The control is ensured if the Company has opportunity to determine the financial and operating policies of another company as well as to benefit from these transactions. The Company gained control of SIA "SAKRET" (100%), SIA "SAKRET PLUS" (90%), OU "SAKRET" (100%) and UAB "SAKRET LT" (100%) on 1 November 2013.

Financial statements of subsidiaries are consolidated in the Group's financial statements by combining particular assets, liabilities, revenue and expenses items. During the preparation of the Group's financial statements mutual balances and transactions among the Group's companies as well as unrealized gains and losses were excluded.

Foreign currency

The accompanying financial statements are presented in the currency of European Union, the euro (hereinafter "EUR"), which is the Group's functional and presentation currency.

	2017	2016
	EUR	EUR
EUR	1.0000	1.0000
SEK	9,8438	9,5505

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies into the EUR are recognized in the statement of profit and loss.

Intangible assets

Intangible assets are stated at historical cost less accumulated amortization and accumulated impairment losses. Amortization of the assets is calculated using the straight-line method to allocate their cost over their estimated useful lives. Generally, intangible assets are amortized over a period of 5 years.

Property, plant and equipment

Property, plant and equipment are stated at historical cost including import duties and non-deductible purchase taxes as well as any costs directly attributable to bringing the asset to its working condition and place for its intended use. Repair and maintenance costs incurred after the asset is put into operation are reflected in statement of profit and loss as incurred. If it is certain that due to related costs the economic benefits will be gained in future, exceeding the initial return on assets, such costs are capitalized to value of fixed assets.

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Land is not depreciated. Depreciation of other assets calculated based on historical cost using the straight-line method at the following rates:

Annual rate

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Buildings	4% - 10%
Equipment and machinery	6% - 33%
Other fixed assets	10% -50%

The carrying amounts of property, plant and equipment are reviewed for impairment, if there is any indication that the recoverable value is lower than their carrying amounts. If the assets' recoverable values are lower than their carrying amounts, these assets are written off to its' recoverable values. The recoverable value is the higher of the following values: the asset's fair value less cost of sale or value from the use of the asset.

Gains and losses on property, plant and equipment disposals are determined by the difference between the carrying amount and the income from sale, and included in the statement of profit and loss as incurred..

Inventories

Inventories are stated at the lower of the following values: cost or market value. Costs comprise direct materials costs as well as, if applicable, direct labor costs and other directly attributable costs incurred in bringing the inventories to their present location and condition. Inventory cost price is determined using FIFO (*first-in, first-out*) method. If necessary, obsolete, slow moving and defective inventories are written-off.

Receivables

Accounts receivable in the balance sheet are stated at their nominal value less provision for doubtful receivables. On each balance sheet date the Group evaluates if there is an objective evidence indicating that the client will not be able to meet payment terms. Each debtor is analyzed individually. Provisions for doubtful debts are made, the amount of which is determined as the difference between the recoverable value and nominal value.

Deferred expenses

Expenses incurred and paid in the reporting year, but which relate to the next reporting periods, are recognized as deferred expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances of current accounts with banks.

Leases

Finance leases, under which the Group assumes substantially all the risks and rewards of ownership associated with the asset, are recognized in the balance sheet as asset in the amount that in the beginning of the lease period is equal to fair value of leased asset or, if lower, than the minimum of lease payments at present value. Each lease payment is allocated between the liability and finance charge so as to achieve a constant interest rate on the liability balance. Financial expenses are included in the statement of profit and loss as interest expense.

If there is sufficient basis to believe that at the rental period end the lessee will obtain ownership of the lease, the asset's useful life is assumed as period of expected use. Otherwise, capitalized leased assets are depreciated, using the straight-line method, during the estimated useful life of the asset or the lease term depending on which of these periods is shorter.

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Leases under which substantially all ownership of the risks and rewards are assumed by the lessor are classified as operating leases. Operating lease payments are recognized as an expense over the lease term. The Group's liabilities deriving from operating lease agreements are recorded as off-balance sheet liabilities.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Trade payables are classified as current liabilities if payment is due within one year or less. Otherwise, they are classified as non-current liabilities.

Accrual for unused vacations

Accrual for unused vacations is calculated by multiplying employees' average salary and mandatory social insurance contributions during last 3-6 months by the number of unused vacation days at the end of the reporting year.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources from the Group embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Loans and borrowings

Loans are recognized initially at cost determined by lending or borrowing amount at fair value adding the costs associated with loan issue or subtracting borrowing costs incurred. Subsequent to initial recognition, all loans are stated at amortized cost, using the effective interest rate method. Amortized cost is calculated by taking into account costs associated with loan issue or borrowing as well as with any lending or borrowing-related discounts or bonuses. Gains or losses resulted from amortization are recognized in the statement of profit and loss as interest income and expenses.

Revenue and revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of value added tax. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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Interest income

Revenues related to loans are recognized in the period incurred and stated in the position "Interest and similar income".

Interest expense

Costs associated with borrowings are written off in the period incurred and stated in the position "Interest and similar charges".

Corporate income tax

Corporate income tax consists of the calculated and deferred corporate income tax for the accounting year. Corporate income tax for the accounting year is calculated by applying a tax rate of 15% to the taxable income for the financial period.

Related parties

Related companies are parent and subsidiary companies. AS SAKRET HOLDINGS, "Ritvari" Rumbula, Stopinu region, LV-2121 is the parent company, which is responsible for the preparation of consolidation.

Use of estimates

The legislation of the Republic of Latvia requires that in preparing the financial statements the management of the Company makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of off-balance sheet assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The critical judgments and key estimates concerning the future, and other key sources of estimation uncertainty which exist at the reporting date of the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next reporting period:

- The Group evaluates trade receivables and assesses their recoverability, making allowances for doubtful and bad trade receivables, if necessary. The Group's management has evaluated trade receivables and considers that it is not necessary to make any additional allowances as of 31 December 2017, see Note 6.
- The Group's management evaluates the carrying value of inventories and assesses whether the net realizable value exceeds the cost price. Allowances are made in order to write off the value of inventories to their net realizable value, if necessary. The Group's management has evaluated the net realizable value of inventories and considers that it is not necessary to make any adjustments with regards to the carrying value of inventories as of 31 December 2017.
- The Group evaluates issued loans and their recoverability. The Company's management has evaluated the recoverability of the issued loans and considers that it is not necessary to make an allowance as of 31 December 2017.
- The Group management reviews the carrying values of property, plant and equipment and assesses whenever indications exist that the assets' recoverable value is lower than their carrying amounts. The Group's management calculates and records an impairment loss on property, plant and equipment based on the estimates related to the expected future use. Taking into consideration the Group's planned cash flows from fixed assets, the Group's management considers that no significant adjustments to the carrying values of property, plant and equipment are necessary as of 31 December 2017.
- Useful lives of property, plant and equipment are assessed at each balance sheet date and changed, if necessary, to reflect the Group's management current view on their remaining useful lives in the light of changes in technology, the remaining prospective economic utilization of the assets and their physical condition. The Group's management considers that no adjustments to the useful life of property, plant and equipment should be made as of 31 December 2017.

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- The Group assesses its ability to continue as a going concern. See Note 21.

3. INTANGIBLE ASSETS

	Licenses	Product development	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR
HISTORICAL COST				
As of 31 December 2016	352 256	-	137 683	489 939
Additions	13 400	-	108 957	122 357
Disposals	(933)	-	-	(933)
Reclassified from/to another position	-	79 715	(79 715)	-
As of 31 December 2017	364 723	79 715	166 925	611 363
ACCUMULATED AMORTIZATION				
As of 31 December 2016	172 810	-	-	172 810
Charge	23 804	3 810	-	27 614
Disposals	(933)	-	-	(933)
As of 31 December 2017	195 681	3 810	-	199 491
NET CARRYING AMOUNT				
As of 31 December 2016	179 446	-	137 683	317 129
As of 31 December 2017	169 042	75 905	166 925	411 872

4. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and constructions	Equipment and machinery	Other fixed assets	Prepayments	Total
	EUR	EUR	EUR	EUR	EUR
HISTORICAL COST					
As of 31 December 2016	13 645 852	8 799 128	1 287 549	4 296	23 736 825
Additions	-	117 227	68 590	6 529	192 346
Disposals	-	(66 142)	(12 265)	-	(78 407)
Reclassified	-	4 296	-	(4 296)	-
As of 31 December 2017	13 645 852	8 854 509	1 343 874	6 529	23 850 764
ACCUMULATED DEPRECIATION					
As of 31 December 2016	4 416 327	5 873 203	1 216 481	-	11 506 011
Charge	448 733	504 998	37 993	-	991 724
Disposals	-	(60 908)	(10 182)	-	(71 090)
As of 31 December 2017	4 865 060	6 317 293	1 244 292	-	12 426 645
NET CARRYING AMOUNT					
As of 31 December 2016	9 229 525	2 925 925	71 068	4 296	12 230 814
As of 31 December 2017	8 780 792	2 537 216	99 582	6 529	11 424 119

Information on the Group's pledged assets is stated in Note 8. Information on residual values of assets purchased under finance leasing is stated in Note 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR 2017

5. SHORT-TERM LOAN TO SHAREHOLDER

	Agreement No. and currency	Effective interest rate (%)	Maturity	31.12.2017. EUR	31.12.2016. EUR
	„Māris un Partneri” SIA*	No.1, EUR	3.5% 31.12.2018.	35 572	35 572
Total short-term loan				35 572	35 572

* The loan is unsecured.

6. TRADE RECEIVABLES

	31.12.2017. EUR	31.12.2016. EUR
Receivables for goods and services	3 122 421	2 548 933
Allowance for doubtful receivables	(606 428)	(595 669)
Total	2 515 993	1 953 264

Change in allowance for doubtful receivables:

	2017 EUR	2016 EUR
At the beginning of the reporting year	595 669	594 712
Allowances made during the year	10 759	957
At the end of the reporting year	606 428	595 669

* The Group has evaluated the recoverability of doubtful debts and reduced the provisions for those debts that according to the Company Management's consideration are irrecoverable.

7. SHARE CAPITAL

As of 31 December 2017 and 2015, the registered and fully paid share capital consists of 35 000 shares with a nominal value of EUR 1 per share. Share capital of the Company amounts to EUR 35 000. As a result of denomination in 2014, the share capital decrease of EUR 572 is reflected in the Company's share capital under "Denomination reserve" item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR 2017

8. LOANS FROM CREDIT INSTITUTIONS

<i>Long-term:</i>	<i>Agreement No. and currency</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	The remaining principal amount as of 31.12.2017. EUR	The remaining principal amount as of 31.12.2016. EUR
AS „Luminor Bank”(loan)	No. 34/13K23, EUR	3 month Euribor + 3%	31.01.2019.	16 641 137	17 341 139
Total long-term loans from credit institutions				16 641 137	17 341 139
<i>Short-term:</i>	<i>Agreement No. and currency</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	The remaining principal amount as of 31.12.2017. EUR	The remaining principal amount as of 31.12.2016. EUR
AS „Luminor Bank”(loan)	No 34/13K23, EUR	3 month Euribor + 3%	31.12.2018	1 700 000	2 799 999
Total short-term loans from credit institutions				1 700 000	2 799 999

Information on collateral and guarantees is described in Note 22.

In October 2013 the Company and its affiliated companies have concluded a long-term credit agreement with AS DNB Bank (now AS Luminor Bank). According to credit agreement conditions, outstanding long-term loan principal repayment term was set at December 31, 2017 with a possibility to extend it. At the beginning of 2018 the credit agreement term was extended and set at January 31, 2019. Based on current credit agreement terms, the entity and its related parties have to agree on further cooperation with AS Luminor bank, in line with Sakret Group's future development plans, until the above mentioned date.

Since the restructuring of the credit in 2013, the Company and its related companies have completed all of the liabilities against the bank until December 2017, when the repayment of the remaining amount of credit was intended under the contract, therefore the Governing Board of the company considers that the agreement with the Bank will be concluded. The credit agreement provided that the repayment deadline, given that both parties would achieve an agreement, may be extended. In 2017, the Company commenced discussions with the bank on the extension of the maturity date of the credit. A corresponding agreement with the bank was achieved, and as a result the credit agreement No 34/13K23 Amendments No 3 were signed on 28 February 2018, which provide for the final maturity of the credit on 31 January 2019. In the reporting period, the Company has not fulfilled certain conditions of the Credit Agreement relating to financial (profit) indicators.

According to signed agreements, the Group is obligated to achieve certain financial ratios during the contract period. According to management's assessment as of 31 December, 2017 the Company has not fulfilled certain conditions of the Credit Agreement relating to financial (profit) indicators.

9. FINANCE LEASE

	<i>Maturity</i>	<i>Agreement currency</i>	<i>Effective interest rate (%)</i>	Long-term part	Short- term part	Residual value of leased asset
SIA "ALBAU"	31.07.2017	EUR	15%	-	37 545	37 545
Total	31.12.2017.			-	37 545	37 545
Total	31.12.2016.			-	37 545	37 545

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. OTHER BORROWINGS

Long-term:	<i>Agreement No.</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	31.12.2017. EUR	31.12.2016. EUR
Other borrowings	200901/200902/ 200903/200904	5%	31.12.2018.	167 093	167 093
			Kopā	167 093	167 093
Short-term:	<i>Agreement No.</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	31.12.2017. EUR	31.12.2016. EUR
WERELEND VARA OU	Annex No. 3 2.1-14-8/20	10%	31.12.2018.	150 000	150 000
Bikuvos prekyba UAB	24.04.2017. agreement	7%	31.07.2018	300 000	-
SIA „Luminor Līzings Latvija”	Factoring agreement No. 0000157/158/159/001	3 Month Euribor + 3%	31.01.2019.	720 582	504 835
			Kopā	1 170 582	654 835

11. OTHER PAYABLES

	31.12.2017. EUR	31.12.2016. EUR
Employees' salaries	113 262	78 635
Accrued interest on loans	19 657	17 268
Other	6 214	2 942
Total	139 133	98 845

12. ACCRUED LIABILITIES

	31.12.2017. EUR	31.12.2016. EUR
Clients' annual discounts	754 033	346 961
Accrual for unused vacations	183 153	167 737
Expenses for which invoices have been received in the next financial year	70 049	39 391
Other	2 130	5 161
Total	1 009 365	559 250

13. REVENUE

	2017 EUR	2016 EUR
Revenue from sale of goods and services rendered	19 298 618	17 648 223
Total	19 298 618	17 648 223

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2017****14. COST OF GOODS SOLD**

	2017	2016
	EUR	EUR
Purchase cost of raw materials	(11 413 033)	(10 229 874)
Remuneration for work	(962 766)	(854 928)
Depreciation	(931 442)	(986 193)
Energy resources expenses	(492 075)	(428 039)
Mandatory state social security contributions and entrepreneurial risk duty	(265 378)	(230 329)
Repair and spare parts expenses	(241 480)	(220 748)
Franchise expenses	(149 938)	(132 946)
Rent of real estate and fixed assets	(52 774)	(33 545)
Other expenses	(140 437)	(104 140)
Total	(14 649 323)	(13 220 742)

15. SELLING EXPENSES

	2017	2016
	EUR	EUR
Goods delivery expenses	(975 635)	(848 190)
Remuneration for work	(630 496)	(601 684)
Advertising and marketing expenses	(412 904)	(355 278)
Sales employees transport expenses	(202 716)	(180 165)
Mandatory state social security contributions and entrepreneurial risk duty	(178 989)	(173 960)
Depreciation	(32 745)	(29 835)
Other expenses	(331 463)	(355 410)
Total	(2 764 948)	(2 544 522)

16. ADMINISTRATION EXPENSES

	2017	2016
	EUR	EUR
Remuneration for work	(390 383)	(363 383)
Business consulting services	(112 555)	(114 783)
Mandatory state social security contributions and entrepreneurial risk duty	(107 409)	(97 021)
Depreciation and amortization	(63 568)	(60 977)
Legal services	(46 644)	(29 921)
Communication expenses	(17 565)	(19 412)
Other expenses	(310 670)	(296 600)
Total	(1 048 794)	(982 097)

17. OTHER OPERATING INCOME

	2017	2016
	EUR	EUR
Profit from sale of fixed assets	10 925	3 795
Received financial support	-	123 685
Other income	10 842	12 043
Total	21 767	139 523

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2017****18. AVERAGE NUMBER OF EMPLOYEES DURING THE REPORTING YEAR**

	2017	2016
The Group's average number of employees in the reporting year	<u>131</u>	<u>128</u>

19. TRANSACTION WITH RELATED PARTIES**(a) Goods sold and services rendered**

	2017 EUR	2016 EUR
SAKRET NORDEN OY	368 577	512 224
ALBAU SIA	21 937	9 493
LM 21 SIA	7 720	2 220
MĀRIS UN PARTNERI SIA	695	695
Total	<u>398 929</u>	<u>524 632</u>

(b) Goods, purchase of real estate and services received

	2017 EUR	2016 EUR
ALBAU SIA	1 328 454	1 587 652
LM 21 SIA	338 852	348 281
ALBAU UAB	28 508	-
Total	<u>1 695 814</u>	<u>1 935 933</u>

(c) Receivables arising from transactions with related parties

	31.12.2017. EUR	31.12.2016. EUR
SAKRET NORDEN OY	63 053	59 018
ALBAU UAB	19 629	-
MĀRIS UN PARTNERI SIA	6 623	5 782
LM 21 SIA	2 686	-
ALBAU SIA	-	3 167
Total	<u>91 991</u>	<u>67 967</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2017****(d) Payables to related parties**

Non-current portion	31.12.2017. EUR	31.12.2016. EUR
MĀRIS ĶELPIS	700 042	709 242
PĒTERIS STUDENTS	57 490	58 690
Total	757 532	767 932
Current portion	31.12.2017. EUR	31.12.2016. EUR
LM 21 SIA	201 721	128 443
ALBAU SIA	159 814	346 401
MĀRIS ĶELPIS	60 000	126 000
PĒTERIS STUDENTS	-	24 000
Total	421 535	624 844

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise loans from credit institutions, factoring, financial leasing, and cash. Aim of these financial instruments is to ensure financing for the Group's business operations. In addition, the Group uses other financial instruments such as - a loan to shareholder, trade receivables and other receivables, trade payables and other payables, which arise directly from business activities.

Foreign currency risk

The Group mainly conducts transactions in euros. Since the Latvian, Lithuanian and Estonian national currency is Euro, this is not considered as significant risk.

Interest rate risk

The Group is exposed to interest rate risk mainly arising from bank loans.

Credit risk

The Group controls the credit risk by constantly evaluating the credit repayment history of its customers and establishing credit agreement conditions for each client individually. In addition, the Group monitors overdue trade receivable balances on regular basis in order to minimize the possibility of bad debts.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its obligations in full as they fall due. The aim of the Group's liquidity risk management is to maintain sufficient amount of cash and its equivalents, and to ensure the availability of funding through sufficient amount of committed bank credit line facilities (see Note 8) to settle its obligations at a given date. In May 2018, the total factoring limit for Sakret Group companies was increased from EUR 1,000,00 thousand to EUR 1 700,00 thousand. The Group constantly assesses the matching of repayment terms of its financial assets and liabilities and the stability of long-term investment sources. An operating cash flow forecast is prepared to manage the liquidity risk on a monthly basis after the actual results of the previous month are available. The Group's management considers that that the Group will have sufficient cash resources so its liquidity will not be compromised.

21. GOING CONCERN

The Group has finished year 2017 with a loss of EUR 220 632. The Group's equity as of 31 December 2017 was negative in amount of EUR 8 345 213 and its current liabilities exceeded current assets by EUR 2 629 360. As of 31 December 2017 the Group had significant liabilities to credit institutions in amount of EUR 18 341 137 with the final repayment term on 31 January 2019. Under the conditions of the existing credit agreement, the company and its related companies, together with AS Luminor Bank, must agree on further cooperation, based on the development

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2017**

plans of the Sakret Group, until 31 January 2019. At the same time, the terms of the credit agreement provide for a less intensive repayment of the long-term credit principal and an increase in the factoring limit in 2018, which improves the liquidity of the Company and Sakret Group.

The Company is the sole shareholder of related companies SIA SAKRET (registered in the Republic of Latvia), OU Sakret (registered in the Republic of Estonia), UAB Sakret LT (registered in the Republic of Lithuania) and controlling shareholder with a 90% of shares of SIA Sakret Plus (registered in the Republic of Latvia) - hereinafter referred to as "Sakret Group".

Since the restructuring of the credit in 2013, the Company and its related companies have completed all of the liabilities against the bank until December 2017, when the repayment of the remaining amount of credit was intended under the contract, therefore the Governing Board of the company considers that the agreement with the Bank will be concluded. The credit agreement provided that the repayment deadline, given that both parties would achieve an agreement, may be extended. In 2017, the Company commenced discussions with the bank on the extension of the maturity date of the credit. A corresponding agreement with the bank was achieved, as a result credit agreement No 34/13K23 Amendments No 3 were signed on 28 February 2018, which provide for the final maturity of the credit on 31 January 2019. In the reporting period, the Company has not fulfilled certain conditions of the Credit Agreement relating to financial (profit) indicators.

The Group's ability to continue as going concern depends on its ability to cover obligations to the credit institution in a timely manner, to fulfill certain financial ratios determined by the credit institutions, as well as by the management's ability to ensure availability of financing provided by credit institutions in the long-term.

Previously stated conditions reflect the uncertainty regarding to the Group's ability to continue its operations. These financial statements are prepared based on a going concern assumption and do not include any adjustments that might be necessary if the going concern assumption is not applicable.

22. GUARANTEES ISSUED

All of the Group's shares and property is pledged in favor to AS Luminor Bank (hereinafter - the "Bank") as collateral for credit. The loan agreement concluded between Sakret Group companies and the Bank states that if any of the borrowers will not be able to make any repayments of the loan, loan interest or penalty or will not ensure other agreement conditions, then all of the rest of the borrowers immediately have to cover all the Bank's claims in full.

The Company's management confirms that at the moment of signing these financial statements, all of the borrowers indicated in the loan agreement have completed in full all the conditions set by the Bank and it is not necessary to create additional provisions as of 31 December 2017 for contingent liabilities that might arise from the default of loan agreement conditions.

23. REORGANIZATION RESERVE

On 1 November 2013 the parent Company acquired 100% of SIA "SAKRET", OU "SAKRET", UAB "SAKRET LT" and 90% of SIA "SAKRET PLUS" shares. Share purchase transactions were made among the related parties. As a result of the acquisition Group's reorganization reserve of EUR 8 491 750 was formed.

Negative reorganization reserve and minority shareholder's share at acquisition date was determined as follows:

	EUR
Acquisition value	470
Net assets at acquisition date (negative equity)	(8 382 092)
Minority share at acquisition date	109 188
Total negative reorganization reserve:	<u>8 491 750</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The Company is the sole shareholder of related companies SIA SAKRET (registered in the Republic of Latvia), OU Sakret (registered in the Republic of Estonia) and UAB Sakret LT (registered in the Republic of Lithuania) and the controlling shareholder with a 90% of shares of SIA Sakret Plus (registered in Republic of Latvia) - altogether referred to as "Sakret Group".

24. SUBSEQUENT EVENTS

On 28 February 2018, the maturity of the credit agreement and the factoring agreement with AS Luminor Bank was extended until 31 January 2019. In May 2018, the total factoring limit for Sakret Group companies was increased from EUR 1 000,00 thousand to EUR 1 700,00 thousand.

From the last day of the reporting period until the date of signing these financial statements there have been no other events which would have any material impact of the financial result or which should be disclosed in the notes to the financial statements.

The financial statements were signed on 28 May 2018 on the Company's behalf by:



Māris Kelpis
Chairman of the Board



Andis Ziedonis
Member of the Board,
responsible for report
preparation



Juris Grīnvalds
Member of the Board

INDEPENDENT AUDITORS' REPORT

Translation from Latvian

To the shareholder of AS SAKRET HOLDINGS

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AS SAKRET HOLDINGS ("the Company") and its subsidiaries ("the Group") set out on pages 6 to 23 of the accompanying annual report, which comprise of: the consolidated balance sheet as at 31 December 2017, the consolidated profit and loss statement for the year then ended, the consolidated statement of changes in equity for the year then ended, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the AS SAKRET HOLDINGS as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the consolidated financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and Law on Audit Services of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 21 of the financial statements, in which described that the Group has closed year with loss in amount of EUR 220 632, on 31 December 2017, the group's equity was negative EUR 8 345 213 and its short-term liabilities exceeded its current assets by EUR 2 629 360. Therefore, Group's ability to going concern depends on ability to settle timely its liabilities to credit institution and fulfil covenants, to ensure financing from credit institution in long term, based on current loan agreement terms and conditions. These circumstances indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The accompanying consolidated financial statements have been prepared under the assumption of going concern, and do not contain any adjustments, that might be necessary if the going concern assumption was not applicable. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises the Management Report, as set out on page 5 of the accompanying Annual Report.

Our opinion on the consolidated financial statements does not cover the other information included in the consolidated Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain adequate audit evidence of the financial information of the Group companies with a aim to deliver an opinion on the consolidated financial statement. We are responsible for Group's audit management, monitoring and performance. We remain fully responsible for our auditor's opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Audits Latvia SIA
Licences Nr.43

Roberts Stūģis
Board member



Riga, Latvia
28 May 2018



Kitija Ķepīte
Certified auditor
Certificate No 182

AS SAKRET HOLDINGS
(Company's registration number 40103251030)

2018 consolidated annual report,

*prepared in accordance with
Latvian statutory requirements,
and Independent auditors' report**

(9th financial year)

** This version of financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.*

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

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AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvija, LV-2121

CORPORATE INFORMATION

NAME OF THE COMPANY	SAKRET HOLDINGS
LEGAL STATUS	Joint-Stock Company
REGISTRATION NUMBER, PLACE AND DATE	40103251030, Riga, 30 September 2009
TYPE OF OPERATIONS	Holding companies' activity. Production and sale of dry, ready for use building materials, chemicals and paints.
NACE CODE	64.99, 23.64, 64.20, 20.12, 20.3, 20.5, 23.6, 46.73, 64.2
SHAREHOLDERS	SIA "Parvaldes Sistēmas" „Ritvari”, Rumbula, Stopinu region, Latvia, LV-2121
LEGAL ADDRESS	„Ritvari”, Rumbula, Stopinu region, Latvia, LV-2121
BOARD MEMBERS	Māris Ķelpis, Chairman of the Board Andis Ziedonis, Member of the Board Juris Grīnvalds, Member of the Board
SUBSIDIARIES	SIA SAKRET (100%) Reg. No. 40003622109, „Ritvari”, Rumbula, Stopinu region, LV-2121 SIA SAKRET PLUS (90%) Reg. No. 40003749392, „Ritvari”, Rumbula, Stopinu region, LV-2121 UAB SAKRET LT (100%) Reg. No. 3005988522 Biochemikų g. 2, LT-57234, Kėdainiai, Lithuania OÜ SAKRET (100%) Reg. No. 111961147 Mäo küla, Paide vald, 72751 Järvamaa, Estonia
COUNCIL OF THE COMPANY	Andris Vanags, Chairman of the Council Elīna Salava, Deputy Chairman of the Council <i>(till 14 February 2018)</i> Mārtiņš Biezais, Member of the Council <i>(till 14 February 2018)</i> Valērija Lieģe, Deputy Chairman of the Council <i>(from 14 February 2018)</i> Artis Grinbergs, Member of the Council <i>(from 14 February 2018)</i>
REPORTING YEAR	1 January – 31 December 2018

AS SAKRET HOLDINGS

Registration No.: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

CONSOLIDATED MANAGEMENT REPORT

AS SAKRET HOLDINGS is the Group's controlling entity in following companies:

- SIA SAKRET (registered in the Republic of Latvia, unified registration No. 40003622109, legal address: „Ritvari”, Rumbula, Stopinu region, LV2121), 100% of shares,
- SIA SAKRET PLUS (registered in the Republic of Latvia, unified registration No. 40003749392, legal address: „Ritvari”, Rumbula, Stopinu region, LV2121), 90% of shares,
- UAB SAKRET LT (registered in the Republic of Lithuania, registration No. 3005988522, legal address: Biochemikų g. 2, LT-57234, Kėdainiai, Lithuania), 100% of shares and
- OÜ SAKRET (registered in the Republic of Estonia, registration No. 111961147, legal address: Mäo küla, Paide vald, 72751 Järvamaa, Estonia), 100% of shares.

The consolidated turnover in amount of EUR 21,27 million consists of the Group's subsidiaries turnovers. SIA Sakret unconsolidated turnover in 2018 was EUR 8,94 million (+21 compared to 2017), OU Sakret unconsolidated turnover was EUR 6,90 million (+15% compared to 2017), UAB Sakret LT unconsolidated turnover was EUR 7,37 million (-2 % compared to 2017), SIA Sakret Plus unconsolidated turnover is EUR 2,69 million (+14 % compared to 2017).

SAKRET Group's results were successful as total turnover increase was 10.2% compared to 2017, gross profit-increase by 16.0%. This was achieved due to the observed trends in Baltic construction sector market in 2018. Slight decrease in Lithuania was due to the lower manufactured volume for Latvian market needs, as part of manufacturing was transferred to Latvia.

The Group continues to work with direct product consumers - builders, in order to introduce to them new products and to explain the application specifics and the advantages of the existing products. There are trainings and seminars organized on a regular basis, where both in theory and in practice we inform about the most appropriate selection and application of the Sakret manufactured products. In addition, the Group also works on discovering additional product segments in the building materials market in order to increase its competitiveness.

The Company and its affiliated companies in the Baltics are actively working on strengthening the assortment with additional products. During the reporting period, SAKRET Group's investment in research and development was in amount of EUR 57 thousands.

Future prospects

As of 31 December 2018 the Group had significant liabilities to credit institution AS Luminor Bank in the amount of EUR 17 641 137 with the final repayment term on 30 September 2019. Under the conditions of the existing credit agreement, the Group together with AS Luminor Bank has taken coordinated action to raise new funding. The maturity of the repayment was extended to allow the Company and its subsidiaries to ensure refinancing of the credit liabilities for the mutually agreed discounted amount of 9 000 000 EUR and transfer it to AS Luminor Bank. After this transaction the Group's liabilities to AS Luminor Bank will be fully settled. As of the date of approval of these financial statements, the Group companies have concluded agreements with AS BlueOrange Bank for refinancing loan liabilities with AS Luminor Bank. There are following loan agreements: Loan for the amount of EUR 4 000 000 with maturity 22 August 2023, an overdraft agreement for the amount of EUR 2 000 000, with maturity 22 August 2020. There was a 5 years Bonds issue for 3,79 mil EUR with maturity 30.08.2024. Received cash of 3 million EUR will be transferred to AS Luminor Bank. The agreement with AS Luminor Bank foresees that upon receipt of the 9 million EUR, all credit liabilities will be settled.

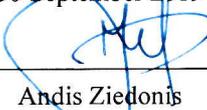
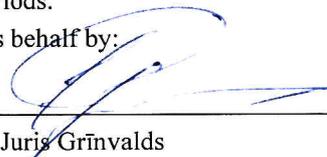
During the refinancing, AS Sakret Holding increased its share capital by EUR 1 015 000 to EUR 1 050 000 by a cash contribution from the shareholder.

After the completion of the refinancing process, the Group's financial performance will improve significantly and equity will become positive.

Proposal for the Group loss for the year coverage

It is planned to use reporting period profit to cover losses from previous periods.

The financial statements were signed on 30 September 2019 on the Group's behalf by:

		
Māris Kelpis	Andis Ziedonis	Juris Grīnvalds
Chairmen of the board	Member of the Board	Member of the Board

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

**CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2018**

	Notes	31.12.2018. EUR	31.12.2017. EUR
ASSETS			
Non-current assets			
Intangible assets			
Intangible assets		166 578	169 042
Development costs		279 658	242 830
Total intangible assets	3	446 236	411 872
Property, plant and equipment			
Land, buildings and constructions		8 391 711	8 780 792
Equipment and machinery		2 126 376	2 537 216
Other fixed assets		109 805	99 582
Prepayments for property, plant and equipment		-	6 529
Total property, plant, equipment	4	10 627 892	11 424 119
Non-current financial investments			
Other non-current receivables		34 113	13 918
Total non-current financial investments		34 113	13 918
Total non-current assets		11 108 241	11 849 909
Current assets			
Inventories			
Raw materials, materials and consumables		1 380 966	1 367 758
Finished goods and goods for sale		899 109	896 466
Prepayments for goods and services		7 006	27 670
Total inventories		2 287 081	2 291 894
Receivables			
Trade receivables	6,19(c)	2 717 539	2 515 993
Other receivables		149 858	142 318
Deferred expenses		47 356	36 392
Short-term loan to shareholder	5	35 572	35 572
Total receivables		2 950 325	2 730 275
Cash and cash equivalents		342 277	306 063
Total current assets		5 579 683	5 328 232
TOTAL ASSETS		16 687 924	17 178 141

Notes on pages 11 to 24 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

**CONSOLIDATED BALANCE SHEET
AS OF 31 DECEMBER 2018**

	Notes	31.12.2018. EUR	31.12.2017. EUR
EQUITY AND LIABILITIES			
Equity			
Share capital	7	35 000	35 000
Denomination reserve	7	572	572
Reorganization reserve	23	(8 491 750)	(8 491 750)
Foreign exchange rate fluctuations reserve		24 899	24 899
Retained earnings:			
a) prior years (accumulated deficit)/ retained earnings		(90 811)	148 327
b) profit/(loss) for the year		349 876	(239 138)
Equity attributable to parent Company's shareholders		(8 172 214)	(8 522 090)
Minority shareholder's participation share		194 356	176 877
Total equity		(7 977 858)	(8 345 213)
Liabilities			
Non-current liabilities			
Loans from credit institutions	8	-	16 641 137
Other borrowings	10	167 093	167 093
Payables to related parties	19(d)	644 132	757 532
Total non-current liabilities		811 225	17 565 762
Current liabilities			
Loans from credit institutions	8	17 641 137	1 700 000
Other borrowings	10	1 384 137	1 170 582
Finance lease liabilities	9	-	37 545
Advances from customers		38 127	118 865
Trade payables		2 976 635	3 005 926
Payables to related parties	19(d)	469 324	421 535
Taxes and mandatory state social security contributions		191 555	325 638
Other payables	11	130 153	139 133
Accrued liabilities	12	994 486	1 009 365
Unpaid dividends to minority shareholder		29 003	29 003
Total current liabilities		23 854 557	7 957 592
Total liabilities		24 665 782	25 523 354
TOTAL EQUITY AND LIABILITIES		16 687 924	17 178 141

Notes on pages 11 to 24 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR 2018**

	Notes	2018 EUR	2017 EUR
Revenue	13	21 265 701	19 298 618
Cost of goods sold	14	<u>(15 872 424)</u>	<u>(14 649 323)</u>
Gross profit		5 393 277	4 649 295
Selling expenses	15	(2 799 993)	(2 764 948)
Administration expenses	16	(1 470 121)	(1 048 794)
Other operating income	17	48 116	21 767
Other operating expenses		(103 170)	(87 570)
Interest and similar income		1 248	1 552
Interest and similar expenses		<u>(652 772)</u>	<u>(976 775)</u>
Profit /(Loss) before taxes		416 585	(205 473)
Corporate income tax		<u>(49 230)</u>	<u>(15 159)</u>
Profit /(Loss) for the reporting year		<u>367 355</u>	<u>(220 632)</u>
Profit /(Loss) attributable to:			
<i>Parent Company's shareholders</i>		349 876	(239 138)
<i>Minority shareholders</i>		<u>17 479</u>	<u>18 506</u>
		<u>367 355</u>	<u>(220 632)</u>

Notes on pages 11 to 24 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS
 Registration number: 40103251030
 Address: "Ritvari", Rumbula, Stopiņu region, Latvia, LV-2121

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR 2018**

	Share capital	Denomination reserve	Reorganization reserve (Note 23)	Foreign exchange rate fluctuations reserve	(Accumulated losses)/ retained earnings/	Total equity attributable to parent Company's shareholders	Minority shareholders' participation share	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of 31 December 2016	35 000	572	(8 491 750)	24 899	148 327	(8 282 952)	158 371	(8 124 581)
Loss for the year	-	-	-	-	(239 138)	(239 138)	18 506	(220 632)
As of 31 December 2017	35 000	572	(8 491 750)	24 899	(90 811)	(8 522 090)	176 877	(8 345 213)
Profit for the year	-	-	-	-	349 876	349 876	17 479	367 355
As of 31 December 2018	35 000	572	(8 491 750)	24 899	259 065	(8 172 214)	194 356	(7 977 858)

Notes on pages 11 to 24 are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR 2018**

	Notes	2018 EUR	2017 EUR
Cash flows from operating activities			
Profit/(Loss) before taxes		416 585	(205 473)
Adjustments for:			
Depreciation and amortization	14,15,16	902 426	1 027 755
Interest income		(1 248)	(1 552)
Interest expenses		652 772	976 775
Net profit from disposal of fixed assets	17	(16 521)	(10 925)
Profit before adjustments for capital		1 954 014	1 786 580
Net changes in working capital		(600 208)	737 648
Cash flows from operating activities		1 353 806	2 524 228
Corporate income tax paid		(20 785)	(71 271)
Net cash flows from operating activities		1 333 021	2 452 957
Cash flows from investing activities			
Purchase of fixed and intangible assets		(135 148)	(309 013)
Net cash flows (used in) investing activities		(135 148)	(309 013)
Cash flows from financing activities			
Proceeds from sale of fixed assets		14 521	20 369
(Paid) loans, net		(486 445)	(1 284 254)
Interest paid		(652 190)	(971 587)
Payments for leased property, plant and equipment		(37 545)	-
Net cash flows (used in) financing activities		(1 161 659)	(2 235 472)
Net increase/(decrease) in cash and cash equivalents		36 214	(91 528)
Cash and cash equivalents at the beginning of the year		306 063	397 591
Cash and cash equivalents at the end of the year		342 277	306 063

Notes on pages 11 to 24 are an integral part of these consolidated financial statements.

AS SAKRET HOLDINGS

Registration number: 40103251030

Address: "Ritvari", Rumbula, Stopinu region, Latvia, LV-2121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2018

1. GENERAL INFORMATION

Sakret Holdings AS (hereinafter – the Group's Parent company or Sakret Holdings AS) was registered in the Company Register of the Republic of Latvia on 30 September 2009. Registered address of the Group's Parent company is "Ritvari" Rumbula, Stopinu region, Latvia.

The main business activity of the Group is holding companies' operations, production and sale of dry, ready for use building materials, chemicals and paints.

2. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

Consolidated financial statements have been prepared in accordance with the Law of the Republic of Latvia On the Annual Financial Statements and Consolidated Financial Statements. The consolidated financial statements have been prepared on the historical cost basis. Income statement classified by expense type. Cash flow statement is prepared using the indirect method.

The consolidated financial statements include accounting data of AS "SAKRET HOLDINGS", SIA "SAKRET", SIA "SAKRET PLUS", OU "SAKRET", UAB "SAKRET LT". The control is ensured if the Company has opportunity to determine the financial and operating policies of another company as well as to benefit from these transactions. The Company gained control of SIA "SAKRET" (100%), SIA "SAKRET PLUS" (90%), OU "SAKRET" (100%) and UAB "SAKRET LT" (100%) on 1 November 2013.

The separate financial statements of the subsidiaries have been consolidated into the Group's consolidated financial statements, consolidating the respective assets, liabilities, revenue and expense items. Upon consolidation inter-company unrealized profit, inter-company transactions, balances, inter-company interest in entities and other transactions between group companies are eliminated.

The subsidiaries controlled by the Group's Parent company are included in the consolidation. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. The Group Parent company's and its subsidiaries' financial years are equal and represent the calendar year.

Foreign currency

The accompanying financial statements are presented in the currency of European Union, the euro (hereinafter "EUR"), which is the Group's functional and presentation currency.

	2018	2017
	EUR	EUR
EUR	1.0000	1.0000
SEK	10,2548	9,8438
USD	1,1450	1,1993

Profit or losses from exchange rate differences, as well as from the foreign currency monetary assets and liabilities denominated in euro, are recognized in the consolidated statement of profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2018**

Intangible assets

Intangible assets are measured at historical cost amortized on a straight-line basis over the useful life of the assets. If some events or a change in conditions indicates that the carrying value of an intangible asset may not be recoverable, the value of the respective intangible asset is reviewed for impairment. Impairment loss is recognized if the carrying value of the intangible assets exceeds its recoverable amount. Generally, intangible assets are amortized over a period of 5 years, product development costs over a period of 10 years.

Property, plant and equipment

Property, plant and equipment are stated at historical cost including import duties and non-deductible purchase taxes as well as any costs directly attributable to bringing the asset to its working condition and place for its intended use. Repair and maintenance costs incurred after the asset is put into operation are reflected in statement of profit and loss as incurred. If it is certain that due to related costs the economic benefits will be gained in future, exceeding the initial return on assets, such costs are capitalized to value of fixed assets.

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Land is not depreciated. Depreciation of other assets calculated based on historical cost using the straight-line method at the following rates:

	Annual rate
Buildings	4% - 10%
Equipment and machinery	6% - 33%
Other fixed assets	10% -50%

The carrying amounts of property, plant and equipment are reviewed for impairment, if there is any indication that the recoverable value is lower than their carrying amounts. If the assets' recoverable values are lower than their carrying amounts, these assets are written off to its' recoverable values. The recoverable value is the higher of the following values: the asset's fair value less cost of sale or value from the use of the asset.

Gains and losses on property, plant and equipment disposals are determined by the difference between the carrying amount and the income from sale, and included in the statement of profit and loss as incurred.

Inventories

Inventories are stated at the lower of the following values: cost or market value. Costs comprise direct materials costs as well as, if applicable, direct labor costs and other directly attributable costs incurred in bringing the inventories to their present location and condition. Inventory cost price is determined using FIFO (*first-in, first-out*) method. If necessary, obsolete, slow moving and defective inventories are written-off.

Receivables

Accounts receivable in the balance sheet are stated at their nominal value less provision for doubtful receivables. On each balance sheet date the Group evaluates if there is an objective evidence indicating that the client will not be able to meet payment terms. Each debtor is analyzed individually. Provisions for doubtful debts are made, the amount of which is determined as the difference between the recoverable value and nominal value.

Deferred expenses

Expenses incurred and paid in the reporting year, but which relate to the next reporting periods, are recognized as deferred expenses.

Cash and cash equivalents

Cash and cash equivalents includes cash in bank and in hand, deposits held at call with banks with maturities of three months or less.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2018**

Leases

Finance leases, under which the Group assumes substantially all the risks and rewards of ownership associated with the asset, are recognized in the balance sheet as asset in the amount that in the beginning of the lease period is equal to fair value of leased asset or, if lower, than the minimum of lease payments at present value. Each lease payment is allocated between the liability and finance charge so as to achieve a constant interest rate on the liability balance. Financial expenses are included in the statement of profit and loss as interest expense.

If there is sufficient basis to believe that at the rental period end the lessee will obtain ownership of the lease, the asset's useful life is assumed as period of expected use. Otherwise, capitalized leased assets are depreciated, using the straight-line method, during the estimated useful life of the asset or the lease term depending on which of these periods is shorter.

Leases under which substantially all ownership of the risks and rewards are assumed by the lessor are classified as operating leases. Operating lease payments are recognized as an expense over the lease term. The Group's liabilities deriving from operating lease agreements are recorded as off-balance sheet liabilities.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Trade payables are classified as current liabilities if payment is due within one year or less. Otherwise, they are classified as non-current liabilities.

Accrual for unused vacations

Accrual for unused vacations is calculated by multiplying employees' average salary and mandatory social insurance contributions during last 3-6 months by the number of unused vacation days at the end of the reporting year.

Provisions

A provision is recognized if the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required from the Group to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the Group expects that the expenditure required to settle the provision will be reimbursed by another party partly or fully, e.g. under the terms of an insurance contract, the reimbursement is recognized as a separate asset when and only when it is virtually clear that the reimbursement will be received.

Loans and borrowings

Loans are recognized initially at cost determined by lending or borrowing amount at fair value adding the costs associated with loan issue or subtracting borrowing costs incurred. Subsequent to initial recognition, all loans are stated at amortized cost, using the effective interest rate method. Amortized cost is calculated by taking into account costs associated with loan issue or borrowing as well as with any lending or borrowing-related discounts or bonuses. Gains or losses resulted from amortization are recognized in the statement of profit and loss as interest income and expenses.

Revenue and revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of value added tax. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- the stage of completion of the transaction at the balance sheet date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income

Revenues related to loans are recognized in the period incurred and stated in the position "Interest and similar income".

Interest expense

Costs associated with borrowings are written off in the period incurred and stated in the position "Interest and similar charges".

Corporate income tax

Corporate income tax expenses are included in financial statement based on management calculations according to laws of Republic of Latvia.

Starting with tax year 2018, corporate income tax will be calculated on distributed profits (20/80 of the net amount payable to members). The Company's tax on retained earnings will be recognized when the Company's shareholders make a profit distribution decision. Corporate income tax is also payable on deemed profit distribution, such as non-operating expenses, doubtful receivables, increased interest payments, loans to related parties, transfer pricing differences.

Related parties

Related parties are the subsidiaries of the Group's Parent company, and the shareholders of the Group's Parent company that have significant influence or control over the activities of the Group's Parent company, members of the council and board, their close relatives and entities in which the above referred persons have significant influence or control.

Related parties are Parent entity and Group's subsidiaries. Sakret Holdings JSC, "Ritvari", Rumbula, Stopinu region, LV 2121 is Parent entity of the Group responsible for the consolidation.

Post balance sheet events

Only such post balance sheet events adjust amounts recognized in the consolidated financial statement which provides additional information on the conditions that existed at balance sheet date (adjusting events). If post balance sheet events are not adjusting, they are disclosed in the consolidated financial statements only if they are material.

Use of estimates

The legislation of the Republic of Latvia requires that in preparing the financial statements the management of the Company makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of off-balance sheet assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The critical judgments and key estimates concerning the future, and other key sources of estimation uncertainty which exist at the reporting date of the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next reporting period:

- The Group evaluates trade receivables and assesses their recoverability, making allowances for doubtful and bad trade receivables, if necessary. The Group's management has evaluated trade receivables and considers that it is not necessary to make any additional allowances as of 31 December 2018, see Note 6.

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- The Group's management evaluates the carrying value of inventories and assesses whether the net realizable value exceeds the cost price. Allowances are made in order to write off the value of inventories to their net realizable value, if necessary. The Group's management has evaluated the net realizable value of inventories and considers that it is not necessary to make any adjustments with regards to the carrying value of inventories as of 31 December 2018.
- The Group evaluates issued loans and their recoverability. The Company's management has evaluated the recoverability of the issued loans and considers that it is not necessary to make an allowance as of 31 December 2018.
- The Group management reviews the carrying values of property, plant and equipment and assesses whenever indications exist that the assets' recoverable value is lower than their carrying amounts. The Group's management calculates and records an impairment loss on property, plant and equipment based on the estimates related to the expected future use. Taking into consideration the Group's planned cash flows from fixed assets from use and/or estimated market value of the assets, the Group's management considers that no significant adjustments to the carrying values of property, plant and equipment are necessary as of 31 December 2018.
- Useful lives of property, plant and equipment are assessed at each balance sheet date and changed, if necessary, to reflect the Group's management current view on their remaining useful lives in the light of changes in technology, the remaining prospective economic utilization of the assets and their physical condition. The Group's management considers that no adjustments to the useful life of property, plant and equipment should be made as of 31 December 2018.
- The Group assesses its ability to continue as a going concern. See Note 21.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2018

3. INTANGIBLE ASSETS

	Licenses	Product development	Intangible assets under construction	Total
	EUR	EUR	EUR	EUR
HISTORICAL COST				
As of 31 December 2017	364 723	79 715	166 925	611 363
Additions	22 980	-	57 925	80 905
Disposals	-	-	(11 934)	(11 934)
Reclassified from/to another position	-	38 312	(38 312)	-
As of 31 December 2018	387 703	118 027	174 604	680 334
ACCUMULATED AMORTIZATION				
As of 31 December 2017	195 681	3 810	-	199 491
Charge	25 444	9 163	-	34 607
Disposals	-	-	-	(933)
As of 31 December 2018	221 126	12 973	-	234 098
NET CARRYING AMOUNT				
As of 31 December 2017	169 042	75 905	166 925	411 872
As of 31 December 2018	166 578	105 054	174 604	446 236

4. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and constructions	Equipment and machinery	Other fixed assets	Prepayments	Total
	EUR	EUR	EUR	EUR	EUR
HISTORICAL COST					
As of 31 December 2017	13 645 852	8 854 509	1 343 874	6 529	23 850 764
Additions	-	15 033	52 940	-	67 973
Disposals	-	(29 190)	(58 664)	-	(87 854)
Reclassified	-	6 529	-	(6 529)	-
As of 31 December 2018	13 645 852	8 846 881	1 338 150	-	23 830 883
ACCUMULATED DEPRECIATION					
As of 31 December 2017	4 865 060	6 317 293	1 244 292	-	12 426 645
Charge	389 081	432 402	42 717	-	864 200
Disposals	-	(29 190)	(58 664)	-	(87 854)
As of 31 December 2018	5 254 141	6 720 505	1 228 345	-	13 202 991
NET CARRYING AMOUNT					
As of 31 December 2017	8 780 792	2 537 216	99 582	6 529	11 424 119
As of 31 December 2018	8 391 711	2 126 376	109 805	-	10 627 892

Information on the Group's pledged assets is stated in Note 8 and 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR 2018

5. SHORT-TERM LOAN TO SHAREHOLDER

	Agreement No. and currency	Effective interest rate (%)	Maturity	31.12.2018. EUR	31.12.2017. EUR
	„Māris un Partneri” No.1, SIA (unsecured) EUR	3.5%	31.12.2019.	35 572	35 572
Total short-term loan				35 572	35 572

6. TRADE RECEIVABLES

	31.12.2018. EUR	31.12.2017. EUR
Receivables for goods and services	2 886 274	3 122 421
Allowance for doubtful receivables	(168 735)	(606 428)
Total	2 717 539	2 515 993
<i>Change in allowance for doubtful receivables:</i>		
	2018 EUR	2017 EUR
At the beginning of the reporting year	606 428	595 669
Write-offs during the year	(460 401)	-
Allowances made during the year	22 708	10 759
At the end of the reporting year	168 735	606 428

The Group has evaluated the recoverability of doubtful debts and written off those debts that according to the Company Management's consideration are irrecoverable.

7. SHARE CAPITAL

As of 31 December 2018 and 2017, the registered and fully paid share capital consists of 35 000 shares with a nominal value of EUR 1 per share. Share capital of the Company amounts to EUR 35 000. As a result of denomination in 2014, the share capital decrease of EUR 572 is reflected in the Company's share capital under "Denomination reserve" item. See Note 23.

During the refinancing, AS Sakret Holding increased its share capital by EUR 1 015 000 to EUR 1 050 000 by a cash contribution from the shareholder.

8. LOANS FROM CREDIT INSTITUTIONS

<i>Long-term:</i>	Agreement No. and currency	Effective interest rate (%)	Maturity	The remaining principal amount as of 31.12.2018. EUR	The remaining principal amount as of 31.12.2017. EUR
AS „Luminor Bank”(loan)	No. 34/13K23, EUR	3 month Euribor + 3%	30.09.2019.	-	16 641 137
Total long-term loans from credit institutions				-	16 641 137
<i>Short-term:</i>	Agreement No. and currency	Effective interest rate (%)	Maturity	The remaining principal amount as of 31.12.2018. EUR	The remaining principal amount as of 31.12.2017. EUR
AS „Luminor Bank”(loan)	No 34/13K23, EUR	3 month Euribor + 3%(6%)	30.09.2019	17 641 137	1 700 000
Total short-term loans from credit institutions				17 641 137	1 700 000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Information on collateral and guarantees is described in Note 22.

As of 31 December 2018 the Group had significant liabilities to credit institution AS Luminor Bank in the amount of EUR 17 641 137 with the final repayment term on 30 September 2019. Under the conditions of the existing credit agreement, the Group together with AS Luminor Bank has taken coordinated action to raise new funding. The maturity of the repayment was extended to allow the Company and its subsidiaries to ensure refinancing of the credit liabilities for the mutually agreed discounted amount of 9 000 000 EUR and transfer it to AS Luminor Bank. After this transaction the Group's liabilities to AS Luminor Bank will be fully settled.

As of the date of approval of these financial statements, the Group companies have concluded agreements with AS BlueOrange Bank for refinancing loan liabilities with AS Luminor Bank. There are following loan agreements: Loan for the amount of EUR 4 000 000 with maturity 22 August 2023, an overdraft agreement for the amount of EUR 2 000 000, with maturity 22 August 2020. There was a 5 years Bonds issue for 3,79 milj EUR with maturity 30.08.2024. Received cash of 3 million EUR will be transferred to AS Luminor Bank. The agreement with AS Luminor Bank foresees that upon receipt of the 9 million EUR, all credit liabilities will be settled.

9. FINANCE LEASE

	<i>Maturity</i>	<i>Agreement currency</i>	<i>Effective interest rate (%)</i>	Long-term part	Short- term part	Residual value of leased asset
SIA "ALBAU"	31.07.2018	EUR	15%			
Total	31.12.2018.			-	-	-
Total	31.12.2017.			-	37 545	37 545

10. OTHER BORROWINGS

Long-term:	<i>Agreement No.</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	31.12.2018. EUR	31.12.2017. EUR
Other borrowings*	200901/200902/ 200903/200904	5%	31.12.2023.	167 093	167 093
			Total	167 093	167 093
Short-term:	<i>Agreement No.</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	31.12.2018. EUR	31.12.2017. EUR
WERELEND VARA OU	Annex No. 3 2.1-14-8/20	10%	31.12.2019.	150 000	150 000
Bikuvos prekyba UAB	24.04.2017. agreement	7%	31.12.2019.	300 000	300 000
SIA „Luminor Līzings Latvija”	Factoring agreement No. 0000157/158/159/001	3 Month Euribor + 3%	31.01.2019.	934 137	720 582
			Total	1 384 137	1 170 582

The maturity of the borrowings is subordinated to the maturity of the loan of AS Luminor Bank, the borrowing rate is 5%, unsecured. The loan maturity prolongation to 31 December 2023 has been agreed.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11. OTHER PAYABLES

	31.12.2018.	31.12.2017.
	EUR	EUR
Employees' salaries	107 421	113 262
Accrued interest on loans	19 951	19 657
Other	2 781	6 214
Total	<u>130 153</u>	<u>139 133</u>

12. ACCRUED LIABILITIES

	31.12.2018.	31.12.2017.
	EUR	EUR
Clients' annual discounts	719 859	754 033
Accrual for unused vacations	197 110	183 153
Expenses for which invoices have been received in the next financial year	75 387	70 049
Other	2 130	2 130
Total	<u>994 486</u>	<u>1 009 365</u>

13. REVENUE

	2018	2017
	EUR	EUR
Revenue from sale of goods and services rendered	21 265 701	19 298 618
Total	<u>21 265 701</u>	<u>19 298 618</u>

14. COST OF GOODS SOLD

	2018	2017
	EUR	EUR
Purchase cost of raw materials	(12 492 428)	(11 413 033)
Remuneration for work	(1 066 665)	(962 766)
Depreciation	(795 815)	(931 442)
Energy resources expenses	(495 641)	(492 075)
Mandatory state social security contributions and entrepreneurial Risk duty	(292 299)	(265 378)
Repair and spare parts expenses	(298 396)	(241 480)
Franchise expenses	(160 301)	(149 938)
Rent of real estate and fixed assets	(57 953)	(52 774)
Other expenses	(212 926)	(140 437)
Total	<u>(15 872 424)</u>	<u>(14 649 323)</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR 2018**

15. SELLING EXPENSES

	2018	2017
	EUR	EUR
Goods delivery expenses	(1 102 853)	(975 635)
Remuneration for work	(599 933)	(630 496)
Advertising and marketing expenses	(466 956)	(412 904)
Sales employees transport expenses	(184 583)	(202 716)
Mandatory state social security contributions and entrepreneurial Risk duty	(174 128)	(178 989)
Depreciation	(39 844)	(32 745)
Other expenses	(231 696)	(331 463)
Total	<u>(2 799 993)</u>	<u>(2 764 948)</u>

16. ADMINISTRATIVE EXPENSES

	2018	2017
	EUR	EUR
Remuneration for work	(540 565)	(390 383)
Business consulting services	(286 545)	(112 555)
Mandatory state social security contributions and entrepreneurial Risk duty	(148 862)	(107 409)
Depreciation and amortization	(66 767)	(63 568)
Legal services	(39 733)	(46 644)
Communication expenses	(16 388)	(17 565)
Other expenses	(371 261)	(310 670)
Total	<u>(1 470 121)</u>	<u>(1 048 794)</u>

17. OTHER OPERATING INCOME

	2018	2017
	EUR	EUR
Profit from sale of fixed assets	16 521	10 925
Received financial support	7 664	-
Other income	23 931	10 842
Total	<u>48 116</u>	<u>21 767</u>

18. AVERAGE NUMBER OF EMPLOYEES DURING THE REPORTING YEAR

	2018	2017
The Group's average number of employees in the reporting year	<u>132</u>	<u>131</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. TRANSACTION WITH RELATED PARTIES

(a) Goods sold and services rendered

	2018	2017
	EUR	EUR
SAKRET NORDEN OY	318 794	368 577
ALBAU NORDEN OU	70 960	-
ALBAU SIA	21 604	21 937
ALBAU UAB	13 960	-
LM 21 SIA	2 220	7 720
MĀRIS UN PARTNERI SIA	695	695
Total	<u>428 233</u>	<u>398 929</u>

(b) Goods, purchase of real estate and services received

	2018	2017
	EUR	EUR
ALBAU SIA	1 108 204	1 328 454
ALBAU UAB	356 306	28 508
LM 21 SIA	311 648	338 852
ALBAU NORDEN OU	47 062	-
Total	<u>1 823 220</u>	<u>1 695 814</u>

(c) Receivables arising from transactions with related parties

	31.12.2018.	31.12.2017.
	EUR	EUR
ALBAU UAB	50 521	19 629
SAKRET NORDEN OY	39 433	63 053
ALBAU SIA	26 140	-
MĀRIS UN PARTNERI SIA	5 396	6 623
LM 21 SIA	-	2 686
Total	<u>121 490</u>	<u>91 991</u>

(d) Payables to related parties

<i>Non-current portion:</i>	31.12.2018.	31.12.2017.
	EUR	EUR
MĀRIS ĶELPIS	634 642	700 042
PĒTERIS STUDENTS	9 490	57 490
Total	<u>644 132</u>	<u>757 532</u>

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<i>Current portion:</i>	31.12.2018.	31.12.2017.
	EUR	EUR
LM 21 SIA	261 335	201 721
ALBAU UAB	68 650	-
ALBAU SIA	39 922	159 814
ALBAU NORDEN OU	15 417	-
MĀRIS ĶELPIS	60 000	60 000
PĒTERIS STUDENTS	24 000	-
Total	469 324	421 535

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise loans from credit institutions, factoring, financial leasing, and cash. Aim of these financial instruments is to ensure financing for the Group's business operations. In addition, the Group uses other financial instruments such as - a loan to shareholder, trade receivables and other receivables, trade payables and other payables, which arise directly from business activities.

Foreign currency risk

The Group mainly conducts transactions in euros. Since the Latvian, Lithuanian and Estonian national currency is Euro, this is not considered as significant risk.

Interest rate risk

The Group is exposed to interest rate risk mainly arising from bank loans.

Credit risk

The Group controls the credit risk by constantly evaluating the credit repayment history of its customers and establishing credit agreement conditions for each client individually. In addition, the Group monitors overdue trade receivable balances on regular basis in order to minimize the possibility of bad debts.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle its obligations in full as they fall due. The aim of the Group's liquidity risk management is to maintain sufficient amount of cash and its equivalents, and to ensure the availability of funding through sufficient amount of committed bank credit line facilities (see Note 8) to settle its obligations at a given date. In May 2018, the total factoring limit for Sakret Group companies was increased from EUR 1 000 000 to EUR 1 700 000.

The Group constantly assesses the matching of repayment terms of its financial assets and liabilities and the stability of long-term investment sources. An operating cash flow forecast is prepared to manage the liquidity risk on a monthly basis after the actual results of the previous month are available. The Group's management considers that the Group will have sufficient cash resources so its liquidity will not be compromised.

See Note 21 on financing structure.

21. GOING CONCERN

As of 31 December 2018 the Group had significant liabilities to credit institution AS Luminor Bank in the amount of EUR 17 641 137 with the final repayment term on 30 September 2019. Under the conditions of the existing credit agreement, the Group together with AS Luminor Bank has taken coordinated action to raise new funding.

As of the date of approval these financial statements, credit and credit line is prolonged till 30 September 2019. The maturity of the repayment was extended to allow the Company and its subsidiaries to ensure refinancing of the credit liabilities for the mutually agreed discounted amount of 9 000 000 EUR and transfer it to AS Luminor Bank. After this transaction the Group's liabilities to AS Luminor Bank will be fully settled.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2018

As of the date of approval of these financial statements, the Group companies have concluded agreements with AS BlueOrange Bank for refinancing loan liabilities with AS Luminor Bank. There are following loan agreements: Loan for the amount of EUR 4 000 000 with maturity 22 August 2023, an overdraft agreement for the amount of EUR 2 000 000, with maturity 22 August 2020. On 30 August 2019 there has been a 5-year bond issue of EUR 3 790 000 with a maturity date of 30 August 2024. The cash received for issued bonds for the amount of EUR 3 000 000 will be transferred for settlement of the of the credit liabilities against the AS Luminor Bank.

The liabilities (with limit up to 1 700 000 EUR) related to unsettled customer invoices in accordance with factoring agreement with AS Luminor Bank, will be settled in accordance with agreed payment terms with customers. After factoring transactions full settlement, for further needs credit line from AS BlueOrange Bank with a total limit of EUR 1 700 000, with repayment deadline of 22 February 2021, will be used.

As of the date of issuing these financial statements, the liability settlement process with AS Luminor Bank and refinancing by AS BlueOrange Bank is in progress and is being performed in accordance with the signed agreements. It is planned that the process with be finalized till the end of October 2019.

On 2nd September AS Sakret Holdings shareholders increased the share capital by EUR 1 015 000 by cash contribution and as of the date of approval these financial statements registered and paid share capital amounts EUR 1 050 000.

Group's performance in the reporting year was profit of EUR 367 355, the Group's equity as of 31 December 2018 was negative in amount of EUR 7 977 858 and its current liabilities exceeded current assets by EUR 18 274 874. It is mainly related to the classification of all credit liabilities to AS Luminor Bank as short-term. After finalization of the refinancing process with AS BlueOrange Bank, the Group's equity will become positive.

The Group's ability to continue as going concern depends on its ability to cover obligations to the credit institution, to fulfill certain financial ratios determined by the credit institutions, as well as by the management's ability to ensure profitable operation of the Group and availability of financing provided by credit institutions in the long-term. These conditions reflect the uncertainty regarding to the Group's ability to continue as going concern its operations. These financial statements are prepared based on a going concern assumption and do not include any adjustments that might be necessary if the going concern assumption is not applicable.

22. GUARANTEES ISSUED

All of the Group's shares and property as of 31.12.2018 were pledged in favor to AS Luminor Bank (hereinafter - the "Bank") as collateral for credit. The loan agreement concluded between Sakret Group companies and the Bank states that if any of the borrowers will not be able to make any repayments of the loan, loan interest or penalty or will not ensure other agreement conditions, then all of the rest of the borrowers immediately have to cover all the Bank's claims in full. The Company's management confirms that at the moment of signing these financial statements, all of the borrowers indicated in the loan agreement have completed in full all the conditions set by the Bank and it is not necessary to create additional provisions as of 31 December 2018 for contingent liabilities that might arise from the default of loan agreement conditions.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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23. REORGANIZATION RESERVE

On 1 November 2013 the parent Company acquired 100% of SIA "SAKRET", OU "SAKRET", UAB "SAKRET LT" and 90% of SIA "SAKRET PLUS" shares. Share purchase transactions were made among the related parties. As a result of the acquisition Group's reorganization reserve of EUR 8 491 750 was formed.

Negative reorganization reserve and minority shareholder's share at acquisition date was determined as follows:

	EUR
Acquisition value	470
Net assets at acquisition date (negative equity)	8 382 092
Minority share at acquisition date	109 188
Total negative reorganization reserve:	8 491 750

The Company is the sole shareholder of related companies SIA SAKRET (registered in the Republic of Latvia), OU Sakret (registered in the Republic of Estonia) and UAB Sakret LT (registered in the Republic of Lithuania) and the controlling shareholder with a 90% of shares of SIA Sakret Plus (registered in Republic of Latvia) - altogether referred to as "Sakret Group".

24. SUBSEQUENT EVENTS

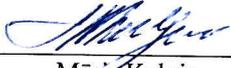
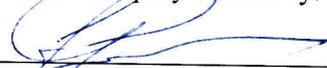
On 23 August 2019 the Group companies have concluded loan agreements with AS BlueOrange Bank for refinancing loan liabilities with AS Luminor Bank. There are following loan agreements: Loan for the amount of EUR 4 000 000 with maturity 22 August 2023 and an overdraft agreement for the amount of EUR 2 000 000, with maturity 22 August 2020.

On 30 August 2019 there has been a 5-year bond issue of EUR 3 790 000 with a maturity date of 30 August 2024. The cash received for issued bonds for the amount of EUR 3 000 000 will be transferred for settlement of the of the credit liabilities against the AS Luminor Bank.

On 2nd September AS Sakret Holdings shareholders increased the share capital by EUR 1 015 000 by cash contribution and as of the date of approval these financial statements registered and paid share capital amounts EUR 1 050 000.

From the last day of the reporting period until the date of signing these financial statements there have been no other events which would have any material impact of the financial result or which should be disclosed in the notes to the financial statements.

The financial statements were signed on 30 September 2019 on the Company's behalf by:

			
Māris Kelpis Chairman of the Board	Andis Ziedonis Member of the Board, responsible for report preparation	Juris Grīnvalds Member of the Board	Oksana Birkāne Chief Accountant, person in charge of the preparation of the annual report

Independent Auditors' Report

To the shareholders of "Sakret Holdings" AS

Our Opinion on the Consolidated Financial Statements

We have audited consolidated financial statements of "Sakret Holdings" AS and its subsidiaries (further - "the Group") set out on pages 6 to 24 of the accompanying annual report, which comprise:

- the consolidated statement of balance sheet as at 31 December 2018,
- the consolidated statement of profit and loss for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and of their financial performance and their cash flows for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the consolidated financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and Law on Audit Services of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in the audit
<p>1) Going concern</p> <p>As disclosed in Note 21 to the financial statements the Group has negative equity in the amount of 7 977 858 EUR as of 31 December 2018, and, as of that date, the Group's current liabilities exceeded its current assets by 18 274 874 EUR primary due to outstanding short term loan liabilities payable to AS Luminor bank in the amount of 17 641 137 EUR repayable on 30 September 2019.</p> <p>As of the date of issuing these financial statements, the Group is finalizing agreed loan restructuring process. There is refinancing arranged with other credit institution and credit liability settlement process is ongoing with AS Luminor Bank. As a result loan liabilities to AS Luminor Bank will be settled for the agreed amount of 9 mil EUR and new long term financing will become available. As of the date of issuance of these financial statements, the above mentioned amount is transferred to the</p>	<p>We considered the facts about the events and conditions existing that casted doubt on the Group's ability to continue as a going concern.</p> <p>We obtained and evaluated management's plans to ensure the availability of the necessary financial resources.</p> <p>We reviewed legal documentation related to refinancing arrangement and loan liability settlement with AS Luminor Bank, including analysis of closing conditions noted in the agreements.</p> <p>We analyzed forecasted cash flow information prepared by the management related to the Group's ability to generate sufficient future cash flows.</p>

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Key audit matter	How the matter was addressed in the audit www.deloitte.com/lv
<p>escrow account and payment to AS Luminor bank will be executed after completion of collateral registration process on behalf of new financing institution. It is planned that the process will be finalized no later than till the end of October 2019.</p> <p>The conditions as of 31 December 2018 indicated that a material uncertainty existed related to the Group's ability to continue as a going concern. Therefore, the management assessment related to going concern which includes restructuring of the loan liabilities, improvement of equity and liquidity position of the Group, ability to meet loan obligations was considered to be a key audit matter due to significant management judgment involved in the respect of future financial performance of the Group and disclosure of going concern matter in the financial statements.</p>	<p>We assessed the completeness and accuracy of the disclosures related to going concern.</p>
<p>2) Judgments and estimates with respect to valuation of non-current assets</p>	
<p>As disclosed in Notes 3 and 4 as of 31 December 2018 the Group has property, plant, equipment assets with carrying value of 10 627 892 EUR and intangible assets with carrying value of 446 236 EUR which represents 66% of total assets. These balances include the assets of Lithuanian subsidiary Sakret UAB in the carrying amount of 5.3 mil EUR. The subsidiary in Lithuania has incurred net operating losses during current and previous periods and generated positive operating cash flows during last two years.</p> <p>The Group performs an annual impairment test of non-current assets in order to identify impairment losses, arising when the recoverable amount of cash generating unit is lower than the carrying amount recorded. Management concluded that the assets recoverable amount was higher than their carrying values such that no material impairment allowance was required.</p> <p>The future operating and capital expenditure cash flow projections and discount rates applied in the valuation model involve significant management judgement. The recoverable value significantly depends on the assumptions used with respect to sales growth, intragroup transactions business model, ability to use Lithuanian production capacity for Latvian market, production plant capital expenditure levels and profitability targets as well as the Group management's ability to realize those assumptions and overall development of the Baltics construction market. Any adverse changes to these assumptions caused by volatility of the market the Group operates in may negatively influence the carrying value of non-current assets presented in the Group's consolidated balance sheet as of 31 December 2018. Accordingly, the impairment test of non-current assets is considered to be a key audit matter.</p>	<p>Our audit procedures were focused on the assessment of key assumptions used by the management in calculations, including the cash flow projections and discount rates.</p> <p>We involved internal valuation specialists to assess assumptions used in cash flow projections which the outcome of impairment test is most sensitive to, and evaluated the reasonableness of assumptions made by management by comparing them to internal sources of information available within the Group and also to externally available industry, economic and financial data. We performed more detailed procedures on non-current assets of Sakret UAB as the estimated recoverable amount of these assets is close to carrying value.</p> <p>Furthermore, we evaluated management's budgeting process by comparing actual results to previously forecasted results.</p> <p>We assessed the completeness and accuracy of the disclosures relating to non-current assets in order to assess compliance with disclosure requirements included in Latvian legislation.</p>

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Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises:

- information about the Group, as set out on page 3 to 4 of the accompanying Annual Report,
- the Management Report, as set out on page 5 of the accompanying Annual Report,

Our opinion on the consolidated financial statements does not cover the other information included in the consolidated Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. www.deloitte.com/lv
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Inguna Staša
Member of the Board
Certified Auditor of Latvia
Certificate No.145

Riga, Latvia
30 September 2019

AS SAKRET HOLDINGS
(Sabiedrības reģistrācijas numurs 40103251030)

2017. gada pārskats,

*kas sagatavots saskaņā ar
Latvijas likumdošanas prasībām,
un neatkarīgu revidentu ziņojums*

(8. finanšu gads)

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AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

INFORMĀCIJA PAR SABIEDRĪBU

NOSAUKUMS	SAKRET HOLDINGS
JURIDISKAIS STATUSS	Akciju sabiebrība
REĢISTRĀCIJAS NUMURS, VIETA UN DATUMS	40103251030, Rīga, 2009. gada 30. septembrī
DARBĪBAS VEIDS	Holdīngkompāniju darbība. Sauso, lietošanai gatavo celtniecības materiālu, būvķīmiju un krāsu ražošana un pārdošana
NACE kods	2364
ZIŅAS PAR DALĪBNIKĀM	SIA Māris un Partneri (100%) Reģ. Nr.40103296793
JURIDISKĀ ADRESE	„Ritvari”, Rumbula, Stopiņu novads, Latvija, LV-2121
VALDE	Māris Ķelpis, valdes priekšsēdētājs Andis Ziedonis, valdes loceklis Juris Grīnvalds, valdes loceklis
PADOME	Andris Vanags, padomes priekšsēdētājs Elīna Salava, padomes priekšsēdētāja vietniece (līdz 2018. gada 14. februārim) Mārtiņš Biezais, padomes loceklis (līdz 2018. gada 14. februārim) Valērija Lieģe, padomes priekšsēdētāja vietniece (no 2018. gada 14. februāra) Artis Grinbergs, padomes loceklis (no 2018. gada 14. februāra)
PĀRSKATA GADS	2017. gada 1. janvāris – 31. decembris
IEPRIEKŠĒJAIS PĀRSKATA GADS	2016. gada 1. janvāris – 31. decembris
REVIDENTI UN ATBILDĪGĀ REVIDENTA VĀRDS UN UZVĀRDS	SIA „Deloitte Audits Latvia” Licence Nr. 43 Grēdu iela 4a Rīga, Latvija, LV-1019 Kitija Ķepīte Zvērināta revidente Sertifikāts Nr. 182

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

VADĪBAS ZIŅOJUMS

AS SAKRET HOLDINGS ir Sakret koncerna valdošā Sabiedrība šādās saistītajās sabiedrībās:

- SIA SAKRET (reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003622109, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121), 100% daļu,
- SIA SAKRET PLUS (reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003749392, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121), 90% daļu,
- UAB SAKRET LT (reģistrēta Lietuvas Republikā, reģistrācijas Nr. 3005988522, juridiskā adrese: Biochemikų g. 2, LT-57234, Kėdainiai, Lietuva), 100% daļu un
- OU SAKRET (reģistrēta Igaunijas Republikā, reģistrācijas Nr. 111961147, juridiskā adrese: Mäo küla, Paide vald, 72751 Järvamaa, Eesti), 100% daļu.

AS SAKRET HOLDINGS nodrošina kopējo koncerna pārvaldi un uzraudzību, nodrošinot savām meitas sabiedrībām vadības pakalpojumus. Sabiedrība nodrošina Sakret uzņēmumu grupas finanšu rādītāju un to atbilstības noslēgtajiem līgumiem kontroli.

Sabiedrība un tās radniecīgās Sabiedrības Baltijā aktīvi strādā pie sortimenta nostiprināšanas ar papildus produktiem. Pārskata periodā Sakret uzņēmumu grupas investīcijas jaunu produktu izpētē un attīstībā kopumā bija 108 957 TEUR.

2017. gadu Sabiedrība noslēdza ar 39 193 EUR zaudējumiem.

Nākotnes perspektīvas

Sabiedrībai un tās saistītajiem uzņēmumiem 2013. gada oktobrī tika noslēgts ilgtermiņa kredītlīgums ar AS DNB Banku (šobrīd AS Luminor Bank). Kredītlīguma termiņš bija līdz 2017. gada 31. decembrim ar iespēju to pagarināt. 2018. gada sākumā kredītlīguma termiņš tika pagarināts līdz 2019. gada 31. janvārim. Saskaņā ar esošā kredītlīguma nosacījumiem līdz iepriekš minētajam termiņam beigām Sabiedrībai un ar to saistītajām sabiedrībām kopā ar AS Luminor Bank, pamatojoties uz Sakret Grupas attīstības plāniem, ir jāvienojas par tālāko sadarbību.

Sabiedrības Valde uzskata, ka vienošanās tiks noslēgta, jo Sabiedrība un tās saistītās sabiedrības kopš kredīta restrukturizācijas 2013. gadā ir pildījušas visas saistības pret banku pilnā apmērā līdz 2017. gada decembrim, kad saskaņā ar līgumu bija paredzēta kredīta atlikušās summas atmaksa. Kredīta līgums paredzēja, ka atmaksas termiņš, pusēm vienojoties, var tikt pagarināts. Sabiedrība 2017. gadā uzsāka pārrunas ar banku par kredīta atmaksas termiņa pagarināšanu. Attiecīga vienošanās ar banku tika panākta, kā rezultātā 2018. gada 28. februārī tika parakstīti kredīta līguma nr. 34/13K23 grozījumi nr. 3, kas paredz kredīta galējo atmaksas termiņu 2019. gada 31. janvārī. Pārskata periodā Sabiedrība nav izpildījusi atsevišķus Kredīta līguma nosacījumus saistībā ar finanšu (peļņas) rādītājiem.

2018. gada 28. maijā finanšu pārskatus Sabiedrības vārdā parakstīja:

Māris Ķelpis

Valdes priekšsēdētājs

Andis Ziedonis

Valdes loceklis

Juris Grinvalds

Valdes loceklis

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

BILANCE**2017. GADĀ 31. DECEMBRĪ**

	Pielikumi	31.12.2017. EUR	31.12.2016. EUR
AKTĪVI			
Ilgtermiņa ieguldījumi			
Pamatlīdzekļi			
Pārējie pamatlīdzekļi un inventārs	3	1 089	-
Kopā pamatlīdzekļi		1 089	-
Ilgtermiņa finanšu ieguldījumi			
Aizdevumi radniecīgajām sabiedrībām	5	2 674 500	2 899 500
Līdzdalība koncerna meitas sabiedrību kapitālā	4	440 470	440 470
Citi ieguldījumi		-	28
Kopā ilgtermiņa ieguldījumi		3 114 970	3 339 998
Kopā ilgtermiņa ieguldījumi		3 116 059	3 339 998
Apgrozāmie līdzekļi			
Debitori			
Radniecīgo sabiedrību parādi	6	91 072	37 574
Citi debitori	7	30 830	30 970
Īstermiņa aizdevumi radniecīgajām sabiedrībām	5	35 572	35 572
Nākamo periodu izmaksas		158	-
Kopā debitori		157 632	104 116
Nauda		612	685
Kopā apgrozāmie līdzekļi		158 244	104 801
KOPĀ AKTĪVI		3 274 303	3 444 799

AS SAKRET HOLDINGS

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BILANCE**2017. GADĀ 31. DECEMBRĪ**

	Pielikumi	31.12.2017. EUR	31.12.2016. EUR
PASĪVS			
Pašu kapitāls			
Pamatkapitāls	8	35 000	35 000
Pārējās rezerves		572	572
Nesadalītā peļņa:			
a) iepriekšējo gadu nesadalītā peļņa		656 070	553 478
b) pārskata gada (zaudējumi)/peļņa		(39 193)	102 592
Kopā pašu kapitāls		652 449	691 642
Kreditori			
Ilgtermiņa kreditori			
Aizņēmumi no kredītiestādēm	9	2 229 178	2 322 885
Kopā ilgtermiņa kreditori		2 229 178	2 322 885
Īstermiņa kreditori			
Aizņēmumi no kredītiestādēm	9	93 714	240 979
Parādi radniecīgajam sabiedrībām	10	121 927	-
Parādi piegādātājiem un darbuzņēmējiem	11	13 906	4 997
Nodokļi un valsts sociālās apdrošināšanas obligātās iemaksas	12	5 092	6 688
Pārējie kreditori		6 739	3 826
Uzkrātās saistības	13	151 298	173 782
Kopā īstermiņa kreditori		392 676	430 272
Kopā kreditori		2 621 854	2 753 157
KOPĀ PASĪVS		3 274 303	3 444 799

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

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**PEĻNAS VAI ZAUDĒJUMU APRĒĶINS
PAR 2017. GADU**

		2017	2016
	Pielikumi	EUR	EUR
Neto apgrozījums	14	258 000	276 000
Pārdotās produkcijas ražošanas izmaksas	15	(199 325)	(193 803)
Bruto peļņa		58 675	82 197
Administrācijas izmaksas	16	(99 453)	(91 080)
Pārējie saimnieciskās darbības ieņēmumi	17	-	120 000
Pārējās saimnieciskās darbības izmaksas		(138)	(208)
Procentu ieņēmumi un tamlīdzīgi ieņēmumi		76 908	81 976
Procentu maksājumi un tamlīdzīgas izmaksas		(75 185)	(77 393)
(Zaudējumi)/peļņa pirms nodokļiem		(39 193)	115 492
Uzņēmumu ienākuma nodoklis		-	(12 900)
Pārskata gada (zaudējumi)/peļņa		(39 193)	102 592

PAŠU KAPITĀLA IZMAIŅU PĀRSKATS
PAR 2017. GADU

	Pamatkapitāls EUR	Denominācijas rezerve EUR	Nesadalītā peļņa EUR	Kopā EUR
Uz 2015. gada 31. decembri	35 000	572	553 478	589 050
Pārskata gada peļņa		-	102 592	102 592
Uz 2016. gada 31. decembri	35 000	572	656 070	691 642
Pārskata gada zaudējumi		-	(39 193)	(39 193)
Uz 2017. gada 31. decembri	35 000	572	616 877	652 449

NAUDAS PLŪSMAS PĀRSKATS
PAR 2017. GADU

	Pielikumi	2017 EUR	2016 EUR
Pamatdarbības naudas plūsma			
(Zaudējumi)/peļņa pirms nodokļiem		(39 193)	115 492
Korekcijas:			
Pamatlīdzekļu nolietojums	3	99	-
Procentu ieņēmumi		(76 908)	(81 976)
Procentu izmaksas		75 185	77 393
Peļņa pirms apgrozāmā kapitāla izmaiņām		(40 817)	110 909
Debitoru izmaiņa		(52 816)	(24 342)
Krājumu izmaiņa		-	-
Kreditoru izmaiņa		125 931	158 008
Pamatdarbības naudas plūsma		32 298	244 575
Samaksātais uzņēmumu ienākuma nodoklis		(16 134)	(12 286)
Pamatdarbības neto naudas plūsma		16 164	232 289
Ieguldīšanas darbības naudas plūsma			
Izsniegts aizdevums radniecīgai sabiedrībai		-	(115 000)
Pamatlīdzekļu iegāde		(1 188)	
Ieņēmumi no aizdevumu atmaksas no radniecīgas sabiedrības		225 000	45 500
Saņemtie procenti		76 208	81 062
Ieguldīšanas darbības neto naudas plūsma		300 020	11 562
Finansēšanas darbības naudas plūsma			
Ieņēmumi no kapitāla līdzdalības daļu ieguldījumiem		-	10 000
Izdevumi aizņēmumu atmaksāšanai		(240 972)	(206 059)
Samaksātie procenti		(75 285)	(80 420)
Finansēšanas darbības neto naudas plūsma		(316 257)	(276 479)
Naudas un tās ekvivalentu neto (samazinājums)		(73)	(32 628)
Nauda un tās ekvivalenti gada sākumā		685	33 313
Nauda un tās ekvivalenti gada beigās		612	685

**FINANŠU PĀRSKATU PIELIKUMI
PAR 2017. GADU**

1. PAMATINFORMĀCIJA

AS „Sakret Holdings” ir reģistrēta Latvijas Republikas Uzņēmumu reģistrā kā akciju sabiedrība. Sabiedrības pamatdarbība ir: holdingkompāniju darbība; sauso, lietošanai gatavo celtniecības materiālu, būvķīmiju un krāsu ražošana un pārdošana.

2. GRĀMATVEDĪBAS UZSKAITES UN NOVĒRTĒŠANAS METODEDES

Vispārīgie principi

Sabiedrības finanšu pārskati sagatavoti saskaņā ar Latvijas Republikas likumu „Par grāmatvedību” un „Gada pārskatu un konsolidēto gada pārskatu likums” prasībām.

Finanšu pārskatos ietvertās summas ir iegūtas, pamatojoties uz sākotnējo izmaksu metodi. Salīdzinot ar iepriekšējo pārskata gadu, Sabiedrībā lietotās uzskaites un novērtēšanas metodes nav mainītas.

Peļņas vai zaudējumu aprēķins sastādīts atbilstoši apgrozījuma izmaksu shēmai. Naudas plūsmas pārskats sastādīts pēc netiešās metodes. Finanšu pārskati ir sastādīti Latvijas nacionālajā valūtā EUR.

Ārvalstu valūtas

Finanšu pārskata par naudas vienību lietota Eiropas Sabiedrības nacionālas vienība eiro (tālāk tekstā-“EUR”), kas Sabiedrības funkcionāla un uzrādīšanas valūta Eiropas Centrālās bankas noteiktie valūtas kursi.

Debitori

Debitoru parādi bilancē tiek uzrādīti pēc to nominālvērtības, atskaitot uzkrājumus šaubīgajiem debitoru parādiem. Sabiedrība katra pārskata gada bilances datumā izvērtē iespējamās objektīvās pazīmes, kas liecinātu par to, ka pircējs vai pasūtītājs neievēros apmaksas noteikumus. Katrs debitors tiek analizēts individuāli. Šaubīgiem parādiem tiek veidoti uzkrājumi, kuru lielumu nosaka kā starpību starp atgūstamo vērtību un nominālvērtību.

Krājumi

Krājumi tiek uzrādīti zemākajā no iegādes vai tirgus vērtības. Krājumu iegādes izmaksas ietver pirkšanas cenu, ievadmuitu un citus nodokļus un nodevas, transportēšanas izmaksas, kā arī citas tieši attiecināmas izmaksas, kas radušās, nogādājot krājumus to pašreizējā atrašanās vietā un stāvoklī. Nosakot krājumu vērtību, tiek atskaitītas tirdzniecības atlaides, rabati un citus līdzīgus posteņus. Tirgus vērtība ir parastās uzņēmējdarbības darbības gaitā aplēstā pārdošanas cena, no kuras atskaitītas aplēstās pabeigšanas izmaksas un nepieciešamās pārdošanas izmaksas.

Krājumu iegādes vērtību nosaka, izmantojot „pirmais iekšā – pirmais ārā” (FIFO) metodi.

Ja nepieciešams, tiek izveidoti uzkrājumi novecojušiem, lēnas aprites vai bojātiem krājumiem.

Nākamo periodu izdevumi

Nākamo periodu izdevumi ir izdevumi, kas radušies pārskata gadā un ir samaksāti, bet attiecas uz nākamiem periodiem.

Nauda

Nauda sastāv no naudas kasē un tekošo bankas kontu atlikumiem.

FINANŠU PĀRSKATU PIELIKUMI PAR 2017. GADU

Līdzdalība radniecīgo sabiedrību kapitālā

Ieguldījumi radniecīgo sabiedrību kapitālā (t.i., sabiedrībās, kurās Sabiedrībai pieder vairāk nekā 50% pamatkapitāla vai kuras tā kontrolē kādā citā veidā) sākotnēji tiek novērtēti pēc to iegādes vērtības. Kontrole ir spēja noteikt otras sabiedrības finanšu un pamatdarbības politiku.

Pēc sākotnējās atzīšanas visi Sabiedrības ieguldījumi ir uzrādīti iegādes vērtībā, atskaitot uzkrātos zaudējumus no vērtības samazinājuma. Ja kādi notikumi vai apstākļu maiņa liecina, ka ieguldījumu bilances vērtība varētu būt neatgūstama, attiecīgo ieguldījumu vērtība tiek pārskatīta, lai noteiktu to vērtības samazinājumu. Zaudējumi no vērtības samazinājuma tiek atzīti peļņas vai zaudējumu aprēķinā.

Noma

Finanšu nomas darījumi, kuru ietvaros Sabiedrībai tiek nodoti visi riski un atlīdzība, kas izriet no īpašumtiesībām uz nomas objektu, tiek atzīti bilancē kā pamatlīdzekļi par summu, kas, nomu uzsākot, atbilst nomas ietvaros nomātā īpašuma patiesajai vērtībai, vai, ja tā ir mazāka, minimālo nomas maksājumu pašreizējai vērtībai. Finanšu nomas maksājumi tiek sadalīti starp finanšu izmaksām un saistību samazinājumu, lai katrā periodā nodrošinātu pastāvīgu procentu likmi par saistību atlikumu. Finanšu izmaksas tiek iekļautas peļņas vai zaudējumu aprēķinā kā procentu izmaksas.

Ja ir pietiekams pamats uzskatīt, ka nomas perioda beigās attiecīgais nomas objekts pāries nomnieka īpašumā, par paredzamo izmantošanas laiku tiek pieņemts šī aktīva lietderīgās izmantošanas laiks. Visos citos gadījumos kapitalizēto nomāto aktīvu nolietojums tiek aprēķināts, izmantojot lineāro metodi, aplēstajā aktīvu lietderīgās lietošanas laikā vai nomas periodā atkarībā no tā, kurš no šiem periodiem īsāks.

Aktīvu noma, kuras ietvaros praktiski visus no īpašumtiesībām izrietošos riskus uzņemas un atlīdzību gūst iznomātājs, tiek klasificēta kā operatīvā noma. Nomā maksājumi operatīvās nomas ietvaros tiek uzskaitīti kā izmaksas visā nomas perioda laikā. No operatīvās nomas līgumiem izrietošās Sabiedrības saistības tiek atspoguļotas kā ārpusbilances saistības.

Parādi piegādātājiem un darbuņēmējiem

Parādus piegādātājiem un darbuņēmējiem sākotnēji atzīst to patiesajā vērtībā. Kreditoru parādi tiek klasificēti kā īstermiņa saistības, ja maksājuma termiņš ir viens gads vai mazāk. Pretējā gadījumā tie tiek uzrādīti ilgtermiņa saistību sastāvā.

Uzkrātās saistības neizmantotiem atvaļinājumiem

Uzkrāto saistību summa tiek noteikta, reizinot darbinieku vidējo dienas izpeļņu par periodu no jūnija līdz novembrim ar pārskata gada beigās uzkrāto neizmantoto atvaļinājuma dienu skaitu, papildus aprēķinot darba devēja valsts sociālās apdrošināšanas obligātās iemaksas.

Uzkrājumi

Uzkrājumi tiek atzīti, kad Sabiedrībai ir pašreizējs pienākums (juridisks vai prakses radīts), ko izraisījis kāds pagātnes notikums, un pastāv varbūtība, ka šo saistību izpildei būs nepieciešama ekonomiskos labumus ietverošu resursu aizplūšana no Sabiedrības, un saistību apjomu iespējams pietiekami ticami novērtēt.

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Aizdevumi un aizņēmumi

Aizdevumi un aizņēmumi sākotnēji tiek atspoguļoti to sākotnējā vērtībā, ko nosaka, aizdevuma vai aizņēmuma summas patiesajai vērtībai pieskaitot ar aizdevuma izsniegšanu saistītās vai atņemot ar aizņēmuma saņemšanu saistītās izmaksas. Aizdevumu vai aizņēmumu īstermiņa daļa tiek atzīti tie aizņēmumi vai aizdevumu kuriem atmaksāt termiņš ir 12 mēnešu laika no pārskata gada beigām, pārējie tiek atzīti par ilgtermiņa daļu.

Ieņēmumu atzīšana un neto apgrozījums

Ieņēmumus novērtē saņemtās vai saņemamās atlīdzības patiesajā vērtībā, atskaitot pievienotās vērtības nodokli. Ieņēmumi tiek samazināti par paredzamo preču atpakaļatdošanu, pārdošanas atlaidēm un tamlīdzīgiem posteņiem.

Pakalpojumu sniegšana

Ja var ticami aplēst tāda darījuma iznākumu, kas saistīts ar pakalpojumu sniegšanu, ar darījumu saistītos ieņēmumus atzīst, ņemot vērā to, kādā izpildes pakāpē bilances datumā atrodas darījums. Darījuma iznākumu var ticami aplēst, ja tiek ievēroti visi šādi nosacījumi:

- var ticami novērtēt ieņēmumu summu;
- ir ticams, ka Sabiedrībā ieplūdīs ar darījumu saistītie saimnieciskie labumi;
- var ticami novērtēt, kādā izpildes pakāpē bilances datumā atrodas darījums; un var ticami novērtēt radušās darījuma izmaksas un izmaksas, kas nepieciešamas darījuma pabeigšanai.

Ieņēmumi no saņemtām dividendēm

Ieņēmumus novērtē saņemtās vai saņemamās atlīdzības patiesajā vērtībā, uz periodu uz kuru tie attiecas un uzraudzīti posteņi "Pārējie saimnieciskās darbības ieņēmumi".

Finanšu ieņēmumi

Ieņēmumi, kas saistīti ar aizdevumiem, tiek atzīti periodā, uz kuru tie attiecas un uzraudzīti posteņi "Procentu ieņēmumi un tamlīdzīgi ieņēmumi".

Finanšu izdevumi

Izmaksas, kas saistītas ar aizņēmumiem, tiek norakstītas uz izdevumiem periodā, uz kuru tās attiecas un uzraudzītas posteņi "Procentu maksājumi un tamlīdzīgas izmaksas".

Uzņēmumu ienākuma nodoklis

Uzņēmumu ienākuma nodoklis tiek aprēķināts saskaņā ar Latvijas Republikas nodokļu likumdošanu. Spēkā esošā likumdošana nosaka nodokļa likmi – 15%.

Saistītās un radniecīgās puses

Par saistītām pusēm tiek uzskatīti Sabiedrības dalībnieki, valdes locekļi, viņu tuvi ģimenes locekļi un sabiedrības, kurās minētajām personām ir kontrole vai būtiska ietekme un Sabiedrības grupā ietilpstošās sabiedrības. Radniecīgas sabiedrības ir mātes un meitas uzņēmumi.

Novērtējumu pielietošana

Latvijas likumdošanas prasības nosaka, ka, sagatavojot finanšu pārskatus, Sabiedrības vadība novērtē un izdara pieņēmumus, kas ietekmē pārskatos un ārpusbilancē uzraudzītos aktīvus un pasīvus uz finanšu pārskatu sagatavošanas dienu, kā arī uzraudzītos pārskata perioda ieņēmumus un izdevumus. Faktiskie rezultāti var atšķirties no šīm aplēsēm.

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Būtiskākie pieņēmumi un nozīmīgākās aplēses par nākotni un citas neskaidrības, kas eksistē bilances datumā un kas rada risku, ka, iespējams, būs būtiski jākorrigē aktīvu un pasīvu vērtība nākamajos pārskata gados:

- Sabiedrība izvērtē debitoru parādus un novērtē to atgūstamību, nepieciešamības gadījumā veidojot uzkrājumus šaubīgiem debitoru parādiem. Sabiedrības vadība ir izvērtējusi debitoru parādus un uzskata, ka nav nepieciešams veidot papildus uzkrājumus 2017. gada 31. decembrī.
- Sabiedrība izvērtē izsniegtos aizdevumus un novērtē to atgūstamību. Sabiedrības vadība ir izvērtējusi aizdevumu atgūstamību un uzskata, ka nav nepieciešams veidot uzkrājumus uz 2017. gada 31. decembrī.
- Sabiedrība izvērtē savu spēju turpināt darbību nākotnē. Skatīt 21. pielikumu.
- Sabiedrības vadība izvērtē ieguldījumu radniecīgo sabiedrību kapitālā uzskaites vērtību un novērtē, vai pastāv kādas pazīmes, kas norāda, ka minēto aktīvu atgūstamā summa ir zemāka nekā to uzskaites vērtība. Sabiedrības vadība aprēķina un atzīst zaudējumus no ieguldījumu radniecīgo sabiedrību kapitālā vērtības samazinājuma, pamatojoties uz aplēsēm par to nākotnes atdevi. Sabiedrības vadība uzskata, ka būtiskas ieguldījumu radniecīgo sabiedrību kapitālā vērtības korekcijas 2017. gada 31. decembrī nav nepieciešamas.

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3. PAMATLĪDZEKĻI

	Iekārtas un mašīnas EUR	Kopā EUR
Uz 2016. gada 31. decembri	-	-
Iegādāts	1 188	1 188
Uz 2017. gada 31. decembri	1 188	1 188
Uz 2016. gada 31. decembri	-	-
Aprēķināts	99	99
Uz 2017. gada 31. decembri	99	99
Uz 2016. gada 31. decembri	-	-
Uz 2017. gada 31. decembri	1 089	1 089

Informācija par Sabiedrības iekļātiem aktīviem sniegta 22. pielikumā.

4. LĪDZDALĪBA KONCERNA MEITAS SABIEDRĪBU KAPITĀLĀ

Radniecīgā sabiedrība	Līdzdalības daļa	
	31.12.2017. %	31.12.2016. %
SIA SAKRET	100%	100%
SIA SAKRET PLUS	90%	90%
UAB SAKRET LT	100%	100%
OU SAKRET	100%	100%
Kopā		

Radniecīgo sabiedrību juridiskās adreses un uzņēmējdarbības veidi:

Radniecīgā sabiedrība	Informācijā	Uzņēmēj- darbības veids NACE
SIA SAKRET	reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003622109, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121	2364
SIA SAKRET PLUS	reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003749392, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121	2030
UAB SAKRET LT	reģistrēta Lietuvas Republikā, reģistrācijas Nr. 3005988522, juridiskā adrese: Biochemiku g. 2, LT-57234, Kėdainiai, Lietuva	2364
OU SAKRET	reģistrēta Igaunijas Republikā, reģistrācijas Nr. 111961147, juridiskā adrese: Māo küla, Paide vald, 72751 Järvamaa, Eesti	2364

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Radniecīgo sabiedrību nerevidētie finanšu rādītāji:

Radniecīgā sabiedrība	Pašu kapitāls		Pārskata gada <u>peļņa/</u> <u>(zaudējumi)</u>	
	31.12.2017. EUR nerevidētie	31.12.2016. EUR revidētie	31.12.2017. EUR nerevidētie	31.12.2016. EUR revidētie
SIA SAKRET	(1 055 958)	(579 911)	(476 047)	(115 265)
SIA SAKRET PLUS	1 774 496	1 589 431	185 065	219 125
UAB SAKRET LT	(6 059 551)	(5 923 284)	(136 267)	(381 992)
OU SAKRET	(3 145 881)	(3 340 169)	194 288	147 457
	(8 486 894)	(8 253 933)	(232 961)	(130 675)

5. AIZDEVUMI RADNIECĪGAJĀM SABIEDRĪBĀM

<i>Ilgtermiņa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	31.12.2017. EUR	31.12.2016. EUR
SIA SAKRET	Nr. FC/13-001, EUR	3 mēn. Euribor + 3%	30.06.2019	2 674 500	2 899 500
Kopā ilgtermiņa aizdevumi				2 674 500	2 899 500

<i>Īstermiņa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	31.12.2017. EUR	31.12.2016. EUR
„Māris un Partneri” SIA	Nr.1, EUR	3.5%	31.12.2018	35 572	35 572
Kopā ilgtermiņa aizdevumi				35 572	35 572

Aizdevumi ir bez nodrošinājuma.

6. RADNIECĪGO SABIEDRĪBU PARĀDI

	31.12.2017. EUR	31.12.2016. EUR
Par sniegtajiem pakalpojumiem vietējā tirgū Eiropas Savienības (ES) ietvaros, tai skaitā,	77 572	13 074
Igaunijā	13 500	13 500
Lietuvā	-	11 000
Kopā	91 072	37 574

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7. CITI DEBITORI

	31.12.2017. EUR	31.12.2016. EUR
Nodokļu pārmaxsa(12.pielikums)	12 910	
Uzkrātie procenti par aizdevumu SIA SAKRET	6 093	6 637
Uzkrātie procenti par aizdevumu „Māris un Partneri” SIA	6 812	5 567
Samaksāts avanss par pakalpojumiem	2 900	-
Uzkrātie ieņēmumi par sniegtiem pakalpojumiem SIA SAKRET	-	18 000
PLUS		
Citi	2 115	766
Kopā	30 830	30 970

8. PAMATKAPITĀLS

2017. gada 31. decembrī un 2016. gada 31. decembrī reģistrētais un pilnībā apmaksātais pamatkapitāls sastāv no 35 000 daļām ar nominālvērtību EUR 1 katra. Sabiedrības pamatkapitāls sastāda EUR 35 000. 2014. gadā veiktās denominācijas rezultātā radies pamatkapitāla samazinājums EUR 572 apmērā ir uzrādīts Sabiedrības pašu kapitālā postenī “Pārējās rezerves”.

9. AIZŅĒMUMI NO KREDĪTIESTĀDĒM

<i>Ilgtermiņa daļa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	Atlikusī pamatsumma 31.12.2017. EUR	Atlikusī pamatsumma 31.12.2016. EUR
AS „Luminor Bank” (aizņēmums)	Nr. 34/13K23, EUR	3 mēn. Euribor + 3%	31.01.2019	2 229 178	2 322 885
Kopā ilgtermiņa aizņēmumi no kredītiestādēm				2 229 178	2 322 885
<i>Īstermiņa daļa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	Atlikusī pamatsumma 31.12.2017. EUR	Atlikusī pamatsumma 31.12.2016. EUR
AS „Luminor Bank” (aizņēmums)	Nr. 34/13K23, EUR	3 mēn. Euribor + 3%	31.12.2018	93 714	240 979
Kopā īstermiņa aizņēmumi no kredītiestādēm				93 714	240 979

Sabiedrībai un tās saistītajiem uzņēmumiem 2013. gada oktobrī tika noslēgts ilgtermiņa kredītlīgums ar AS DNB Banku (šobrīd AS Luminor Bank). Kredītlīguma termiņš bija līdz 2017.gada 31.decembrim ar iespēju to pagarināt. 2018.gada sākumā kredītlīguma termiņš tika pagarināts līdz 2019.gada 31.janvārim. Saskaņā ar esošā kredītlīguma nosacījumiem līdz iepriekš minētā termiņa beigām Sabiedrībai un ar to saistītajām sabiedrībām kopā ar AS Luminor Bank, pamatojoties uz Sakret Grupas attīstības plāniem, ir jāvienojas par tālāko sadarbību.

Sabiedrības Valde uzskata, ka vienošanās tiks noslēgta, jo Sabiedrība un tās saistītās sabiedrības kopš kredīta restrukturizācijas 2013. gadā ir pildījušas visas saistības pret banku pilnā apmērā līdz 2017. gada decembrim, kad saskaņā ar līgumu bija paredzēta kredīta atlikušās summas atmaksa. Kredīta līgums paredzēja, ka atmaksas termiņš, pusēm vienojoties, var tikt pagarināts. Sabiedrība 2017. gadā uzsāka pārrunas ar banku par kredīta atmaksas termiņa pagarināšanu. Attiecīga vienošanās ar banku tika panākta, kā rezultātā 2018. gada 28. februārī tika parakstīti kredīta līguma nr. 34/13K23 grozījumi nr. 3, kas paredz kredīta galējo atmaksas termiņu 2019. gada 31. janvārī.

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Saskaņā ar noslēgtajiem līgumiem, Sabiedrībai ir pienākums nodrošināt noteiktu rādītāju izpildi līgumu darbības laikā. Saskaņā ar vadības novērtējumu, 2017. gada 31. decembrī Sabiedrība nav izpildījusi atsevišķus Kredīta līguma nosacījumus saistībā ar finanšu (peļņas) rādītājiem.

10. PARĀDI RADNIECĪGAJĀM SABIEDRĪBAM

	31.12.2017. EUR	31.12.2016. EUR
Par preču piegādēm un pakalpojumiem: vietējā tirgū	120 740	-
ES ietvaros, tai skaitā: No Lietuvas	1 187	-
Kopā	121 927	-

11. PARĀDI PIEGĀDĀTĀJIEM UN DARBUZŅĒMĒJIEM

	31.12.2017. EUR	31.12.2016. EUR
Par preču piegādēm un pakalpojumiem: vietējā tirgū	13 906	4 997
Kopā	13 906	4 997

12. NODOKĻI UN VALSTS SOCIĀLĀS APDROŠINĀŠANAS OBLIGĀTĀS IEMAKSAS

	31.12.2017. EUR	31.12.2016. EUR
Uzņēmumu ienākuma nodoklis	12 910	(3 135)
Sociālās apdrošināšanas obligātās iemaksas	(2 927)	(1 544)
Iedzīvotāju ienākuma nodoklis	(1 728)	(892)
Pievienotās vērtības nodoklis	(432)	(1 112)
Uzņēmējdarbības riska valsts nodeva	(5)	(5)
Pārmaksa	12 910	-
Parāds	(5 092)	6 688

13. UZKRĀTĀS SAISTĪBAS

	31.12.2017. EUR	31.12.2016. EUR
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no SIA SAKRET	75 500	66 500
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no OU SAKRET	37 063	35 500
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no SIA SAKRET PLUS	8 820	33 285
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no UAB SAKRET LT	19 688	23 188
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā	7 936	5 540
Neizmantotie darbinieku atvaļinājumi	2 291	9 769
Kopā	151 298	173 782

14. NETO APGROZĪJUMS

	2017 EUR	2016 EUR
Ienākumi no pakalpojumu sniegšanas	258 000	276 000
Kopā	258 000	276 000

FINANŠU PĀRSKATU PIELIKUMI
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15. PĀRDOTĀS PRODUKCIJAS RAŽOŠANAS IZMAKSAS

	2017	2016
	EUR	EUR
Produktu izpētes izmaksas	141 070	158 473
Atlīdzība par darbu	43 994	28 250
Valsts sociālās apdrošināšanas obligātās iemaksas un uzņēmējdarbības riska nodeva	10 294	6 557
Nekustamā īpašuma noma	523	523
Nolietojums	99	-
Pārējās izmaksas	3 343	-
Kopā	199 325	193 803

16. ADMINISTRĀCIJAS IZMAKSAS

	2017	2016
	EUR	EUR
Juristu pakalpojumi	33 650	14 000
Atlīdzība par darbu	25 419	29 572
Vadības pakalpojumi	21 240	21 240
Valsts sociālās apdrošināšanas obligātās iemaksas un uzņēmējdarbības riska nodeva	6 027	7 011
Konsultāciju pakalpojumi	5 500	11 315
Pārējās izmaksas	7 617	7 942
Kopā	99 453	91 080

17. PĀRĒJIE SAIMNIECISKĀS DARBĪBAS IEŅĒMUMI

	2017	2016
	EUR	EUR
Saņemts atbalsta finansējums	-	120 000
Kopā	-	120 000

18. SABIEDRĪBĀ NODARBINĀTO PERSONU VIDĒJAIS SKAITS

	2017	2016
Vidējais Sabiedrībā nodarbināto personu skaits pārskata gadā	13	13

19. VADĪBAS UN VALDES ATALGOJUMS

	2017	2016
	EUR	EUR
- darba samaksa	11 471	11 560
- valsts sociālās apdrošināšanas obligātās iemaksas	2 719	2 728
Kopā	14 190	14 288

**FINANŠU PĀRSKATU PIELIKUMI
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20. FINANŠU RISKU VADĪBA

Sabiedrības nozīmīgākie finanšu instrumenti ir aizņēmumi no kredītiestādēm un nauda. Šo finanšu instrumentu galvenais uzdevums ir nodrošināt Sabiedrības saimnieciskās darbības finansējumu. Sabiedrība izmanto arī citus finanšu instrumentus, piemēram – aizdevumi radniecīgajām sabiedrībām, pircēju un pasūtītāju parādi un citi debitori, parādi piegādātājiem un darbuzņēmējiem un pārējie kreditori, kas izriet tieši no saimnieciskās darbības.

Valūtas risks

Sabiedrība galvenokārt veic darījumus eiro. Tā kā sākot ar 2014. gada 1. janvāri Latvijas nacionālā valūta ir eiro, tad šis netiek uzskatīts par būtisku risku.

Procentu likmju risks

Sabiedrība ir pakļauta procentu likmju riskam galvenokārt saistībā ar tās bankas aizņēmumu.

Likviditātes risks

Likviditātes risks ir risks, ka Sabiedrība nebūs spējīga savlaicīgi un pilnā apmērā nodrošināt savu saistību izpildi. Sabiedrības likviditātes riska pārvaldības mērķis ir uzturēt atbilstošu naudas un tās ekvivalentu daudzumu un nodrošināt atbilstošu finansējuma pietiekamību, izmantojot banku piešķirtos aizņēmumus (skatīt 9. pielikumu), lai Sabiedrība spētu pildīt savas saistības noteiktajos termiņos. Sabiedrība regulāri izvērtē finanšu aktīvu un pasīvu termiņu saskaņotību, kā arī ilgtermiņa ieguldījumu finansējuma avotu stabilitāti. Likviditātes pārvaldīšanai katru mēnesi pēc iepriekšējā mēneša faktisko rezultātu saņemšanas tiek sagatavota operatīvā naudas plūsmas prognoze. Sabiedrības vadība uzskata, ka Sabiedrībai būs pietiekami naudas resursi, lai tās likviditāte nebūtu apdraudēta.

Sabiedrības turpmākā likviditāte būs arī atkarīga no radniecīgo sabiedrību spējas laicīgi segt savas tekošās saistības un kredītsaistības, kā arī spējas laicīgi un pilnā apmērā segt saistības pret banku (skatīt arī 9. pielikumu).

FINANŠU PĀRSKATU PIELIKUMI PAR 2017. GADU

21. DARBĪBAS TURPINĀŠANAS PRINCIPS

Sabiedrība ir vienīgais dalībnieks ar 100% kapitāla daļu saistītajām sabiedrībām SIA SAKRET (reģistrēta Latvijas Republikā), OU SAKRET (reģistrēta Igaunijas Republikā) un UAB SAKRET LT (reģistrēta Lietuvas Republikā) un SIA SAKRET PLUS (reģistrēta Latvijas Republikā) kontrolējošais dalībnieks ar 90% daļu – turpmāk tekstā „Sakret Grupa”.

Sabiedrībai ir noslēgts aizdevuma līgums ar meitas sabiedrību SIA SAKRET 3 000 000 EUR apmērā (skatīt 5. pielikumu), aizdevuma atlikums uz 31.12.2017. ir 2 710 072 EUR. Aizņēmuma līgums ar AS Luminor Bank 3 000 000 EUR apmērā, aizņēmuma atlikums 2 322 892 EUR (skatīt 9. pielikumu).

Sakret Grupa pārskata periodā ir veikusi pamatsummas apmaksu EUR 1 800 000, tajā skaitā Sabiedrība veikusi pamatsummas apmaksu EUR 240 972.

2018.gada sākumā kredītīguma termiņš tika pagarināts līdz 2019.gada 31.janvārim. Saskaņā ar esošā kredītīguma nosacījumiem līdz iepriekš minētā termiņa beigām Sabiedrībai un ar to saistītajām sabiedrībām kopā ar AS Luminor Bank, pamatojoties uz Sakret Grupas attīstības plāniem, ir jāvienojas par tālāko sadarbību. Vienlaicīgi esošie kredītīguma nosacījumi paredz mazāk intensīvu ilgtermiņa kredīta pamatsummas dzēšanu un faktoringa limita palielinājumu 2018.gadā, kas uzlabo Sabiedrības un Sakret grupas uzņēmumu likviditāti.

Sabiedrības Valde uzskata, ka vienošanās tiks noslēgta, jo Sabiedrība un tās saistītās sabiedrības kopš kredīta restrukturizācijas 2013. gadā ir pildījušas visas saistības pret banku pilnā apmērā līdz 2017. gada decembrim, kad saskaņā ar līgumu bija paredzēta kredīta atlikušās summas atmaksa. Kredīta līgums paredzēja, ka atmaksas termiņš, pusēm vienojoties, var tikt pagarināts. Sabiedrība 2017. gadā uzsāka pārrunas ar banku par kredīta atmaksas termiņa pagarināšanu. Attiecīga vienošanās ar banku tika panākta, kā rezultātā 2018. gada 28. februārī tika parakstīti kredīta līguma nr. 34/13K23 grozījumi nr. 3, kas paredz kredīta galējo atmaksas termiņu 2019. gada 31. janvārī. Pārskata periodā Sabiedrība nav izpildījusi atsevišķus Kredīta līguma nosacījumus saistībā ar finanšu (peļņas) rādītājiem.

Sakret Grupas darbības turpināšana ir atkarīga no tās spējas laicīgi segt saistības pret kredītiestādi, ievērot visus kredītiestādes noteiktos finanšu rādītājus, kā arī nodrošināt kredītiestāžu finansējumu ilgākā termiņā, kā arī no citu Sakret Grupas uzņēmumu spējas pilnā apmērā segt saistības pret Sabiedrību.

Minētie apstākļi norāda uz būtisku nenoteiktību saistībā ar Sabiedrības spēju turpināt darbību. Šis finanšu pārskats ir sagatavots pamatojoties uz darbības turpināšanas pieņēmumu un tajā nav iekļauti nekādi labojumi, kas varētu būt nepieciešami, ja darbības turpināšanas pieņēmums nebūtu piemērojams. Sabiedrības vadība ir pārliecināta, ka darbības turpināšanās principa piemērošana ir pamatota.

22. IZSNIEGTAS GARANTIJAS

Visas Sabiedrības akcijas un manta ir iekļāta par labu AS Luminor Banka (turpmāk – „Banka”) kā nodrošinājums kredītam. Kopējā Sakret Grupas aizņēmuma nodrošinājuma summa par labu AS DNB Banka ir EUR 29 880 308. Kredīts izsniegts ilgtermiņa ieguldījumu finansēšanai, kredītlīmija – apgrozāmo līdzekļu finansēšanai.

Aizņēmuma līgums, kas noslēgts starp Sakret Grupas sabiedrībām un Banku nosaka, ka, ja kāds no kredītņēmējiem pēc līgumā norādīto termiņu notecējuma neatmaksā Bankai izsniegto kredīta daļu vai jebkādu tās daļu, nesamaksā attiecīgos Bankai pienākošos procentus vai līgumsodu, vai arī nenodrošina pārējos no līguma izrietošos Bankas prasījumus, tad visi pārējie kredītņēmēji nekavējoši sedz visus Bankas prasījumus pilnā apmērā.

Sabiedrības vadība apliecina, ka uz šī finanšu pārskata parakstīšanas brīdi visi aizņēmuma līgumā minētie kredītņēmēji ir izpildījuši pilnā apmērā visus Bankas nosacījumus un 2017. gada 31. decembrī nav jāveido papildus uzkrājumi iespējamām saistībām, kas varētu rasties no aizņēmuma līguma nosacījumu nepildīšanas.

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23. DARĪJUMI AR RADNIECĪGAM SABIEDRĪBAM

(a) Preču pārdošana un pakalpojumu sniegšana

	2017 EUR	2016 EUR
SIA SAKRET	102 000	102 000
UAB SAKRET LT	66 000	66 000
OU SAKRET	54 000	54 000
SIA SAKRET PLUS	36 000	54 000
Kopā	258 000	276 000

(b) Preču iegāde un pakalpojumu saņemšana

	2017 EUR	2016 EUR
SIA SAKRET	695	695
Kopā	695	695

(c) Procentu ieņēmumi no aizdevumiem

	2017 EUR	2016 EUR
SIA SAKRET	75 663	80 728
„Māris un Partneri” SIA	1 245	1 248
Kopā	76 908	81 976

(d) Radniecīgo sabiedrību parādi

	31.12.2017. EUR	31.12.2016. EUR
SIA SAKRET PLUS	68 170	3 630
OU SAKRET	13 500	13 500
SIA SAKRET	9 402	9 444
UAB SAKRET LT	-	11 000
Kopā	91 072	37 574

(e) Citi debitori, kas radušies no darījumiem ar radniecīgam sabiedrībām

	31.12.2017. EUR	31.12.2016. EUR
Uzkrātie procenti par aizdevumu SIA SAKRET	6 093	6 637
Uzkrātie procenti par aizdevumu „Māris un Partneri” SIA	6 812	5 567
Uzkrātie ieņēmumi par sniegtiem pakalpojumiem SIA SAKRET PLUS	-	18 000
Kopā	13 105	30 204

FINANŠU PĀRSKATU PIELIKUMI
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24. PARĀDI RADNIECĪGAJĀM SABIEDRĪBAM

	31.12.2017. EUR	31.12.2016. EUR
SIA SAKRET	120 740	-
UAB SAKRET LT	1 187	-
Kopā	121 927	-

25. NOTIKUMI PĒC PĀRSKATA GADA BEIGĀM

2018.gada 28.februārī kredītliguma un faktoringa līguma termiņš ar AS Luminor Bank tika pagarināts līdz 2019.gada 31.janvārim. 2018.gada maijā tika palielināts kopējais faktoringa limits Sakret grupas uzņēmumiem no 1 000,00 tūkst. EUR līdz 1 700,00 tūkst. EUR

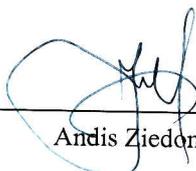
Laika periodā no pārskata gada pēdējās dienas līdz šī finanšu pārskata parakstīšanas datumam nav bijuši nekādi citi būtiski notikumi, kuru rezultātā būtu jāveic korekcijas vai kuri būtu jāatspoguļo šajā finanšu pārskatā.

2017. gada 28. maijā finanšu pārskatus Sabiedrības vārdā parakstīja:



Māris Ķelpis

Valdes priekšsēdētājs



Andis Ziedonis

Valdes loceklis,
atbildīga persona par gada
pārskata sagatavošanu



Juris Grinvalds

Valdes loceklis

NEATKARĪGU REVIDENTU ZIŅOJUMS

AS SAKRET HOLDINGS dalībniekam:

Tel.: +371 6707 4100
Fakss: +371 6707 4103
www.deloitte.com/lv

Mūsu atzinums ar iebildi par finanšu pārskatu

Esam veikuši pievienotajā AS SAKRET HOLDINGS ("Sabiedrība") gada pārskatā ietvertā finanšu pārskata, kas atspoguļots no 5. līdz 22. lapai, revīziju. Pievienotais finanšu pārskats ietver bilanci 2017. gada 31. decembrī, peļņas vai zaudējumu aprēķinu, pašu kapitāla izmaiņu pārskatu un naudas plūsmas pārskatu par 2017. gadu, kā arī finanšu pārskata pielikumu, kas ietver nozīmīgu grāmatvedības uzskaites principu kopsavilkumu.

Mūsaprāt, izņemot sadaļā Atzinuma ar iebildi pamatojums aprakstīto apstākļu iespējamo ietekmi, pievienotais finanšu pārskats sniedz patiesu un skaidru priekšstatu par AS SAKRET HOLDINGS finansiālo stāvokli 2017. gada 31. decembrī un par tās darbības finanšu rezultātiem un naudas plūsmu 2017. gadā saskaņā ar Latvijas Republikas Gada pārskatu un konsolidēto gada pārskatu likumu ("Gada pārskatu un konsolidēto gada pārskatu likums").

Atzinuma ar iebildi pamatojums

Kā aprakstīts finanšu pārskata 5., 6. un 7. pielikumos, 2017. gada 31. decembrī AS SAKRET HOLDINGS bilancē ir iekļauti nenodrošināti aizdevumi radniecīgajām sabiedrībām un radniecīgo sabiedrību parādi EUR 2 814 049 apmērā (31.12.2016.: EUR 2 996 213 apmērā). Revīzijas laikā mums nebija iespējas iegūt pietiekamus un atbilstošus revīzijas pierādījumus, lai pārliecinātos par minēto aktīvu atgūstamību un noteiktu, vai ir nepieciešams izveidot uzkrājumus saistībā ar iespējamo šo aktīvu vērtības samazināšanos. Tādējādi, mēs neizsakām savu atzinumu par Sabiedrības 2017. gada 31. decembra bilancē iekļauto minēto aktīvu vērtību.

Atbilstoši Latvijas Republikas Revīzijas pakalpojumu likumam ("Revīzijas pakalpojumu likums") mēs veicām revīziju saskaņā ar Latvijas Republikā atzītiem starptautiskajiem revīzijas standartiem (turpmāk-SRS). Mūsu pienākumi, kas noteikti šajos standartos, ir turpmāk aprakstīti mūsu ziņojuma sadaļā *Revidenta atbildība par finanšu pārskata revīziju*.

Mēs esam neatkarīgi no Sabiedrības saskaņā ar Starptautiskās Grāmatvežu ētikas standartu padomes izstrādātā Profesionālu grāmatvežu ētikas kodeksa (SGĒSP kodekss) prasībām un Revīzijas pakalpojumu likumā iekļautajām neatkarības prasībām, kas ir piemērojamas mūsu veiktajai finanšu pārskata revīzijai Latvijas Republikā. Mēs esam ievērojuši arī SGĒSP kodeksā un Revīzijas pakalpojumu likumā noteiktos pārējos profesionālās ētikas principus un objektivitātes prasības.

Mēs uzskatām, ka mūsu iegūtie revīzijas pierādījumi dod pietiekamu un atbilstošu pamatojumu mūsu atzinumam ar iebildi.

Būtiska nenoteiktība saistībā ar Sabiedrības spēju turpināt darbību

Vēršam uzmanību finanšu pārskata 21. pielikumam, kurā aprakstīts, ka 2017. gadā Sabiedrībai bija būtisks pamatdarbības darījumu apjoms ar radniecīgajām sabiedrībām. Bez tam, AS SAKRET HOLDINGS un tās radniecīgajām sabiedrībām ("Sakret Grupa") saistību pret kredītiestādi termiņš ir 2019. gada 31. janvārī, tādējādi, Sakret Grupas darbības turpināšana ir atkarīga no tās spējas laicīgi segt saistības pret kredītiestādi, ievērot visus kredītiestādes noteiktos finanšu rādītājus, kā arī nodrošināt kredītiestāžu finansējumu ilgākā termiņā, kā arī no Sakret Grupas spējas pilnā apmērā segt saistības pret Sabiedrību. Minētie apstākļi norāda uz būtisku nenoteiktību saistībā ar Sabiedrības spēju turpināt darbību. Šis finanšu pārskats ir sagatavots pamatojoties uz darbības turpināšanas pieņēmumu un tajā nav iekļauti nekādi labojumi, kas varētu būt nepieciešami, ja darbības turpināšanas pieņēmums nebūtu piemērojams. Mūsu atzinums nav modificēts attiecībā uz šo jautājumu.

NEATKARĪGU REVIDENTU ZIŅOJUMS (turpinājums)

Ziņošana par citu informāciju

Par citu informāciju atbild Sabiedrības vadība. Citu informāciju veido Vadības ziņojums, kas ietverts pievienotā gada pārskatā 4. lapā.

Mūsu atzinums par finanšu pārskatu neattiecas uz gada pārskatā ietverto citu informāciju, un mēs nesniedzam par to nekāda veida apliecinājumu, izņemot to kā norādīts mūsu ziņojuma sadaļā *Citas ziņošanas prasības saskaņā ar Latvijas Republikas tiesību aktu prasībām*.

Saistībā ar finanšu pārskata revīziju mūsu pienākums ir iepazīties ar citu informāciju un, to darot, izvērtēt, vai šī cita informācija būtiski neatšķiras no finanšu pārskata informācijas vai no mūsu zināšanām, kuras mēs ieguvām revīzijas gaitā, un vai tā nesatur cita veida būtiskas neatbilstības.

Ja, balstoties uz veikto darbu un ņemot vērā revīzijas laikā gūtās ziņas un izpratni par Sabiedrību un tās darbības vidi, mēs secinām, ka citā informācijā ir būtiskas neatbilstības, mūsu pienākums ir ziņot par šādiem apstākļiem. Mūsu uzmanības lokā nav nākuši apstākļi, par kuriem būtu jāziņo.

Citas ziņošanas prasības saskaņā ar Latvijas Republikas tiesību aktu prasībām

Papildus tam, saskaņā ar Revīzijas pakalpojumu likumu mūsu pienākums ir sniegt viedokli, vai Vadības ziņojums ir sagatavots saskaņā ar tā sagatavošanu reglamentējošā normatīvā akta, Gada pārskatu un konsolidēto gada pārskatu likuma, prasībām.

Pamatojoties vienīgi uz mūsu revīzijas ietvaros veiktajām procedūrām, mūsaprāt:

- Vadības ziņojumā par pārskata gadu, par kuru ir sagatavots finanšu pārskats, sniegtā informācija atbilst finanšu pārskatam, un
- Vadības ziņojums ir sagatavots saskaņā ar Gada pārskatu un konsolidēto gada pārskatu likuma prasībām.

Vadības un personu, kurām uzticēta Sabiedrības pārraudzība, atbildība par finanšu pārskatu

Vadība ir atbildīga par tāda finanšu pārskata, kas sniedz patiesu un skaidru priekšstatu, sagatavošanu saskaņā ar Gada pārskatu un konsolidēto gada pārskatu likumu, kā arī par tādas iekšējās kontroles sistēmas uzturēšanu, kāda saskaņā ar vadības viedokli ir nepieciešama, lai būtu iespējams sagatavot finanšu pārskatu, kas nesatur ne krāpšanas, ne kļūdas dēļ izraisītas būtiskas neatbilstības.

Sagatavojot finanšu pārskatu, vadības pienākums ir izvērtēt Sabiedrības spēju turpināt darbību, pēc nepieciešamības sniedzot informāciju par apstākļiem, kas saistīti ar Sabiedrības spēju turpināt darbību un darbības turpināšanas principa piemērošanu, ja vien vadība neplāno Sabiedrības likvidāciju vai tās darbības izbeigšanu, vai arī tai nav citas reālas alternatīvas kā Sabiedrības likvidācija vai darbības izbeigšana.

Personas, kurām uzticēta Sabiedrības pārraudzība, ir atbildīgas par Sabiedrības finanšu pārskata sagatavošanas procesa uzraudzību.

Revidentu atbildība par finanšu pārskata revīziju

Mūsu mērķis ir iegūt pietiekamu pārliecību par to, ka finanšu pārskats kopumā nesatur kļūdas vai krāpšanas dēļ izraisītas būtiskas neatbilstības, un sniegt revidentu ziņojumu, kurā izteikts atzinums. Pietiekama pārliecība ir augsta līmeņa pārliecība, bet tā negarantē, ka revīzijā, kas veikta saskaņā ar SRS, vienmēr tiks atklāta būtiska neatbilstība, ja tāda pastāv. Neatbilstības var rasties krāpšanas vai kļūdas dēļ, un tās ir uzskatāmas par būtiskām, ja var pamatoti uzskatīt, ka tās katra atsevišķi vai visas kopā varētu ietekmēt saimnieciskos lēmumus, ko lietotāji pieņem, balstoties uz šo finanšu pārskatu.

NEATKARĪGU REVIDENTU ZIŅOJUMS (turpinājums)

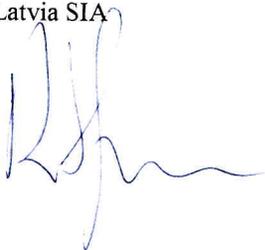
Veicot revīziju saskaņā ar SRS, visa revīzijas procesa gaitā mēs izdarām profesionālus spriedumus un saglabājam profesionālo skepticismu. Mēs arī:

- identificējam un izvērtējam riskus, ka finanšu pārskatā varētu būt krāpšanas vai kļūdas dēļ izraisītās būtiskas neatbilstības, izstrādājam un veicam revīzijas procedūras šo risku mazināšanai, kā arī iegūstam revīzijas pierādījumus, kas sniedz pietiekamu un atbilstošu pamatojumu mūsu atzinumam. Risks, ka netiks atklātas būtiskas neatbilstības krāpšanas dēļ, ir augstāks nekā risks, ka netiks atklātas kļūdas izraisītās neatbilstības, jo krāpšana var ietvert slepenas norunas, dokumentu viltošanu, informācijas neuzrādīšanu ar nodomu, informācijas nepatiesu atspoguļošanu vai iekšējās kontroles pārkāpumus;
- iegūstam izpratni par iekšējo kontroli, kas ir būtiska revīzijas veikšanai, lai izstrādātu konkrētajiem apstākļiem atbilstošas revīzijas procedūras, bet nevis, lai sniegtu atzinumu par Sabiedrības iekšējās kontroles efektivitāti;
- izvērtējam pielietoto grāmatvedības politiku atbilstību un grāmatvedības aplēšu un attiecīgās vadības uzrādītās informācijas pamatotību;
- izdarām secinājumu par vadības piemērotā darbības turpināšanas principa atbilstību, un, pamatojoties uz iegūtajiem revīzijas pierādījumiem, par to, vai pastāv būtiska nenoteiktība attiecībā uz notikumiem vai apstākļiem, kas var radīt nozīmīgas šaubas par Sabiedrības spēju turpināt darbību. Ja mēs secinām, ka būtiska nenoteiktība pastāv, revidentu ziņojumā tiek vērsta uzmanība uz finanšu pārskatā sniegto informāciju par šiem apstākļiem, vai, ja šāda informācija nav sniegta, mēs sniedzam modificētu atzinumu. Mūsu secinājumi ir pamatoti ar revīzijas pierādījumiem, kas iegūti līdz revidentu ziņojuma datumam. Tomēr nākotnes notikumu vai apstākļu ietekmē Sabiedrība savu darbību var pārtraukt;
- izvērtējam vispārēju finanšu pārskata struktūru un saturu, ieskaitot atklāto informāciju un skaidrojumus pielikumā, un to, vai finanšu pārskats patiesi atspoguļo pārskata pamatā esošos darījumus un notikumus.

Mēs sazināties ar personām, kurām uzticēta Sabiedrības pārraudzība, un, cita starpā, sniedzam informāciju par plānoto revīzijas apjomu un laiku, kā arī par svarīgiem revīzijas novērojumiem, tajā skaitā par būtiskiem iekšējās kontroles trūkumiem, kādus mēs identificējam revīzijas laikā.

Deloitte Audits Latvia SIA
Licences Nr.43

Roberts Stugiš
Valdes loceklis



Rīga, Latvija
2018. gada 28. maijs



Kitija Ķēpīte
Zvērināta revidente
Sertifikāts Nr. 182

AS SAKRET HOLDINGS
(Sabiedrības reģistrācijas numurs 40103251030)

2018. gada pārskats,

*kas sagatavots saskaņā ar
Latvijas likumdošanas prasībām,
un neatkarīgu revidentu ziņojums*

(9. finanšu gads)

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

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AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

INFORMĀCIJA PAR SABIEDRĪBU

NOSAUKUMS	SAKRET HOLDINGS
JURIDISKAIS STATUSS	Akciju sabiebrība
REĢISTRĀCIJAS NUMURS, VIETA UN DATUMS	40103251030, Rīga, 2009. gada 30. septembrī
DARBĪBAS VEIDS	Holdingkompāniju darbība. Sauso, lietošanai gatavo celtniecības materiālu, būvķīmiju un krāsu ražošana un pārdošana
NACE kods	2364
ZIŅAS PAR DALĪBNIEKIEM	SIA PĀRVALDĪBAS SISTĒMAS (100%) Reģ.nr 42103085387
JURIDISKĀ ADRESE	„Ritvari”, Rumbula, Stopiņu novads, Latvija, LV-2121
VALDE	Māris Ķelpis, valdes priekšsēdētājs Andis Ziedonis, valdes loceklis Juris Grīnvalds, valdes loceklis
PADOME	Andris Vanags, padomes priekšsēdētājs Valērija Lieģe, padomes priekšsēdētāja vietiece Artis Grīnbergs, padomes loceklis
PĀRSKATA GADS	2018. gada 1. janvāris – 31. decembris
IEPRIEKŠĒJAIS PĀRSKATA GADS	2017. gada 1. janvāris – 31. decembris
REVIDENTA UN ATBILDĪGA REVIDENTA VĀRDS UN UZVĀRDS	SIA „Deloitte Audīts Latvia” Licence Nr. 43 Grēdu iela 4a Rīga, Latvija, LV-1019 Inguna Staša Zvērināta revidente Sertifikāts Nr. 145

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

VADĪBAS ZIŅOJUMS

AS SAKRET HOLDINGS ir Sakret koncerna valdošā Sabiedrība šādās saistītajās sabiedrībās:

- SIA SAKRET (reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003622109, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121), 100% daļu,
- SIA SAKRET PLUS (reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003749392, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121), 90% daļu,
- UAB SAKRET LT (reģistrēta Lietuvas Republikā, reģistrācijas Nr. 3005988522, juridiskā adrese: Biochemiķu g. 2, LT-57234, Kėdainiai, Lietuva), 100% daļu un
- OU SAKRET (reģistrēta Igaunijas Republikā, reģistrācijas Nr. 111961147, juridiskā adrese: Māo küla, Paide vald, 72751 Järvamaa, Eesti), 100% daļu.

AS SAKRET HOLDINGS nodrošina kopējo koncerna pārvaldi un uzraudzību, nodrošinot savām meitas sabiedrībām vadības pakalpojumus. Sabiedrība nodrošina Sakret uzņēmumu grupas finanšu rādītāju un to atbilstības noslēgtajiem līgumiem kontroli.

Sabiedrība un tās radniecības Sabiedrības Baltijā aktīvi strādā pie sortimenta nostiprināšanas ar papildus produktiem. Pārskata periodā Sakret uzņēmumu grupas investīcijas jaunu produktu izpētē un attīstībā kopumā bija 57,9 tūkst.eiro.

2018. gadu Sabiedrība noslēdza ar 137 368 EUR peļņu.

Nākotnes perspektīvas

Sabiedrībai un tās saistītajiem uzņēmumiem 2018. gada 31. decembrī bija būtiskas saistības pret AS Luminor Bank 17,64 milj. eiro apmērā (kredīts, kredītlīnija). Pārskata izdošanas brīdī to atmaksas termiņš ir 2019.gada 30.septembris. Atmaksas termiņš tika saskaņoti pagarināts, lai Sabiedrība un tās meitas sabiedrības līdz šī termiņa beigām nodrošinātu saskaņotu, bet ne kredītsaistību summas pilnā apjomā, summu pārskaitīšanu par labu AS Luminor Bank. Tā rezultātā saskaņā ar parakstītajām vienošanām tiks pilnībā dzēstas Sabiedrības un tās meitas sabiedrību kredītsaistības pret AS Luminor Bank.

Pārskata parakstīšanas brīdī Sabiedrībai un tās saistītajiem uzņēmumiem ir noslēgti līgumi ar AS BlueOrange bank par kredītlīdzekļu saņemšanu, kas tiks novirzīti iepriekš minēto kredītsaistību pret AS Luminor Bank dzēšanai, tajā skaitā ilgtermiņa kredīts 4,00 milj. eiro apmērā ar termiņu līdz 2023.gada 22.augustam un overdrafts 2,00 milj. eiro apmērā ar termiņu līdz 2020.gada 22.augustam. Ir notikusi 5 gadu obligāciju emisija 3,79 milj. eiro apmērā ar dzēšanas datumu 2024.gada 30.augusts, saņemtie naudas līdzekļi 3,00 milj. eiro apmērā tiks novirzīti kredītsaistību pret AS Luminor Bank dzēšanai. Vienošanās ar AS Luminor Bank paredz, ka saņemot 9,00 milj. eiro tiks pilnībā dzēstas kredīta un kredītlīnijas saistības.

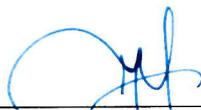
Refinansēšanas procesā AS Sakret holdings tika palielināts daļu kapitāls par EUR 1 015 000 līdz EUR 1 050 000, akcionāram veicot naudas ieguldījumu.

2019. gada 30. septembrī finanšu pārskatus Sabiedrības vārdā parakstīja:



Māris Ķelpis

Valdes priekšsēdētājs



Andis Ziedonis

Valdes loceklis



Juris Grīnvalds

Valdes loceklis

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

BILANCE**2018. GADĀ 31. DECEMBRĪ**

	Pielikumi	31.12.2018. EUR	31.12.2017. EUR
AKTĪVI			
Ilgtermiņa ieguldījumi			
Pamatlīdzekļi			
Pārējie pamatlīdzekļi	3	1 883	1 089
Kopā pamatlīdzekļi		1 883	1 089
Ilgtermiņa finanšu ieguldījumi			
Aizdevumi radniecīgajām sabiedrībām	5	2 454 200	2 674 500
Līdzdalība koncerna meitas sabiedrību kapitālā	4	440 470	440 470
Kopā ilgtermiņa ieguldījumi		2 894 670	3 114 970
Kopā ilgtermiņa ieguldījumi		2 896 553	3 116 059
Apgrozāmie līdzekļi			
Debitori			
Radniecīgo sabiedrību parādi	6,24(d)	69 423	91 072
Citi debitori	7,24(e)	28 616	30 830
Uzkrātie ieņēmumi	8,24(e)	394 386	-
Īstermiņa aizdevumi radniecīgajām sabiedrībām	5	35 572	35 572
Nākamo periodu izmaksas		8 636	158
Kopā debitori		536 633	157 632
Nauda		1 140	612
Kopā apgrozāmie līdzekļi		537 773	158 244
KOPĀ AKTĪVI		3 434 326	3 274 303

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Rītvāri", Rumbula, Stopiņu novads, Latvija, LV-2121

BILANCE**2018. GADĀ 31. DECEMBRĪ**

	Pielikumi	31.12.2018. EUR	31.12.2017. EUR
PASĪVS			
Pašu kapitāls			
Pamatkapitāls	9	35 000	35 000
Pārējās rezerves		572	572
Nesadalītā peļņa:			
a) iepriekšējo gadu nesadalītā peļņa		616 877	656 070
b) pārskata gada peļņa		137 368	(39 193)
Kopā pašu kapitāls		789 817	652 449
Kreditori			
Ilgtermiņa kreditori			
Aizņēmumi no kredītiestādēm	10	-	2 229 178
Kopā ilgtermiņa kreditori		-	2 229 178
Īstermiņa kreditori			
Aizņēmumi no kredītiestādēm	10	2 229 178	93 714
Parādi radniecīgajam sabiedrībām	11,24(f)	202 432	121 927
Parādi piegādātājiem un darbuzņēmējiem	12	32 033	13 906
Nodokļi un valsts sociālās apdrošināšanas obligātās iemaksas	13	15 191	5 092
Pārējie kreditori		11 230	6 739
Uzkrātās saistības	14,24(g)	154 445	151 298
Kopā īstermiņa kreditori		2 644 509	392 676
Kopā kreditori		2 644 509	2 621 854
KOPĀ PASĪVS		3 434 326	3 274 303

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

**PELNAS VAI ZAUDĒJUMU APRĒĶINS
PAR 2018. GADU**

	Pielikumi	2018 EUR	2017 EUR
Neto apgrozījums	15	527 004	258 000
Pārdotās produkcijas ražošanas izmaksas	16	(182 694)	(199 325)
Bruto peļņa		344 310	58 675
Administrācijas izmaksas	17	(214 583)	(99 453)
Pārējie saimnieciskās darbības ieņēmumi	18	7 664	-
Pārējās saimnieciskās darbības izmaksas		(764)	(138)
Procentu ieņēmumi un tamlīdzīgi ieņēmumi	24c	70 861	76 908
Procentu maksājumi un tamlīdzīgas izmaksas		(70 051)	(75 185)
Peļņa/(zaudējumi) pirms nodokļiem		137 437	(39 193)
Uzņēmumu ienākuma nodoklis		(69)	-
Pārskata gada peļņa/(zaudējumi)		137 368	(39 193)

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Ritvari", Rumbula, Stopiņu novads, Latvija, LV-2121

**PAŠU KAPITĀLA IZMAIŅU PĀRSKATS
PAR 2018. GADU**

	Pamatkapitāls EUR	Denominācijas rezerve EUR	Nesadalītā peļņa EUR	Kopā EUR
Uz 2016. gada 31. decembri	35 000	572	656 070	691 642
Pārskata gada zaudējumi	-	-	(39 193)	(39 193)
Uz 2017. gada 31. decembri	35 000	572	616 877	652 449
Pārskata gada peļņa	-	-	137 368	137 368
Uz 2018. gada 31. decembri	35 000	572	754 245	789 817

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Rītvari", Rumbula, Stopiņu novads, Latvija, LV-2121

**NAUDAS PLŪSMAS PĀRSKATS
PAR 2018. GADU**

	Pielikumi	2018 EUR	2017 EUR
Pamatdarbības naudas plūsma			
Peļņa/(zaudējumi) pirms nodokļiem		137 437	(39 193)
Korekcijas:			
Pamatlīdzekļu nolietojums	3	604	99
Procentu ieņēmumi	24c	(70 861)	(76 908)
Procentu izmaksas		70 051	75 185
Peļņa pirms apgrozāmā kapitāla izmaiņām		137 231	(40 817)
Debitoru izmaiņa		(377 957)	(52 816)
Krājumu izmaiņa		-	-
Kredītoru izmaiņa		115 970	125 931
Pamatdarbības naudas plūsma		(124 756)	32 298
Samaksātais uzņēmumu ienākuma nodoklis		-	(16 134)
Pamatdarbības neto naudas plūsma		(124 756)	16 164
Ieguldīšanas darbības naudas plūsma			
Pamatlīdzekļu iegāde		(1 068)	(1 188)
Ieņēmumi no aizdevumu atmaksas radniecīgas sabiedrības	5	220 300	225 000
Saņemtie procenti		69 817	76 208
Ieguldīšanas darbības neto naudas plūsma		289 049	300 020
Finansēšanas darbības naudas plūsma			
Izdevumi aizņēmumu atmaksāšanai	10	(93 714)	(240 972)
Samaksātie procenti		(70 051)	(75 285)
Finansēšanas darbības neto naudas plūsma		(163 765)	(316 257)
Naudas un tās ekvivalentu neto palielinājums		528	(73)
Nauda un tās ekvivalenti gada sākumā		612	685
Nauda un tās ekvivalenti gada beigās		1 140	612

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Rītvari", Rumbula, Stopiņu novads, Latvija, LV-2121

FINANŠU PĀRSKATU PIELIKUMI

2018. GADS

1. PAMATINFORMĀCIJA

AS „Sakret Holdings” ir reģistrēta Latvijas Republikas Uzņēmumu reģistrā kā akciju sabiedrība. Sabiedrības pamatdarbība ir: holdingkompāniju darbība; sauso, lietošanai gatavo celtniecības materiālu, būvķīmiju un krāsu ražošana un pārdošana.

2. GRĀMATVEDĪBAS UZSKAITES UN NOVĒRTĒŠANAS METODEDES

Vispārīgie principi

Sabiedrības finanšu pārskati sagatavoti saskaņā ar Latvijas Republikas likumu „Par grāmatvedību” un „Gada pārskatu un konsolidēto gada pārskatu likums” prasībām.

Finanšu pārskatos ietvertās summas ir iegūtas, pamatojoties uz sākotnējo izmaksu metodi. Salīdzinot ar iepriekšējo pārskata gadu, Sabiedrībā lietotās uzskaites un novērtēšanas metodes nav mainītas.

Peļņas vai zaudējumu aprēķins sastādīts atbilstoši apgrozījuma izmaksu shēmai. Naudas plūsmas pārskats sastādīts pēc netiešās metodes. Finanšu pārskati ir sastādīti Latvijas nacionālajā valūtā EUR.

Ārvalstu valūtas

Finanšu pārskata par naudas vienību lietota Eiropas Sabiedrības nacionālās vienība eiro (tālāk tekstā-“EUR”), kas Sabiedrības funkcionāla un uzradīšanas valūta Eiropas Centrālās bankas noteiktie valūtas kursi.

Debitori

Debitoru parādi bilancē tiek uzrādīti pēc to nominālvērtības, atskaitot uzkrājumus šaubīgajiem debitoru parādiem. Sabiedrība katra pārskata gada bilances datumā izvērtē iespējamās objektīvās pazīmes, kas liecinātu par to, ka pircējs vai pasūtītājs neievēros apmaksas noteikumus. Katrs debitors tiek analizēts individuāli. Šaubīgiem parādiem tiek veidoti uzkrājumi, kuru lielumu nosaka kā starpību starp atgūstamo vērtību un nominālvērtību.

Krājumi

Krājumi tiek uzrādīti zemākajā no iegādes vai tirgus vērtības. Krājumu iegādes izmaksas ietver pirkšanas cenu, ievadmitu un citus nodokļus un nodevas, transportēšanas izmaksas, kā arī citas tieši attiecināmas izmaksas, kas radušās, nogādājot krājumus to pašreizējā atrašanās vietā un stāvoklī. Nosakot krājumu vērtību, tiek atskaitītas tirdzniecības atlaides, rabati un citus līdzīgus posteņus.

Tirgus vērtība ir parastās uzņēmējdarbības darbības gaitā aplēstā pārdošanas cena, no kuras atskaitītas aplēstās pabeigšanas izmaksas un nepieciešamās pārdošanas izmaksas.

Krājumu iegādes vērtību nosaka, izmantojot „pirmais iekšā – pirmais ārā” (FIFO) metodi.

Ja nepieciešams, tiek izveidoti uzkrājumi novecojušiem, lēnas aprites vai bojātiem krājumiem.

Nākamo periodu izdevumi

Nākamo periodu izdevumi ir izdevumi, kas radušies pārskata gadā un ir samaksāti, bet attiecas uz nākamiem periodiem.

Nauda

Nauda sastāv no naudas kasē un tekošo bankas kontu atlikumiem.

AS SAKRET HOLDINGS

Reģistrācijas numurs: 40103251030

Adrese: "Rītvāri", Rumbula, Stopiņu novads, Latvija, LV-2121

Līdzdalība radniecīgo sabiedrību kapitālā

Ieguldījumi radniecīgo sabiedrību kapitālā (t.i., sabiedrībās, kurās Sabiedrībai pieder vairāk nekā 50% pamatkapitāla vai kuras tā kontrolē kādā citā veidā) sākotnēji tiek novērtēti pēc to iegādes vērtības. Kontrole ir spēja noteikt otras sabiedrības finanšu un pamatdarbības politiku.

Pēc sākotnējās atzīšanas visi Sabiedrības ieguldījumi ir uzrādīti iegādes vērtībā, atskaitot uzkrātos zaudējumus no vērtības samazinājuma. Ja kādi notikumi vai apstākļu maiņa liecina, ka ieguldījumu bilances vērtība varētu būt neatgūstama, attiecīgo ieguldījumu vērtība tiek pārskatīta, lai noteiktu to vērtības samazinājumu. Zaudējumi no vērtības samazinājuma tiek atzīti peļņas vai zaudējumu aprēķinā.

Noma

Finanšu nomas darījumi, kuru ietvaros Sabiedrībai tiek nodoti visi riski un atlīdzība, kas izriet no īpašumtiesībām uz nomas objektu, tiek atzīti bilancē kā pamatlīdzekļi par summu, kas, nomu uzsākot, atbilst nomas ietvaros nomātā īpašuma patiesajai vērtībai, vai, ja tā ir mazāka, minimālo nomas maksājumu pašreizējai vērtībai. Finanšu nomas maksājumi tiek sadalīti starp finanšu izmaksām un saistību samazinājumu, lai katrā periodā nodrošinātu pastāvīgu procentu likmi par saistību atlikumu. Finanšu izmaksas tiek iekļautas peļņas vai zaudējumu aprēķinā kā procentu izmaksas.

Ja ir pietiekams pamats uzskatīt, ka nomas perioda beigās attiecīgais nomas objekts pāries nomnieka īpašumā, par paredzamo izmantošanas laiku tiek pieņemts šī aktīva lietderīgās izmantošanas laiks. Visos citos gadījumos kapitalizēto nomāto aktīvu nolietojums tiek aprēķināts, izmantojot lineāro metodi, aplēstajā aktīvu lietderīgās lietošanas laikā vai nomas periodā atkarībā no tā, kurš no šiem periodiem īsāks.

Aktīvu noma, kuras ietvaros praktiski visus no īpašumtiesībām izrietošos riskus uzņemas un atlīdzību gūst iznomātājs, tiek klasificēta kā operatīvā noma. Nomas maksājumi operatīvās nomas ietvaros tiek uzskaitīti kā izmaksas visā nomas perioda laikā. No operatīvās nomas līgumiem izrietošās Sabiedrības saistības tiek atspoguļotas kā ārpusbilances saistības.

Parādi piegādātājiem un darbuzņēmējiem

Parādus piegādātājiem un darbuzņēmējiem sākotnēji atzīst to patiesajā vērtībā. Kreditoru parādi tiek klasificēti kā īstermiņa saistības, ja maksājuma termiņš ir viens gads vai mazāk. Pretējā gadījumā tie tiek uzrādīti ilgtermiņa saistību sastāvā.

Uzkrātās saistības neizmantotiem atvaļinājumiem

Uzkrāto saistību summa tiek noteikta, reizinot darbinieku vidējo dienas izpeļņu par periodu no jūnija līdz novembrim ar pārskata gada beigās uzkrāto neizmantoto atvaļinājuma dienu skaitu, papildus aprēķinot darba devēja valsts sociālās apdrošināšanas obligātās iemaksas.

Uzkrājumi

Uzkrājumi tiek atzīti, kad Sabiedrībai ir pašreizējs pienākums (juridisks vai prakses radīts), ko izraisījis kāds pagātnes notikums, un pastāv varbūtība, ka šo saistību izpildei būs nepieciešama ekonomiskos labumus ietverošu resursu aizplūšana no Sabiedrības, un saistību apjomu iespējams pietiekami ticami novērtēt.

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Aizdevumi un aizņēmumi

Aizdevumi un aizņēmumi sākotnēji tiek atspoguļoti to sākotnējā vērtībā, ko nosaka, aizdevuma vai aizņēmuma summas patiesajai vērtībai pieskaitot ar aizdevuma izsniegšanu saistītās vai atņemot ar aizņēmuma saņemšanu saistītās izmaksas. Aizdevumu vai aizņēmumu īstermiņa daļa tiek atzīti tie aizņēmumi vai aizdevumu kuriem atmaksāt termiņš ir 12 mēnešu laika no pārskata gada beigām, pārējie tiek atzīti par ilgtermiņa daļu.

Ieņēmumu atzīšana un neto apgrozījums

Ieņēmumus novērtē saņemtās vai saņemamās atlīdzības patiesajā vērtībā, atskaitot pievienotās vērtības nodokli. Ieņēmumi tiek samazināti par paredzamo preču atpakaļatdošanu, pārdošanas atlaidēm un tamlīdzīgiem posteņiem.

Pakalpojumu sniegšana

Ja var ticami aplēst tāda darījuma iznākumu, kas saistīts ar pakalpojumu sniegšanu, ar darījumu saistītos ieņēmumus atzīst, ņemot vērā to, kādā izpildes pakāpē bilances datumā atrodas darījums. Darījuma iznākumu var ticami aplēst, ja tiek ievēroti visi šādi nosacījumi:

- var ticami novērtēt ieņēmumu summu;
- ir ticams, ka Sabiedrībā ieplūdīs ar darījumu saistītie saimnieciskie labumi;
- var ticami novērtēt, kādā izpildes pakāpē bilances datumā atrodas darījums; un var ticami novērtēt radušās darījuma izmaksas un izmaksas, kas nepieciešamas darījuma pabeigšanai.

Ieņēmumi no saņemtām dividendēm

Ieņēmumus novērtē saņemtās vai saņemamās atlīdzības patiesajā vērtībā, uz periodu uz kuru tie attiecas un uzrādīti posteņi "Pārējie saimnieciskās darbības ieņēmumi".

Finanšu ieņēmumi

Ieņēmumi, kas saistīti ar aizdevumiem, tiek atzīti periodā, uz kuru tie attiecas un uzrādīti posteņi "Procentu ieņēmumi un tamlīdzīgi ieņēmumi".

Finanšu izdevumi

Izmaksas, kas saistītas ar aizņēmumiem, tiek norakstītas uz izdevumiem periodā, uz kuru tās attiecas un uzrādītas posteņi "Procentu maksājumi un tamlīdzīgas izmaksas".

Uzņēmumu ienākuma nodoklis

Pārskata gada uzņēmumu ienākuma nodokļa izmaksas ir iekļautas finanšu pārskatā, pamatojoties uz vadības veiktajiem aprēķiniem saskaņā ar Latvijas Republikas normatīvajiem aktiem.

Sākot ar 2018. taksācijas gadu, uzņēmumu ienākuma nodoklis tiks aprēķināts par sadalīto peļņu (20/80 no neto summas, kas izmaksājama dalībniekiem). Uzņēmuma nodoklis par sadalīto peļņu tiks atzīts brīdī, kad Sabiedrības dalībnieki pieņems lēmumu par peļņas sadali. Uzņēmuma ienākuma nodoklis ir arī maksājams par peļņas sadalei pielīdzinātiem izdevumiem, kā piemēram, ar saimniecisko darbību nesaistīti izdevumi, nedroši debitoru parādi, palielināti procentu maksājumi, aizdevumi saistītai personai, transfertcenu starpība

Saistītās un radniecīgās puses

Par saistītām pusēm tiek uzskatīti Sabiedrības dalībnieki, valdes locekļi, viņu tuvi ģimenes locekļi un sabiedrības, kurās minētajām personām ir kontrole vai būtiska ietekme un Sabiedrības grupā ietilpstošās sabiedrības. Radniecīgas sabiedrības ir mātes un meitas uzņēmumi.

Novērtējumu pielietošana

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Latvijas likumdošanas prasības nosaka, ka, sagatavojot finanšu pārskatus, Sabiedrības vadība novērtē un izdara pieņēmumus, kas ietekmē pārskatos un ārpusbilancē uzrādītos aktīvus un pasīvus uz finanšu pārskatu sagatavošanas dienu, kā arī uzrādītos pārskata perioda ieņēmumus un izdevumus. Faktiskie rezultāti var atšķirties no šīm aplēsēm.

Būtiskākie pieņēmumi un nozīmīgākās aplēses par nākotni un citas neskaidrības, kas eksistē bilances datumā un kas rada risku, ka, iespējams, būs būtiski jākorrigē aktīvu un pasīvu vērtība nākamajos pārskata gados:

- Sabiedrība izvērtē debitoru parādus un novērtē to atgūstamību, nepieciešamības gadījumā veidojot uzkrājumus šaubīgiem debitoru parādiem. Sabiedrības vadība ir izvērtējusi debitoru parādus un uzskata, ka nav nepieciešams veidot papildus uzkrājumus 2018. gada 31. decembrī.
- Sabiedrība izvērtē izsniegtos aizdevumus un novērtē to atgūstamību. Sabiedrības vadība ir izvērtējusi aizdevumu atgūstamību un uzskata, ka nav nepieciešams veidot uzkrājumus uz 2018. gada 31. decembri.
- Sabiedrība izvērtē savu spēju turpināt darbību nākotnē. Skatīt 22. pielikumu.
- Sabiedrības vadība izvērtē ieguldījumu radniecīgo sabiedrību kapitālā uzskaites vērtību un novērtē, vai pastāv kādas pazīmes, kas norāda, ka minēto aktīvu atgūstamā summa ir zemāka nekā to uzskaites vērtība. Sabiedrības vadība aprēķina un atzīst zaudējumus no ieguldījumu radniecīgo sabiedrību kapitālā vērtības samazinājuma, pamatojoties uz aplēsēm par to nākotnes atdevi. Sabiedrības vadība uzskata, ka būtiskas ieguldījumu radniecīgo sabiedrību kapitālā vērtības korekcijas 2018. gada 31. decembrī nav nepieciešamas.

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3. PAMATLĪDZEKĻI

	Iekārtas un mašīnas EUR	Kopā EUR
Uz 2017. gada 31. decembri	1 188	1 188
Iegādāts	1 398	1 398
Uz 2018. gada 31. decembri	2 586	2 586
Uz 2017. gada 31. decembri	99	99
Aprēķināts	604	604
Uz 2018. gada 31. decembri	703	703
Uz 2017. gada 31. decembri	1 089	1 089
Uz 2018. gada 31. decembri	1 883	1 883

Informācija par Sabiedrības iekārtiem aktīviem sniegta 23. pielikumā.

4. LĪDZDALĪBA KONCERNA MEITAS SABIEDRĪBU KAPITĀLĀ

Radniecīgā sabiedrība	Līdzdalības daļa		Ieguldījums EUR	Ieguldījums EUR
	31.12.2018. %	31.12.2017. %	31.12.2018	31.12.2017
SIA SAKRET	100%	100%	142	142
SIA SAKRET PLUS	90%	90%	128	128
UAB SAKRET LT	100%	100%	100	100
OU SAKRET	100%	100%	440,100	440,100
Kopā			440,470	440,470

Radniecīgo sabiedrību juridiskās adreses un uzņēmējdarbības veidi:

Radniecīgā sabiedrība	Informācijā	Uzņēmēj- darbības veids NACE
SIA SAKRET	reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003622109, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121	2364
SIA SAKRET PLUS	reģistrēta Latvijas Republikā, vienotais reģistrācijas Nr. 40003749392, juridiskā adrese: „Ritvari”, Rumbula, Stopiņu novads, LV2121	2030
UAB SAKRET LT	reģistrēta Lietuvas Republikā, reģistrācijas Nr. 3005988522, juridiskā adrese: Biochemikų g. 2, LT-57234, Kėdainiai, Lietuva	2364
OU SAKRET	reģistrēta Igaunijas Republikā, reģistrācijas Nr. 111961147, juridiskā adrese: Mäo küla, Paide vald, 72751 Järvamaa, Eesti	2364

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Radniecīgo sabiedrību nerevidētie finanšu rādītāji:

Radniecīgā sabiedrība	Pašu kapitāls		Pārskata gada <u>pelna/</u> <u>(zaudējumi)</u>	
	31.12.2018. EUR nerevidētie	31.12.2017. EUR revidētie	31.12.2018. EUR Nerevidētie	31.12.2017. EUR revidētie
SIA SAKRET	(1 005 107)	(1 055 958)	50 851	(476 047)
SIA SAKRET PLUS	1 949 289	1 774 496	174 793	185 065
UAB SAKRET LT	(6 317 744)	(6 059 551)	(258 193)	(136 267)
OU SAKRET	(2 916 866)	(3 145 878)	229 012	194 288
	(8 290 428)	(8 486 891)	196 463	(232 961)

5. AIZDEVUMI RADNIECĪGAJĀM SABIEDRĪBĀM

<i>Ilgtermiņa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	31.12.2018. EUR	31.12.2017. EUR
SIA SAKRET	Nr. FC/13-001, EUR	3 mēn. Euribor + 3%	31.12.2020	2 454 200	2 674 500
Kopā ilgtermiņa aizdevumi				2 454 200	2 674 500

<i>Īstermiņa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	31.12.2018. EUR	31.12.2017. EUR
„Māris un Partneri” SIA	Nr.1, EUR	3.5%	31.12.2019	35 572	35 572
Kopā īstermiņa aizdevumi				35 572	35 572

Aizdevumi ir bez nodrošinājuma.

6. RADNIECĪGO SABIEDRĪBU PARĀDI

	31.12.2018. EUR	31.12.2017. EUR
Par sniegtajiem pakalpojumiem vietējā tirgū Eiropas Savienības (ES) ietvaros, tai skaitā,	47 423	77 572
Igaunijā	13 500	13 500
Lietuvā	8 500	-
Kopā (24d piezīme)	69 423	91 072

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7. CITI DEBITORI

	31.12.2018. EUR	31.12.2017. EUR
Nodokļu pārmaksa (13.pielikums)	13 114	12 910
Uzkrātie procenti par aizdevumu „Māris un Partneri” SIA (24e piezīme)	8 057	6 812
Uzkrātie procenti par aizdevumu SIA SAKRET (24e piezīme)	5 619	6 093
Samaksāts avanss par pakalpojumiem	-	2 900
Citi	1 826	2 115
Kopā	28 616	30 830

8. UZKRĀTIE IENĒMUMI

	31.12.2018. EUR	31.12.2017. EUR
OU SAKRET (transferta cenu korekcija)	204 445	-
UAB SAKRET LT (transferta cenu korekcija)	189 941	-
Kopā (24e piezīme)	394 386	-

9. PAMATKAPITĀLS

2018. gada 31. decembrī un 2017. gada 31. decembrī reģistrētais un pilnībā apmaksātais pamatkapitāls sastāv no 25 000 daļām ar nominālvērtību EUR 1,4 katra. Sabiedrības pamatkapitāls sastāda EUR 35 000. 2014. gadā veiktās denominācijas rezultātā radies pamatkapitāla samazinājums EUR 572 apmērā ir uzrādīts Sabiedrības pašu kapitālā postenī "Pārējās rezerves".

Līdz pārskata parakstīšanas brīdim AS Sakret holdings tika palielināts daļu kapitāls par EUR 1 015 000 līdz EUR 1 050 000, akcionāram veicot naudas ieguldījumu.

10. AIZŅĒMUMI NO KREDĪTIESTĀDĒM

<i>Ilgtermiņa daļa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	Atlikusī pamatsumma 31.12.2018. EUR	Atlikusī pamatsumma 31.12.2017. EUR
AS „Luminor Bank” (aizņēmums)	Nr. 34/13K23, EUR	3 mēn. Euribor + 3%	30.09.2019	-	2 229 178
Kopā ilgtermiņa aizņēmumi no kredītiestādēm				-	2 229 178
<i>Īstermiņa daļa:</i>	<i>Līguma numurs un valūta</i>	<i>Spēkā esošā procentu likme (%)</i>	<i>Atmaksas termiņš</i>	Atlikusī pamatsumma 31.12.2018. EUR	Atlikusī pamatsumma 31.12.2017. EUR
AS „Luminor Bank” (aizņēmums)	Nr. 34/13K23, EUR	3 mēn. Euribor + 3%	30.09.2019	2 229 178	93 714
Kopā īstermiņa aizņēmumi no kredītiestādēm				2 229 178	93 714

Sabiedrībai un tās saistītajiem uzņēmumiem 2018. gada 31. decembrī bija būtiskas saistības pret AS Luminor Bank 17,64 milj. eiro apmērā (kredīts, kredītlīnija). Pārskata izdošanas brīdī noteikts to atmaksas termiņš 2019. gada 30. septembris. Atmaksas termiņš tika saskaņoti pagarināts, lai Sabiedrība un tās meitas sabiedrības līdz šī termiņa beigām nodrošinātu saskaņotu, bet ne kredītsaistību summas pilnā apjomā, summu pārskaitīšanu par

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labu AS Luminor Bank. Tā rezultātā saskaņā ar parakstītajām vienošanām tiks pilnībā dzēstas Sabiedrības un tās meitas sabiedrību kredītsaistības pret AS Luminor Bank.

Pārskata parakstīšanas brīdī Sabiedrībai un tās saistītajiem uzņēmumiem ir noslēgti līgumi ar AS BlueOrange bank par kredītlīdzekļu saņemšanu, kas tiks novirzīti iepriekš minēto kredītsaistību pret AS Luminor Bank dzēšanai, tajā skaitā ilgtermiņa kredīts 4,00 milj. eiro apmērā ar termiņu līdz 2023.gada 22.augustam un overdrafts 2,00 milj. eiro apmērā ar termiņu līdz 2020.gada 22.augustam. Ir notikusi 5 gadu obligāciju emisija 3,79 milj. eiro apmērā ar dzēšanas datumu 2024.gada 30.augusts, saņemtie naudas līdzekļi 3,00 milj. eiro apmērā tiks novirzīti kredītsaistību pret AS Luminor Bank dzēšanai. Vienošanās ar AS Luminor Bank paredz, ka saņemot 9,00 milj. eiro tiks pilnībā dzēstas kredīta un kredītlīnijas saistības.

11. PARĀDI RADNIECĪGAJĀM SABIEDRĪBAM

	31.12.2018. EUR	31.12.2017. EUR
Par preču piegādēm un pakalpojumiem: vietējā tirgū	202 432	120 740
ES ietvaros, tai skaitā: No Lietuvas	-	1 187
Kopā (24f piezīme)	202 432	121 927

12. PARĀDI PIEGĀDĀTĀJIEM UN DARBUZNĒMĒJIEM

	31.12.2018. EUR	31.12.2017. EUR
Par preču piegādēm un pakalpojumiem: vietējā tirgū	32 033	13 906
ES ietvaros, tai skaitā:	-	-
Kopā	32 033	13 906

13. NODOKĻI UN VALSTS SOCIĀLĀS APDROŠINĀŠANAS OBLIGĀTĀS IEMAKSAS

	31.12.2018. EUR	31.12.2017. EUR
Uzņēmumu ienākuma nodoklis	6 384	12 910
Sociālās apdrošināšanas obligātās iemaksas	(9 660)	(2 927)
Iedzīvotāju ienākuma nodoklis	(5 526)	(1 728)
Pievienotās vērtības nodoklis	6 730	(432)
Uzņēmējdarbības riska valsts nodeva	(5)	(5)
Pārmaksa (7. piezīme)	13 114	12 910
Parāds	(15 191)	(5 092)

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14. UZKRĀTĀS SAISTĪBAS

	31.12.2018.	31.12.2017.
	EUR	EUR
SIA SAKRET (transferta cenu korekcija) 24g piezīme	52 581	-
SIA SAKRET PLUS (transferta cenu korekcija) 24g piezīme	30 973	-
UAB SAKRET LT (transferta cenu korekcija) 24g piezīme	25 699	-
OU SAKRET (transferta cenu korekcija) 24g piezīme	16 129	-
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā	13 665	7 936
Neizmantotie darbinieku atvaļinājumi	8 247	2 291
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no SIA SAKRET 24g piezīme	7 151	75 500
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no OU SAKRET 24g piezīme	-	37 063
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no SIA SAKRET PLUS 24g piezīme	-	8 820
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no UAB SAKRET LT 24g piezīme	-	19 688
Kopā	154 445	151 298

15. NETO APGROZĪJUMS

	2018	2017
	EUR	EUR
Ienākumi no pakalpojumu sniegšanas	527 004	258 000
Kopā	527 004	258 000

16. PĀRDOTĀS PRODUKCIJAS RAŽOŠANAS IZMAKSAS

	2018	2017
	EUR	EUR
Atlīdzība par darbu	102 100	43 994
Produktu izpētes izmaksas	43 116	141 070
Valsts sociālās apdrošināšanas obligātās iemaksas un uzņēmējdarbības riska nodeva	24 625	10 294
Nekustamā īpašuma noma	2 952	523
Nolietojums	604	99
Pārējās izmaksas	9 297	3 343
Kopā	182 694	199 325

17. ADMINISTRĀCIJAS IZMAKSAS

	2018	2017
	EUR	EUR
Atlīdzība par darbu	75 258	25 419
Biznesa konsultāciju pakalpojumi	74 850	5 500
Juristu pakalpojumi	25 195	33 650
Valsts sociālās apdrošināšanas obligātās iemaksas un uzņēmējdarbības riska nodeva	18 165	6 027
Vadības pakalpojumi	-	21 240
Pārējās izmaksas	21 115	7 617
Kopā	214 583	99 453

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18. PĀRĒJIE SAIMNIECISKĀS DARBĪBAS IEŅĒMUMI

	2018 EUR	2017 EUR
Saņemts atbalsta finansējums	7 664	-
Kopā	7 664	-

19. SABIEDRĪBĀ NODARBINĀTO PERSONU VIDĒJAIS SKAITS

	2018	2017
Vidējais Sabiedrībā nodarbināto personu skaits pārskata gadā	13	13

20. VADĪBAS UN VALDES ATALGOJUMS

	2018 EUR	2017 EUR
- darba samaksa	14 180	11 471
- valsts sociālās apdrošināšanas obligātās iemaksas	3 429	2 719
Kopā	17 609	14 190

21. FINANŠU RISKU VADĪBA

Sabiedrības nozīmīgākie finanšu instrumenti ir aizņēmumi no kredītiestādēm un nauda. Šo finanšu instrumentu galvenais uzdevums ir nodrošināt Sabiedrības saimnieciskās darbības finansējumu. Sabiedrība izmanto arī citus finanšu instrumentus, piemēram – aizdevumi radniecīgajām sabiedrībām, pircēju un pasūtītāju parādi un citi debitori, parādi piegādātājiem un darbuzņēmējiem un pārējie kreditori, kas izriet tieši no saimnieciskās darbības.

Valūtas risks

Sabiedrība galvenokārt veic darījumus eiro. Tā kā sākot ar 2014. gada 1. janvāri Latvijas nacionālā valūta ir eiro, tad šis netiek uzskatīts par būtisku risku.

Procentu likmju risks

Sabiedrība ir pakļauta procentu likmju riskam galvenokārt saistībā ar tās bankas aizņēmumu.

Likviditātes risks

Likviditātes risks ir risks, ka Sabiedrība nebūs spējīga savlaicīgi un pilnā apmērā nodrošināt savu saistību izpildi. Sabiedrības likviditātes riska pārvaldības mērķis ir uzturēt atbilstošu naudas un tās ekvivalentu daudzumu un nodrošināt atbilstošu finansējuma pietiekamību, izmantojot banku piešķirtos aizņēmumus (skatīt 10. pielikumu), lai Sabiedrība spētu pildīt savas saistības noteiktajos termiņos. Sabiedrība regulāri izvērtē finanšu aktīvu un pasīvu termiņu saskaņotību, kā arī ilgtermiņa ieguldījumu finansējuma avotu stabilitāti. Likviditātes pārvaldīšanai katru mēnesi pēc iepriekšējā mēneša faktisko rezultātu saņemšanas tiek sagatavota operatīvā naudas plūsmas prognoze. Sabiedrības vadība uzskata, ka Sabiedrībai būs pietiekami naudas resursi, lai tās likviditāte nebūtu apdraudēta.

Sabiedrības turpmākā likviditāte būs arī atkarīga no radniecīgo sabiedrību spējas laicīgi segt savas tekošās saistības un kredītsaistības, kā arī spējas laicīgi un pilnā apmērā segt saistības pret banku (skatīt arī 22. pielikumu).

22. DARBĪBAS TURPINĀŠANAS PRINCIPS

Sabiedrība ir vienīgais dalībnieks ar 100% kapitāla daļu saistītajām sabiedrībām SIA SAKRET (reģistrēta Latvijas Republikā), OU SAKRET (reģistrēta Igaunijas Republikā) un UAB SAKRET LT (reģistrēta Lietuvas Republikā) un SIA SAKRET PLUS (reģistrēta Latvijas Republikā) kontrolējošais dalībnieks ar 90% daļu – turpmāk tekstā „Sakret Grupa”.

Sabiedrībai ir noslēgts aizdevuma līgums ar meitas sabiedrību SIA SAKRET 3 000 000 EUR apmērā (skatīt 5. pielikumu), aizdevuma atlikums uz 31.12.2018. ir 2 454 200 EUR. Aizņēmuma līgums ar AS Luminor Bank 3 000 000 EUR apmērā, aizņēmuma atlikums 2 229 178 EUR (skatīt 10. pielikumu).

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2018. gada 31. decembrī Sakret Grupai bija būtiskas saistības pret AS Luminor Bank EUR 17 641 137 apmērā (kredīts, kredītlīnija). Pārskata izdošanas brīdī to atmaksas termiņš ir 2019.gada 30.septembris. Atmaksas termiņš tika saskaņoti pagarināts, lai Sakret Grupa līdz šī termiņa beigām nodrošinātu saskaņotu, bet ne kredītsaistību summas pilnā apjomā, summu pārskaitīšanu par labu AS Luminor Bank. Tā rezultātā saskaņā ar parakstītajām vienošanām tiks pilnībā dzēstas Sabiedrības un tās meitas sabiedrību kredītsaistības pret AS Luminor Bank.

Pārskata parakstīšanas brīdī Sakret Grupas Sabiedrībām ir noslēgti līgumi ar AS BlueOrange bank par kredītlīdzekļu saņemšanu, kas tiks novirzīti iepriekš minēto kredītsaistību pret AS Luminor Bank dzēšanai, tajā skaitā ilgtermiņa kredīts EUR 4 000 000 apmērā ar termiņu līdz 2023.gada 22.augustam un overdrafts EUR 2 000 000 apmērā ar termiņu līdz 2020.gada 22.augustam. Ir notikusi 5 gadu obligāciju emisija EUR 3 790 000 apmērā ar dzēšanas datumu 2024.gada 30.augusts, saņemtie naudas līdzekļi EUR 3 000 000 apmērā tiks novirzīti kredītsaistību pret AS Luminor Bank dzēšanai. Vienošanās ar AS Luminor Bank paredz, ka saņemot EUR 9 000 000 tiks pilnībā dzēstas kredīta un kredītlīnijas saistības.

Šo finanšu pārskatu izdošanas brīdī vienošanās izpilde par saistību dzēšanu pret AS Luminor Bank un saistību refinansēšanu citā kredītiestādē saskaņā ar noslēgtajiem līgumiem ir izpildes procesā un to ir plānots pabeigt līdz 2019. gada oktobra beigām.

Saistības par faktORIZĒtajiem klientu rēķiniem (līguma limitā līdz EUR 1 700 000) tiks dzēstas, saņemot apmaksu no klientiem saskaņā ar rēķinos noteiktajiem termiņiem. Apgrozāmo līdzekļu finansēšanai Sakret Grupas Sabiedrībām ir noslēgti līgumi ar AS BlueOrange bank par kredītlīniju ar kopējo limitu EUR 1 700 000 apmērā ar termiņu līdz 2021.gada 22.februārim.

Refinansēšanas procesā AS Sakret holdings tika palielināts daļu kapitāls par EUR 1 015 000 līdz EUR 1 050 000, akcionāram veicot naudas ieguldījumu.

Šie finanšu pārskati tika sagatavoti, ievērojot darbības turpināšanas principu, un šajos finanšu pārskatos nav iekļauti nekādi labojumi, kas varētu būt nepieciešami, ja darbības turpināšanas princips nebūtu piemērojams.

23. IZSNIEGTAS GARANTIJAS

Visas Sabiedrības akcijas un manta ir iekļāta par labu AS Luminor Banka (turpmāk – „Banka”) kā nodrošinājums kredītam. Kopējā Sakret Grupas aizņēmuma nodrošinājuma summa par labu AS DNB Banka ir EUR 29 880 308. Kredīts izsniegts ilgtermiņa ieguldījumu finansēšanai, kredītlīnija – apgrozāmo līdzekļu finansēšanai.

Aizņēmuma līgums, kas noslēgts starp Sakret Grupas sabiedrībām un Banku nosaka, ka, ja kāds no kredītņēmējiem pēc līgumā norādīto termiņu notecējuma neatmaksā Bankai izsniegto kredīta daļu vai jebkādu tās daļu, nesamaksā attiecīgos Bankai pienākošos procentus vai līgumsodu, vai arī nenodrošina pārējos no līguma izrietošos Bankas prasījumus, tad visi pārējie kredītņēmēji nekavējoši sedz visus Bankas prasījumus pilnā apmērā.

Sabiedrības vadība apliecina, ka uz šī finanšu pārskata parakstīšanas brīdi visi aizņēmuma līgumā minētie kredītņēmēji ir izpildījuši pilnā apmērā visus Bankas nosacījumus un 2018. gada 31. decembrī nav jāveido papildus uzkrājumi iespējamām saistībām, kas varētu rasties no aizņēmuma līguma nosacījumu nepildīšanas.

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24. DARĪJUMI AR RADNIECĪGAM SABIEDRĪBAM**(a) Preču pārdošana un pakalpojumu sniegšana**

	2018	2017
	EUR	EUR
SIA SAKRET	103 874	102 000
UAB SAKRET LT	66 000	66 000
OU SAKRET	54 000	54 000
SIA SAKRET PLUS	36 000	36 000
Kopā	259 874	258 000

(b) Preču iegāde un pakalpojumu saņemšana

	2018	2017
	EUR	EUR
SIA SAKRET	100 799	695
OU SAKRET	38 563	-
UAB SAKRET LT	27 688	-
SIA SAKRET PLUS	12 285	-
Kopā	179 335	695

(c) Procentu ieņēmumi no aizdevumiem

	2018	2017
	EUR	EUR
SIA SAKRET	69 616	75 663
„Māris un Partneri” SIA	1 245	1 245
Kopā	70 861	76 908

(d) Radniecīgo sabiedrību parādi

	31.12.2018.	31.12.2017.
	EUR	EUR
SIA SAKRET PLUS	35 610	68 170
OU SAKRET	13 500	13 500
SIA SAKRET	11 813	9 402
UAB SAKRET LT	8 500	-
Kopā (6. piezīme)	69 423	91 072

(e) Citi debitori, kas radušies no darījumiem ar radniecīgam sabiedrībām

	31.12.2018.	31.12.2017.
	EUR	EUR
OU SAKRET (transferta cenu korekcija) 8. piezīme	204 445	-
UAB SAKRET LT (transferta cenu korekcija) 8. piezīme	189 941	-
Uzkrātie procenti par aizdevumu „Māris un Partneri” SIA 7. piezīme	8 057	6 812
Uzkrātie procenti par aizdevumu SIA SAKRET 8. piezīme	5 619	6 093
Kopā	408 062	12 905

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(f) Parādi radniecīgajām sabiedrībām

	31.12.2018. EUR	31.12.2017. EUR
SIA SAKRET	202 432	120 740
UAB SAKRET LT	-	1 187
Kopā (11. piezīme)	202 432	121 927

(g) Citi kreditori, kas radušies no darījumiem ar radniecīgam sabiedrībām

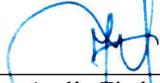
	31.12.2018. EUR	31.12.2017. EUR
SIA SAKRET (transferta cenu korekcija)	52 581	-
SIA SAKRET PLUS (transferta cenu korekcija)	30 973	-
UAB SAKRET LT (transferta cenu korekcija)	25 699	-
OU SAKRET (transferta cenu korekcija)	16 129	-
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no SIA SAKRET	7 151	75 500
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no OU SAKRET	-	37 063
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no SIA SAKRET PLUS	-	8 820
Izdevumi, par kuriem rēķini saņemti nākošajā finanšu gadā no UAB SAKRET LT	-	19 688
Kopā (14. piezīme)	132 533	141 071

25. NOTIKUMI PĒC PĀRSKATA GADA BEIGĀM

Skat 9., 10. un 22. pielikumu.

Laika posmā no pārskata gada pēdējās dienas līdz šī finanšu pārskata parakstīšanas datumam nav bijuši nekādi citi būtiski notikumi, kuru rezultātā būtu jāveic korekcijas vai kuri būtu jāatspoguļo šajā finanšu pārskatā.

2019. gada 30. septembrī finanšu pārskatus Sabiedrības vārdā parakstīja:

			
Māris Ķelpis Valdes priekšsēdētājs	Andis Ziedonis Valdes loceklis	Jūris Grīnvalds Valdes loceklis	Oksana Birkāne Galvenā grāmatvede, atbildīgā persona par finanšu pārskata sastādīšanu

NEATKARĪGU REVIDENTU ZIŅOJUMS

AS SAKRET HOLDINGS dalībniekam:

Mūsu atzinums ar iebildi par finanšu pārskatu

Esam veikuši pievienotajā AS SAKRET HOLDINGS ("Sabiedrība") gada pārskatā ietvertā finanšu pārskata, kas atspoguļots no 5. līdz 22. lapai, revīziju. Pievienotais finanšu pārskats ietver bilanci 2018. gada 31. decembrī, peļņas vai zaudējumu aprēķinu, pašu kapitāla izmaiņu pārskatu un naudas plūsmas pārskatu par 2018. gadu, kā arī finanšu pārskata pielikumu, kas ietver nozīmīgu grāmatvedības uzskaites principu kopsavilkumu.

Mūsaprāt, izņemot sadaļā Atzinuma ar iebildi pamatojums aprakstīto apstākļu iespējamo ietekmi, pievienotais finanšu pārskats sniedz patiesu un skaidru priekšstatu par AS SAKRET HOLDINGS finansiālo stāvokli 2018. gada 31. decembrī un par tās darbības finanšu rezultātiem un naudas plūsmu 2018. gadā saskaņā ar Latvijas Republikas Gada pārskatu un konsolidēto gada pārskatu likumu ("Gada pārskatu un konsolidēto gada pārskatu likums").

Atzinuma ar iebildi pamatojums

Kā aprakstīts finanšu pārskata 5., 6. un 7. pielikumos, 2018. gada 31. decembrī AS SAKRET HOLDINGS bilancē ir iekļauti nenodrošināti aizdevumi radniecīgajām sabiedrībām un radniecīgo sabiedrību parādi EUR 2 918 009 apmērā (31.12.2017.: EUR 2 814 049 apmērā). Revīzijas laikā mums nebija iespējas iegūt pietiekamus un atbilstošus revīzijas pierādījumus, lai pārliecinātos par minēto aktīvu atgūstamību un noteiktu, vai ir nepieciešams izveidot uzkrājumus saistībā ar iespējamo šo aktīvu vērtības samazināšanos. Tādējādi, mēs neizsakām savu atzinumu par Sabiedrības 2018. gada 31. decembra bilancē iekļauto minēto aktīvu vērtību.

Atbilstoši Latvijas Republikas Revīzijas pakalpojumu likumam ("Revīzijas pakalpojumu likums") mēs veicām revīziju saskaņā ar Latvijas Republikā atzītiem starptautiskajiem revīzijas standartiem (turpmāk - SRS). Mūsu pienākumi, kas noteikti šajos standartos, ir turpmāk aprakstīti mūsu ziņojuma sadaļā *Revidenta atbildība par finanšu pārskata revīziju*.

Mēs esam neatkarīgi no Sabiedrības saskaņā ar Starptautiskās Grāmatvežu ētikas standartu padomes izstrādātā Profesionālu grāmatvežu ētikas kodeksa (SGĒSP kodekss) prasībām un Revīzijas pakalpojumu likumā iekļautajām neatkarības prasībām, kas ir piemērojamas mūsu veiktajai finanšu pārskata revīzijai Latvijas Republikā. Mēs esam ievērojuši arī SGĒSP kodeksā un Revīzijas pakalpojumu likumā noteiktos pārējos profesionālās ētikas principus un objektivitātes prasības.

Mēs uzskatām, ka mūsu iegūtie revīzijas pierādījumi dod pietiekamu un atbilstošu pamatojumu mūsu atzinumam ar iebildi.

Galvenie revīzijas jautājumi

Galvenie revīzijas jautājumi ir tādi jautājumi, kas, pamatojoties uz mūsu profesionālo spriedumu, pārskata gada finanšu pārskatu revīzijā bija visnozīmīgākie. Šie jautājumi kopumā tika apskatīti finanšu pārskatu revīzijas kontekstā, kā arī sagatavojot atzinumu par šiem finanšu pārskatiem, tāpēc atsevišķu atzinumu par šiem jautājumiem mēs neizsakām.

Mēs esam noteikuši zemāk minēto jautājumu kā galveno revīzijas jautājumu, par kuru ir jāsniedz informācija mūsu ziņojumā.

Galvenais revīzijas jautājums	Kā šis jautājums tika izskatīts revīzijā
<p>Darbības turpināšanas princips</p> <p>Kā aprakstīts finanšu pārskata 22. pielikumā Sabiedrība ir holdinga kompānija un vienīgais dalībnieks SIA Sakret, Sakret OU, Sakret UAB un 90% kapitāldaļu īpašnieks Sakret Plus SIA ("Koncerns").</p> <p>2018. gada 31. decembrī Koncernam bija negatīvs pašu kapitāls 7 977 858 EUR apmērā, un tā īstermiņa saistības pārsniedza tā apgrozāmos līdzekļus par EUR 18 274 874, kas, galvenokārt, saistīts ar kredītsaistību pret AS Luminor banka 17 641 137 EUR apmērā ar atmaksas termiņu 2019. gada 30. septembris klasifikācijā īstermiņa saistību sastāvā.</p> <p>Uz šo finanšu pārskatu izdošanas brīdi tiek noslēgts kredītsaistību refinansēšanas process. Ir nodrošināts citas kredītiestādes finansējums un tiek veikts kredītsaistību dzēšanas process ar AS Luminor banka. Processa rezultātā aizņēmumu saistības pret AS Luminor banka tiks dzēstas, veicot norēķinu par 9 milj. EUR un Koncernam būs pieejams jauns ilgtermiņa finansējums. Uz finanšu pārskatu apstiprināšanas brīdi minētā summa atrodas darījuma kontā un pārskaitījums par labu AS Luminor bank tiks veikts līdzko būs reģistrēti nodrošinājumi par labu jaunajai kredītiestādei, saskaņā ar darījuma konta līgumu, kas noslēgts starp Sakret grupas uzņēmumiem un kredītiestādēm. Plānots, ka process tiks pabeigts ne vēlāk kā līdz 2019. gada oktobra beigām.</p> <p>Apstākļi 2018. gada 31. decembrī liecināja, ka pastāv būtiska nenoteiktība saistībā ar Sabiedrības spēju turpināt darbību. Tādēļ vadības veiktais izvērtējums saistībā ar darbības turpināšanas principa piemērošanu, kas ietver aizņēmumu pārstrukturēšanu, Koncerna pašu kapitāla un likviditātes stāvokļa uzlabošanu, spēju izpildīt aizņēmumu saistības, tika uzskatīts par galveno revīzijas jautājumu, jo tas ietver nozīmīgas vadības aplēses par nākotnes finanšu rezultātiem un darbības turpināšanas jautājuma atklāšanu finanšu pārskatos.</p>	<p>Mēs izvērtējam faktus par notikumiem un apstākļiem, kas varētu radīt šaubas par Sabiedrības spēju turpināt darbību.</p> <p>Mēs saņemām un izvērtējam vadības plānus par finanšu resursu pieejamību.</p> <p>Mēs izskatījām juridisko dokumentāciju, kas saistīta ar refinansēšanas vienošanos un aizņēmumu saistību nokārtošanu ar AS Luminor Banka, ieskaitot līgumos ietvertu darījuma pabeigšanas nosacījumu analīzi.</p> <p>Mēs analizējam vadības sagatavotās naudas plūsmas prognozes saistībā ar Sabiedrības spēju generēt pietiekamas nākotnes naudas plūsmas.</p> <p>Mēs novērtējam ar darbības turpināšanas principa piemērošanu saistītās informācijas atklāšanas pilnīgumu un precizitāti.</p>

Ziņošana par citu informāciju

Par citu informāciju atbild Sabiedrības vadība. Citu informāciju veido Vadības ziņojums, kas ietverts pievienotā gada pārskatā 4. lapā un informācija par Sabiedrību, kas ietverta 3. lapā.

Mūsu atzinums par finanšu pārskatu neattiecas uz gada pārskatā ietverto citu informāciju, un mēs nesniedzam par to nekāda veida apliecinājumu, izņemot to kā norādīts mūsu ziņojuma sadaļā *Citas ziņošanas prasības saskaņā ar Latvijas Republikas tiesību aktu prasībām*.

Saistībā ar finanšu pārskata revīziju mūsu pienākums ir iepazīties ar citu informāciju un, to darot, izvērtēt, vai šī cita informācija būtiski neatšķiras no finanšu pārskata informācijas vai no mūsu zināšanām, kuras mēs ieguvām revīzijas gaitā, un vai tā nesatur cita veida būtiskas neatbilstības.

Ja, balstoties uz veikto darbu un ņemot vērā revīzijas laikā gūtās ziņas un izpratni par Sabiedrību un tās darbības vidi, mēs secinām, ka citā informācijā ir būtiskas neatbilstības, mūsu pienākums ir ziņot par šādiem apstākļiem. Mūsu uzmanības lokā nav nākuši apstākļi, par kuriem būtu jāziņo.

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Latvija pakalpojumus sniedz „Deloitte Audits Latvia” SIA, „Deloitte Latvia” SIA un ZAB „Deloitte Legal” (kopīgi saukti „Deloitte Latvia”), kas ir Deloitte Central Europe Holdings Limited meitas sabiedrības. Deloitte Latvia ir viena no vadošajām profesionālo pakalpojumu organizācijām Latvijā, kas sniedz audita, nodokļu, juridiskos, finanšu konsultāciju un uzņēmuma riska konsultāciju pakalpojumus ar vairāk kā 150 vietējo un ārvalstu ekspertu palīdzību.

Šis paziņojums satur tikai vispārīgu informāciju, un neviens no Deloitte Touche Tohmatsu Limited, tās grupas sabiedrībām, vai to saistītajiem uzņēmumiem (kollektīvi, „Deloitte Tikls”), izmantojot šo paziņojumu, nesniedz profesionālas konsultācijas vai pakalpojumus. Neviens Deloitte Tikls uzņēmums nav atbildīgs par jebkādiem zaudējumiem, kas nodarīti jebkurai personai, kas atsaucas vai pajautājas uz šo publikāciju.

Citas ziņošanas prasības saskaņā ar Latvijas Republikas tiesību aktu prasībām

Papildus tam, saskaņā ar Revīzijas pakalpojumu likumu mūsu pienākums ir sniegt viedokli, vai Vadības ziņojums ir sagatavots saskaņā ar tā sagatavošanu reglamentējošā normatīvā akta, Gada pārskatu un konsolidēto gada pārskatu likuma, prasībām.

Pamatojoties vienīgi uz mūsu revīzijas ietvaros veiktajām procedūrām, mūsaprāt:

- Vadības ziņojumā par pārskata gadu, par kuru ir sagatavots finanšu pārskats, sniegtā informācija atbilst finanšu pārskatam, un
- Vadības ziņojums ir sagatavots saskaņā ar Gada pārskatu un konsolidēto gada pārskatu likuma prasībām.

Vadības un personu, kurām uzticēta Sabiedrības pārraudzība, atbildība par finanšu pārskatu

Vadība ir atbildīga par tāda finanšu pārskata, kas sniedz patiesu un skaidru priekšstatu, sagatavošanu saskaņā ar Gada pārskatu un konsolidēto gada pārskatu likumu, kā arī par tādas iekšējās kontroles sistēmas uzturēšanu, kāda saskaņā ar vadības viedokli ir nepieciešama, lai būtu iespējams sagatavot finanšu pārskatu, kas nesatur ne krāpšanas, ne kļūdas dēļ izraisītas būtiskas neatbilstības.

Sagatavojot finanšu pārskatu, vadības pienākums ir izvērtēt Sabiedrības spēju turpināt darbību, pēc nepieciešamības sniegtot informāciju par apstākļiem, kas saistīti ar Sabiedrības spēju turpināt darbību un darbības turpināšanas principa piemērošanu, ja vien vadība neplāno Sabiedrības likvidāciju vai tās darbības izbeigšanu, vai arī tai nav citas reālas alternatīvas kā Sabiedrības likvidācija vai darbības izbeigšana.

Personas, kurām uzticēta Sabiedrības pārraudzība, ir atbildīgas par Sabiedrības finanšu pārskata sagatavošanas procesa uzraudzību.

Revidentu atbildība par finanšu pārskata revīziju

Mūsu mērķis ir iegūt pietiekamu pārliecību par to, ka finanšu pārskats kopumā nesatur kļūdas vai krāpšanas dēļ izraisītas būtiskas neatbilstības, un sniegt revidentu ziņojumu, kurā izteikts atzinums. Pietiekama pārliecība ir augsta līmeņa pārliecība, bet tā negarantē, ka revīzijā, kas veikta saskaņā ar SRS, vienmēr tiks atklāta būtiska neatbilstība, ja tāda pastāv. Neatbilstības var rasties krāpšanas vai kļūdas dēļ, un tās ir uzskatāmas par būtiskām, ja var pamatoti uzskatīt, ka tās katru atsevišķi vai visas kopā varētu ietekmēt saimnieciskos lēmumus, ko lietotāji pieņem, balstoties uz šo finanšu pārskatu.

Veicot revīziju saskaņā ar SRS, visa revīzijas procesa gaitā mēs izdarām profesionālus spriedumus un saglabājam profesionālo skepticismu. Mēs arī:

- identificējam un izvērtējam riskus, ka finanšu pārskatā varētu būt krāpšanas vai kļūdas dēļ izraisītas būtiskas neatbilstības, izstrādājam un veicam revīzijas procedūras šo risku mazināšanai, kā arī iegūstam revīzijas pierādījumus, kas sniedz pietiekamu un atbilstošu pamatojumu mūsu atzinumam. Risks, ka netiks atklātas būtiskas neatbilstības krāpšanas dēļ, ir augstāks nekā risks, ka netiks atklātas kļūdas izraisītas neatbilstības, jo krāpšana var ietvert slepenas norunas, dokumentu viltošanu, informācijas neuzrādīšanu ar nodomu, informācijas nepatiesu atspoguļošanu vai iekšējās kontroles pārkāpumus;
- iegūstam izpratni par iekšējo kontroli, kas ir būtiska revīzijas veikšanai, lai izstrādātu konkrētajiem apstākļiem atbilstošas revīzijas procedūras, bet nevis, lai sniegtu atzinumu par Sabiedrības iekšējās kontroles efektivitāti;
- izvērtējam pielietoto grāmatvedības politiku atbilstību un grāmatvedības aplēšu un attiecīgās vadības uzrādītās informācijas pamatotību;
- izdarām secinājumu par vadības piemērotā darbības turpināšanas principa atbilstību, un, pamatojoties uz iegūtajiem revīzijas pierādījumiem, par to, vai pastāv būtiska nenoteiktība attiecībā uz notikumiem vai apstākļiem, kas var radīt nozīmīgas šaubas par Sabiedrības spēju turpināt darbību. Ja mēs secinām, ka būtiska nenoteiktība pastāv, revidentu ziņojumā tiek vērsta uzmanība uz finanšu pārskatā sniegto informāciju par šiem apstākļiem, vai, ja šāda informācija nav sniegta, mēs sniedzam modificētu atzinumu. Mūsu secinājumi ir pamatoti ar revīzijas pierādījumiem, kas iegūti līdz revidentu ziņojuma datumam. Tomēr nākotnes notikumu vai apstākļu ietekmē Sabiedrība savu darbību var pārtraukt;
- izvērtējam vispārēju finanšu pārskata struktūru un saturu, ieskaitot atklāto informāciju un skaidrojumus pielikumā, un to, vai finanšu pārskats patiesi atspoguļo pārskata pamatā esošos darījumus un notikumus.

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Mēs sazināties ar personām, kurām uzticēta Sabiedrības pārraudzība, un, cita starpā, sniedzam informāciju par plānoto revīzijas apjomu un laiku, kā arī par svarīgiem revīzijas novērojumiem, tajā skaitā par būtiskiem iekšējās kontroles trūkumiem, kādus mēs identificējam revīzijas laikā.

Deloitte Audits Latvia SIA
Licences Nr.43



Inguna Staša
Valdes locekle
Zvērināta revidente
Sertifikāts Nr. 145

Rīga, Latvija
2019. gada 30. septembrī

Deloitte nozīmē vienu vai vairākus no sekojošiem: Deloitte Touche Tohmatsu Limited, Lielbritānijas sabiedrību ar ierobežotu atbildību („DTTL”), tās grupas sabiedrības un ar tām saistītās sabiedrības, DTTL un katra no tās grupas sabiedrībām ir juridiski nošķirta un neatkarīga vienība. DTTL nozīmē arī „Deloitte Global”, kurš nesniedz pakalpojumus klientiem. Lai saņemtu detalizētu informāciju par DTTL un tās grupas sabiedrībām, lūdzam apmeklēt www.deloitte.com/lv/about.

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Annex 5 – List of Collaterals

NO	COLLATERAL	JURISDICTION	OWNER (PLEDGOR)	RANK
1.	Immovable property "Ritvari", Stopini, Rumbula, Stopinu district, cadastral No. 80960090050	LV	Sabiedrība ar ierobežotu atbildību "SAKRET"	3.
2.	Immovable property "Ritvari-2" Stopini, Stopinu district, cadastral No. 80960090088	LV	Sabiedrība ar ierobežotu atbildību "SAKRET"	3.
3.	Immovable property "Ritvari-2" Stopini, Rumbula, Stopinu district, cadastral No. 80965090009	LV	Sabiedrība ar ierobežotu atbildību "SAKRET"	3.
4.	Immovable property "Ritvari", Rumbula, Stopinu district, cadastral No. 80965090002	LV	Sabiedrība ar ierobežotu atbildību "SAKRET"	3.
5.	Immovable Property SAKRETI, Mäo Village, Paide rural municipality, Järva Country, Estonia adn reg, No. 2157636 and cadastral No. 56502:002:0153	EE	osaühing Sakret (registration number 11196147)	3.
6.	Land plot, area 6.4802 ha, unique No. 4400-0943-8153, address at Biochemiku street 12 Kedainiai.	LT	UAB "SAKRET LT", legal entity code 300598522	3.
7	Real Estate – Building (construction or engineering installation), unique number 4400-1578-3707, 4400-1593-0986, 4400-1599-4268, 4400-1593-1104, 4400-1593-1110;4400-1598-8582, 4400-1612-4537, 4400-1581-0490, 4400-1581-0525, 4400-1598-8571, Kedainai, cadastral number of the land plot on which the building is situated 533300300042	LT	UAB "SAKRET LT", legal entity code 300598522	3.



8.	Commercial pledge on SIA SAKRET PLUS property as an aggregation on property	LV	SIA "SAKRET PLUS"	3.
9.	Commercial pledge on SAKRET HOLDINGS AS property as an aggregation of property	LV	Akciju sabiedrība "SAKRET HOLDINGS"	3.
10.	Commercial pledge on SIA "SAKRET" property as an aggregation of property	LV	Sabiedrība ar ierobežotu atbildību "SAKRET"	4.
11.	Commercial pledge on osaühing SAKRET property as an aggregation of property	EE	osaühing Sakret (registration number 11196147)	3.
12.	Commercial pledge on SAKRET LT UAB property as an aggregation of property	LT	UAB "SAKRET LT", legal entity code 300598522	4.
13.	SAKRET LT UAB, reg. No. 300598522, shares	LT	Akciju sabiedrība SAKRET HOLDINGS – 100%, 49370 units	1.
14.	Osaühing SAKRET, reg. No. 11196147, shares	EE	Sakret Holdings JS (LV registration number 40103251030) – 100%	1.
15.	SIA "SAKRET PLUS", reg. No. 40003749392, shares	LV	Akciju sabiedrība "SAKRET HOLDINGS" – 90%, 128052 shares	1.
16.	Akciju sabiedrība "SAKRET HOLDINGS", reg. No. 40103251030, shares	LV	Sabiedrība ar ierobežotu atbildību "PĀRVALDĪBAS SISTĒMAS" (reg No. 42103085387) – 100%	1.
17.	SIA "SAKRET" shares, reg. No. 40003622109, shares	LV	Akciju sabiedrība "SAKRET HOLDINGS" – 100%	1.



AS "SAKRET HOLDINGS" (Latvia)

Reg. No: 40103251030

LEI: 8945008AJU1UU6D18269

Terms of the Notes Issue

Type of Security:	Secured Notes
Nominal:	EUR 1,000
Nominal value of the issue:	EUR 3,790,000
Annual coupon rate:	9.00%
Maturity:	30 August 2024

Arranger:



8 August 2019

These Terms of the Note Issue do not constitute an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

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Terms and abbreviations used

Agent	:	A person authorized to represent the Issuer and to perform certain tasks
Arranger	:	AS BlueOrange Bank (registration number: 40003551060, legal address: Smilšu iela 6, Riga, LV-1050, Latvia). Arranger acts as an issuer agent for the interpretation of Nasdaq CSD
Business Day	:	Business Day is the day when the Nasdaq CSD system is open and operational
Collateral (Collaterals)	:	Pledges and mortgages registered over the assets of the Collateral Providers listed in Annex 5 to the Terms of the Issues and securing performance of the Secured Obligations
Collateral Agent	:	SIA Primus Legal, a limited liability company registered under the laws of the Republic of Latvia, company registration number 40103596993, address Sporta iela 11, Riga, LV- 1013, Latvia
Collateral Agent Agreement	:	Agreement between the Issuer and the Collateral Agent, regulating the role of the Collateral Agent in respect of the Notes and otherwise under these Terms of the Issue, to be signed on 8 August 2019 in the form and with the substance substantially in accordance with Appendix 4
Collateral Agreements	:	Pledge and mortgage agreements concluded between the Collateral Providers and the Collateral Agent establishing pledge rights and mortgages over the property (assets) of the Collateral Provider
Collateral Provider	:	Any person listed in column "Owner (Pledgor)" of Annex 5 to the Terms of the Issue
Coupon	:	Interest on Notes calculated in accordance with the Section 4.2.7. "Coupon payments"
Custodian	:	Credit institution or investment brokerage company that has obtained the FCMC license or is entitled to do business and to keep securities in accordance with its country of registration laws
EUR	:	Euro (single currency of the member states of the European Monetary System)
FCMC	:	Financial and Capital Market Commission
First Settlement Date (Issue Date)	:	The date when interest on the Notes start to accrue and is 30 August 2019
Group or Sakret Group	:	Issuer and its subsidiaries
Interest calculation period	:	The period of time between the First Settlement Date and the date of the first payment or between two Coupon payment dates
ISIN	:	International Securities Identification Number, which will be allocated to Notes by Nasdaq CSD
Issuer or Sakret Holdings	:	AS "SAKRET HOLDINGS" (registration number: 40103251030, legal entity identifier: 8945008AJU1UU6D18269, legal address: "Ritvari", Stopiņu nov., Rumbula, Latvia, LV-2121)
Legal acts	:	All legal acts including FCMC, Nasdaq Riga and Nasdaq CSD regulations, which are in force in Latvia at the time of the Notes issue, as well as prior to the maturity date of the Notes
Majority Noteholders	:	The Noteholders holding over 51% (fifty-one per cent) of all outstanding Notes at the relevant time
Minimum Settlement Unit	:	The minimum amount which can be held/traded, which is equal nominal

Nasdaq CSD	:	Nasdaq CSD SE (registration number: 40003242879, legal address Vaļņu iela 1, Riga, LV-1050, Latvia)
Nasdaq Riga	:	AS "Nasdaq Riga" (registration number: 40003167049, legal address: Vaļņu iela 1, Riga, LV-1050, Latvia)
Nominal	:	Face value of a Note
Note	:	Debt security that is issued by the Issuer according to the Terms of the Issue
Noteholder	:	Private person or legal entity that is an owner of one or more Notes and has a claim against the Issuer as stipulated by the Terms of the Issue and applicable legal acts
Parallel Debt	:	A payment undertaking and the obligations and liabilities resulting from it of the Issuer towards the Collateral Agent set forth in Section 4.2.5. of the Terms of the Issue
Potential Noteholder	:	A private person or legal entity that has, according to the terms stated in the Terms of the Issue, expressed interest or is planning to purchase for its own account one or more Notes
Secured Obligations	:	All obligations of the Issuer in respect of the Notes, including but not limited to the obligation to redeem the Notes and pay interest thereon, and including the Parallel Debt
Settlement Unit Multiple	:	Multiple that defines that the settlement quantity or nominal must be a multiple of the defined value, which is equal nominal
Terms of the Issue	:	This document, which entitles the Issuer to execute the Issue and the initial offering of the Notes

1. Summary

Part A. Introduction and Warnings		
Element and Request for the Provision of Information		Information
A.1	Warning to investors	<ul style="list-style-type: none"> • This summary should be read as introduction to the Terms of the Issue; • Any decision to invest in the securities should be based on consideration of the Terms of the Issue as a whole by the Potential Noteholder; • Where a claim relating to the information contained in the Terms of the Issue is brought before a court, the plaintiff Potential Noteholder might, under the national legislation of the Member States, have to bear the costs of translating the Terms of the Issue before the legal proceedings are initiated; and • Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Terms of the Issue, key information in order to aid Potential Noteholders when considering whether to invest in such securities.
Part B. Issuer and any Guarantor		
B.1	Legal name and commercial name of the Issuer	The Issuer's legal name is akciju sabiedrība "SAKRET HOLDINGS".
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	Country of location: Republic of Latvia. Legal form: joint-stock company, legal status — legal person. Date and place of registration: in the Commercial Register of the Republic of Latvia on 30 September 2009 Registration number: 40103251030 Legal address: "Ritvari", Stopiņu nov., Rumbula, Latvia, LV-2121 The company's country of foundation is the Republic of Latvia. The main regulatory enactments which regulate Issuer's activities are <ul style="list-style-type: none"> • The Commercial Law of the Republic of Latvia; • Labour Code; • Construction law.
B.3	A description of, and key factors relating to, the nature of the Issuer's current operations and its principal activities	Issuer is a holding company and it controls operational companies of the Sakret Group. The main area of Sakret Group activity is production of dry mixes and ready-made liquid mixes for construction, such as masonry cement, plastering, and concrete.
B.4a	A description of the most significant recent trends affecting the Issuer and the industries in which it operates	At the moment of signing the Terms of the Issue, the Issuer has no information at its disposal regarding any recent tendencies that have negatively affected the Issuer or the activity of the construction material production industry.
B.4b	A description of any known trends affecting the Issuer and the	At the moment of signing the Terms of the Issue, the Issuer has no information at its disposal regarding any identified tendencies that have negatively affected the Issuer or the activity of the construction material production industry.

	industries in which it operates																																																																																																										
B.5	A description of the group and the Issuer's position within the group	At the moment of signing the Terms of the Issue, the Issuer is a holding company and holds interest in four subsidiaries.																																																																																																									
B.6	Main shareholders of the Issuer	<p>The only shareholder of AS "SAKRET HOLDINGS" is a company SIA "PĀRVALDĪBAS SISTĒMAS", with registration number 42103085387 and legal address "Ritvari", Stopiņu nov., Rumbula, Latvia, LV-2121.</p> <p>Issuer's share capital is EUR 35,000 which consists of 25,000 ordinary shares, each of them with a nominal value of EUR 1.40. SIA "PĀRVALDĪBAS SISTĒMAS" holds all 25,000 shares of the Issuer.</p> <p>SIA "PĀRVALDĪBAS SISTĒMAS" share capital is EUR 8,000 which consists of 8,000 ordinary shares, each of them with a nominal value of EUR 1.00.</p> <p>At the moment of signing the Terms of the Issue, the current structure of SIA "PĀRVALDĪBAS SISTĒMAS" shareholders is as follows:</p> <table border="1"> <thead> <tr> <th>Name, surname/ Legal name</th> <th>Number of shares</th> <th>% of the total number</th> </tr> </thead> <tbody> <tr> <td>Māris Ķelpis (120561-10558)</td> <td>6,824</td> <td>85.300%</td> </tr> <tr> <td>Ilgvars Belinskis (061060-10547)</td> <td>810</td> <td>10.125%</td> </tr> <tr> <td>Private individuals</td> <td>366</td> <td>4.575%</td> </tr> <tr> <td>Total:</td> <td>8,000</td> <td>100%</td> </tr> </tbody> </table> <p>The beneficiary of the Issuer, controlling the Issuer, is chairman of the board, Māris Ķelpis.</p> <p>At the moment of signing the Terms of the Issue, the Issuer has no information at its disposal regarding any agreements, the fulfilment of which might cause changes in the Issuer's control.</p>	Name, surname/ Legal name	Number of shares	% of the total number	Māris Ķelpis (120561-10558)	6,824	85.300%	Ilgvars Belinskis (061060-10547)	810	10.125%	Private individuals	366	4.575%	Total:	8,000	100%																																																																																										
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Machinery	3 300 286	2 925 925	2 537 216	2 126 376
Other fixed assets	75 431	71 068	99 582	109 805
Prepayments for fixed assets	8 000	4 296	6 529	-
TOTAL:	13 101 411	12 230 814	11 424 119	10 627 892
<u>Non-current financial assets:</u>				
Other long-term debtors	20 880	13 926	13 918	34 113
Other financial assets	28	28	-	-
TOTAL:	20 908	13 954	13 918	34 113
TOTAL NON-CURRENT ASSETS:	13 300 007	12 561 897	11 849 909	11 108 241
Current assets:				
<u>Inventory:</u>				
Raw materials	1 406 227	1 565 903	1 367 758	1 380 966
Ready-made products	1 450 840	942 702	896 466	899 109
Prepayments for inventory	12 580	6 319	27 670	7 006
TOTAL:	2 869 647	2 514 924	2 291 894	2 287 081
<u>Accounts receivable:</u>				
Receivables from clients and suppliers	1 940 896	1 953 264	2 515 993	2 717 539
Other receivables	128 121	159 127	142 318	149 858
Next period expenses	27 388	33 776	36 392	47 356
Short-term loans to shareholders	35 572	35 572	35 572	35 572
TOTAL:	2 131 977	2 181 739	2 730 275	2 950 325
Cash and cash equivalents:	489 172	397 591	306 063	342 277
TOTAL CURRENT ASSETS:	5 490 796	5 094 254	5 328 232	5 579 683
TOTAL ASSETS:	18 790 803	17 656 151	17 178 141	16 687 924
Owners' Equity:				
Fixed capital	35 000	35 000	35 000	35 000
Denomination reserve	572	572	572	572
Reorganisation reserve	(8 491 750)	(8 491 750)	(8 491 750)	(8 491 750)
Currency exchange rate revaluation reserve	24 899	24 899	24 899	24 899
Retained earnings	49 012	143 870	148 327	(90 811)
Profit for the year	89 244	4 457	(239 138)	349 876
TOTAL:	(8 293 023)	(8 282 952)	(8 522 090)	(8 172 214)
Owners' Equity attributable to the members of the parent company:				
Minority shareholder participation	136 459	158 371	176 877	194 356
TOTAL:	136 459	158 371	176 877	194 356
TOTAL EQUITY:	(8 156 564)	(8 124 581)	(8 345 213)	(7 977 858)
Liabilities:				
<u>Long-term liabilities:</u>				
Debt from credit institutions	19 140 971	17 341 139	16 641 137	-
Other liabilities	167 093	167 093	167 093	167 093
Liabilities of related parties	896 532	767 932	757 532	644 132
Financial leasing	33 085	-	-	-
Deferred tax asset	5 713	-	-	-
TOTAL:	20 243 394	18 276 164	17 565 762	811 225
<u>Short-term liabilities:</u>				
Debt from credit institutions	2 547 579	2 799 999	1 700 000	17 641 137
Other liabilities	500 145	654 835	1 170 582	1 384 137
Financial leasing	53 876	37 545	37 545	-
Pre-payments from buyers	11 851	222 099	118 865	38 127
Debts to suppliers and contractors	1 550 063	1 957 165	3 005 926	2 976 635
Liabilities of related parties	804 740	624 844	421 535	469 324
Taxes and social security payments	360 554	520 983	325 638	191 555
Other creditors	136 658	98 845	139 133	130 153
Accrued liabilities	689 615	559 250	1 009 365	994 486
Unpaid dividends for minority shareholders	48 892	29 003	29 003	29 003
TOTAL:	6 703 973	7 504 568	7 957 592	23 854 557
TOTAL LIABILITIES:	26 947 367	25 780 732	25 523 354	24 665 782
TOTAL EQUITY AND LIABILITIES	18 790 803	17 656 151	17 178 141	16 687 924
The Issuer's financial auditor of the last audited annual report is SIA "Deloitte Audits Latvia" (registration number: 40003606960, legal address: Grēdu iela 4a, Riga, Latvia, LV-1019).				

		<p>Issuer plans to use funds raised from Notes Issue, together with senior financing from AS BlueOrange Bank, to refinance current liabilities from credit institutions.</p> <p>After the refinancing, due to the discount granted by current credit institution, the consolidated equity of the Sakret group will increase. Together with the shareholders contribution in amount of EUR 1,015,000, the consolidated equity will become positive, allowing Sakret Group to participate in several grant and energy-efficiency increase programs and positively affecting the financial standing of the Issuer.</p> <p>The Issuer is unaware of any other factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Issuer in future.</p>
B.8	Selected pro forma financial information	Issuer does not provide pro forma financial information.
B.9	Profit forecast or evaluation	The profit/loss forecast has not been carried out.
B.10	Objections in the financial information of the audit report	The audit report for financial statements for 2016 contained no objections. The audit report for financial statements for 2017 contained one objection, regarding significant uncertainty about the company's ability to continue as a going concern.
B.11	Issuer's equity	The last audited equity of the Issuer is negative EUR (8,345,213).
B.12	Forecasts regarding the Issuer	The forecasts regarding the Issuer contain no crucial negative changes after the publication of the last audited financial statements.
B.13	A description of any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	<p>Issuer plans to use funds raised from Notes Issue, together with senior financing from AS BlueOrange Bank, to refinance current liabilities from credit institutions.</p> <p>After the refinancing, due to the discount granted by current credit institution, the consolidated equity of the Sakret group will increase. Together with the shareholders contribution in amount of EUR 1,015,000, the consolidated equity will become positive, allowing Sakret Group to participate in several grant and energy-efficiency increase programs and positively affecting the financial standing and solvency of the Issuer.</p> <p>No other events related to the Issuer, which are crucial for preventing Issuer's insolvency, have been established.</p>
B.14	Issuer's dependency	Issuer is a holding company and it controls operational companies of the Sakret Group, therefore the insolvency of Issuer is directly dependent on operational subsidiaries and their financial results.
B.15	Description of the Issuer's principal activities	Issuer is a holding company and it controls operational companies of the Sakret Group. The main area of Sakret Group activity is production of dry mixes and ready-made liquid mixes for construction, such as masonry cement, plastering, and concrete.
B.16	Control over the Issuer	The beneficiary of the Issuer, controlling the Issuer, is chairman of the board, Māris Kelpis.
B.17	Credit ratings assigned to the Issuer or its debt securities	There is no credit rating assigned neither to the Issuer nor to the Notes issue.
B.18 – B.50		Not applicable.
Part C. Securities		

C.1	Type and category of securities, ISIN	Notes issue ISIN (International Security Identification Number) will be allocated by Nasdaq CSD.
C.2	Currency of the issue of securities	Currency of the Notes issue is euro (EUR).
C.3 – C.4		Not applicable.
C.5	Restrictions for free transferability of securities	The Notes are freely transferable securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the laws of the Republic of Latvia and the United States of America.
C.6 – C.7		Not applicable.
C.8, C.9	Rights arising from the Notes	<p>Noteholders have a right to receive Coupon and Nominal payments, exercise other rights as stipulated in the Terms of the Issue.</p> <p>The Coupon rate is 9.0% (nine per cent) per annum. Coupon payments are made once per quarter starting from 30 November 2019. The Issuer will withhold taxes according with applicable laws in the Republic of Latvia.</p> <p>The maturity date of Notes is 30 August 2024, Nominal amount is repaid as a lump sum on the maturity date.</p> <p>The Issuer can carry out full early redemption (call option), on 30 August 2021 by paying 90% for the Nominal amount, or on 30 August 2022 by paying 95% for the Nominal amount or on 30 August 2023 by paying 100% for the Nominal amount If the Issuer takes decision on the early redemption of Notes, the Issuer shall notify Noteholders at least 20 (twenty) Business Days prior to the redemption date of Notes.</p> <p>Each Noteholder has a right to demand full early redemption (put option) on 30 August 2023 at 90% for the Nominal amount. In order to exercise the put option the Noteholders have to submit an application to the Issuer or to its appointed agent not later than 40 (forty) Business Days prior the put option date.</p> <p>The Notes are secured with Collaterals established in accordance with the Collateral Agent Agreement executed between the Issuer and the Collateral Agent and the Collateral Agreements executed between the Collateral Agent and Sakret Group companies.</p> <p>Ranking of the Collaterals securing the Secured Obligations is in detail described in Annex 5 to the Terms of the Issue.</p> <p>Collateral Agent holds the Collateral for the benefit of the Noteholders and in its actions regarding the disposal of its rights as the pledgee and mortgagee follows the instructions of the Noteholders according to the procedures described in Section 5.4 of the Terms of the Issue.</p> <p>Any changes to the Collaterals established on the basis of the Terms of the Issue and the Collateral Agreements, as well as registration of other (next ranking) pledges or mortgages over the assets of the Collateral Providers is subject to receipt of prior consent from the Majority Noteholders. Any exceptions are allowed only according to the mandatory provisions of the applicable laws.</p>
C.10	Interest payment of securities based on derived financial instruments	Not applicable. There is no derivative component embedded in the terms of the Notes.

C.11	Inclusion of Notes in the regulated market	The Issuer plans to include Notes on the alternative market Nasdaq First North.
C.12	Minimum denomination of the issue	The Nominal value of one Note is EUR 1,000 (one thousand euro).
C.13 – C.22		Not applicable.
Part D. Risks		
D.1, D.2	Key information on the key risks that are specific to the Issuer or its industry	When making an investment in Notes, the Noteholder undertakes certain financial risks. The main risk factors that influence the Issuer are changes in regulatory enactments and policies, macroeconomics risk, construction industry risk, competition risk, production risk, relations with key customers, credit risk of clients, financial risk, refinancing risk, dependence on future employees, operational risk and legal proceeding and risk of other claims.
D.3	Key information on the key risks that specific to the securities	When investing funds in Notes, investors undertake the following risks related to debt securities: Collateral risk, Notes repayment risk, Notes early repayment risk, delisting risk, liquidity risk, price risk and tax risk.
D.4 – D.6		Not applicable.
Part E. Offer		
E.1 – E.2a		Not applicable.
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	Funds that are raised as a result of the Notes issue will be used in refinancing of current loan liabilities of the Issuer and its subsidiaries.
E.3	A description of the terms and conditions of the offer	Not applicable.
E.4	A description of any interest that is material to the issue/offer including conflicting interests	AS BlueOrange Bank (the Arranger) is organizing the Notes issue and may have other business transactions with the Issuer.
E.5 – E.6		Not applicable.
E.7	Estimated expenses charged to the investor by the issuer or the offeror	All the expenses related to the acquisition and custody of Notes are borne by an investor in compliance with the price-list of a credit institution or investment service provider, through which the investor purchases and keeps Notes. The Issuer is not obliged to compensate for expenses incurred by the investor. The investor may have additional tax payment obligations related to Notes depending on the investor's country of residence. The Issuer will deduct taxes from Coupon payments in compliance with the applicable legal acts of the Republic of Latvia.

2. Risk Factors

2.1. Important note

The risks indicated in this section may reduce Issuer's ability to fulfil its obligations and cause its insolvency in the worst-case scenario.

Notes are secured with Collaterals established in accordance with the Collateral Agreements executed between the Collateral Providers and the Collateral Agent.

This section may not feature all the potential risks, which may affect the Issuer.

2.2. Changes in regulatory enactments and policies

The Issuer carries out its production activity in Latvia, Estonia and Lithuania and most of the risks, which affect it, are related to the general economic situation in all three Baltic countries and regulatory enactments adopted by each country.

The Issuer is headquartered in Latvia and has manufacturing plants in Latvia, Lithuania and Estonia via local subsidiaries, thus every subsidiary operates under the laws of the respective country and any significant changes in existing regulatory enactments or implementation of new regulations governing corporate taxation, employees' remuneration, natural resources taxation and others might negatively affect the business and solvency of the particular subsidiary and Sakret Group as a whole.

2.3. Macroeconomics risk

The Issuer is engaged in production of high-end quality dry and read-made liquid construction mixtures and construction chemicals in Latvia, Lithuania and Estonia.

In 2018, 39% of the Sakret Group revenue was generated by building material sales in Latvia, 29% in Lithuania and 25% in Estonia. Remaining was generated by sales of services. The economic situation in all Baltic countries are assessed as stable which is supported by both macroeconomic data, such as GDP and employment indicators. Latvia and Lithuania currently have an A credit rating assigned by Standard & Poor's with a stable outlooks. Estonia currently has an AA- credit rating assigned by Standard & Poor's with a stable outlook.

Financial results of Sakret Group depends on the stable macroeconomic situation in each of the Baltic countries.

2.4. Construction industry risk

The demand for dry and read-made liquid construction mixtures that Sakret Group produces is directly linked to the state of construction industry in Baltic countries.

Following a rapid growth over the period of 2003 – 2008, the construction industry in the Baltics went into a nose-dive, with 2010 falling back to the level of 2002. Further years brought approximately 75% of cumulative growth until the industry faced another fall in 2016.

Latvia is expected to face the most substantial growth of all three Baltic countries over the next couple of years, evening out at a GDP growth of approx. 4%. Real estate prices have been increasing in line with domestic income and the current low interest environment expand consumer capabilities in housing investments. In Estonia, construction confidence index has currently reached its post-crisis-high level, expecting further sector growth.

Despite positive outlook on construction sector in Baltic countries, the decline of activity in the industry may adversely affect the Sakret Group's business and financial condition.

2.5. Competition risk

Sakret Group direct competitors across all Baltic countries are "Knauf", "Ceresit", "Saint-Gobain", and "Baumit". All Sakret's direct competitors are international companies and have one or more factories in Latvia, Lithuania and Estonia. In contrast to its competitors, Sakret Group is working exclusively for the Baltic market and is headquartered in the Baltics.

The Issuer may have difficulties to compete with these competitors, thus to remain competitive and to protect profit margins, Issuer must offer new products that keep pace with industrial and technological developments and must respond to customer requirements on a timely basis. New technologies, changing commercial

circumstances (for example, consolidation within a relevant sector), existing competitors (including those with a longer operating history, greater resources and/or broader range of products) and new entrants to the markets in which Issuer currently operates or markets in which Sakret Group might target for expansion may adversely affect the Group's business, financial condition, results of operations or prospects.

2.6. Production risk

Sakret Group operates 4 production plants in Riga (Latvia), Kedainai (Lithuania) and Paide (Estonia), thus any technological issues, human errors, incorrect planning or other issues directly connected with production processes might result in stoppage of production output of plants, which will negatively affect the financial results of the Sakret Group.

Group is operating its production plants since 2004 and its employees have an extensive experience in managing production processes, thus any potential production risks are monitored and controlled.

2.7. Relations with key customers

Over the past years, the Issuer has maintained a moderate concentration among its customer base. Top3 clients of the Issuer generate 39% of company's revenue as of 2018 and Top5 clients generate 60% of company's revenue, and this concentration has been stable over recent years. The remainder of Issuer's clients contribute less than 10% to revenue each. Sakret Group's clients are all the largest DIY chains in the Baltics, therefore, the concentration is directly linked with DIY market concentration. The loss of any of key customers and Issuer's inability to find adequate alternative customers on a timely basis, or at all, on commercially acceptable terms, could have a material adverse effect on its business, financial condition and results of operations.

2.8. Credit risk of clients

Issuer's customers have a period of time, generally 45 to 90 days after the date of invoice, depending on the type of customer, in which to effect payment. As a result, Issuer is subject to the risk that its customers will not pay or will delay the payment for the products they purchased. This credit exposure risk may increase due to liquidity or solvency issues experienced by Issuer's customers, for example, as a result of an economic downturn or an adverse change in their business. If Issuer is unable to collect payment for amounts invoiced from its customers, it could have a material adverse effect on its business, financial condition and results of operations.

Issuer assigns credit to customers according to internal credit policy, which is developed, applying thorough internal analysis of Issuer's customers and seeking to diversify and limit its credit risk exposure.

2.9. Financial risk

Historically, Sakret Group made expansion investments co-financed by Luminor (then DNB bank), including loans for construction of the factories in Lithuania (total investment EUR 9.50 million) and Estonia (total investment EUR 6.70 million). Because of the financial crisis of 2008-2009 and geopolitical tensions with Russia, Sakret's core markets contracted and return on the loans was negatively affected. In 2013, a restructuring was done, forming a holding structure and renegotiating the repayment schedule, Sakret returned to positive cashflow.

After the merger of DNB and Nordea, Luminor reevaluated its existing strategy and has decided to accept refinancing of Sakret Group loan at a discount – the current repayment schedule still is too long for the bank and the internal procedures do not allow to write-off part of the loan and keep Sakret as a client.

Due to the discount granted by Luminor, the consolidated equity of the Sakret Group will increase. Together with the shareholders contribution in amount of EUR 1m, the consolidated equity will become positive, allowing Sakret Group to participate in several grant and energy-efficiency increase programs and positively affecting the financial standing and solvency of the Issuer.

After the refinancing of Luminor loan, BlueOrange Bank will provide EUR 4 million long-term loan, EUR 2 million overdraft facility, EUR 1.7 million credit line and EUR 3.8 million will be raised via Notes Issue.

Despite the Issuer's track record with credit institutions, there is a possibility that sources of financing may not be available in the amount required for the Issuer, or their conditions may be too unfavorable, which may significantly affect Issuer's ability to ensure sufficient financing for the company's growth.

2.10. Refinancing risk

Principal of Notes will be repaid as a lump sum at maturity date, therefore the Issuer has increased refinancing risk. The Issuer will seek to refinance Notes issue or look for other funding sources in order to decrease refinancing risk, but if Notes will not be refinanced before maturity date, as per the management estimates, the Issuer should be able to cover principal of Notes from Group's own cash flow. In case of additional capital investments would be required during the duration of Notes, which would decrease cash available for repayment of Notes at the maturity, Issuer plans to refinance part of the Notes lump sum using long-term liabilities, which will be significantly decreased by 2022, based on the repayment schedule.

2.11. Dependence on future employees

In the future, the Issuer's activities will be affected by its ability to attract, preserve, and motivate highly qualified and experienced personnel. There is competition for personnel with the relevant skills and experience in Baltic countries and it is comparatively high; however, the Issuer has successful experience in the field of personnel management, offering education, professional growth, and development possibilities, as well as different motivation programs to the employees.

As of 2018, the Issuer's total number of employees was 132 persons. The majority of workers are involved in manufacturing processes.

2.12. Operational risks

Operational risk is a possibility of experiencing losses due to insufficient or unsuccessful inner processes, personnel management, systems, or external circumstances. As of 2018, the number of Group's employees reached 132 persons; therefore, thorough personnel selection is carried out, accurate descriptions of job duties are compiled, division of duties is coordinated, constant investments are made within the IT system, which allows the Issuer to reduce operational risks.

2.13. Legal proceeding and risk of other claims

The Issuer may be adversely affected by contractual claims, complaints and legal proceedings arising from relationships with partners, customers, competitors or regulatory authorities, as well as negative publicity such proceedings might cause. Any such legal proceedings, complaints, contractual claims or negative publicity may materially affect the operational activities, financial situation and business results of the Issuer.

2.14. Risks related to Notes

2.14.1. Collateral risk

Notes will be secured with Collaterals that will be subject to ranking described in Annex 5.

Noteholders should be aware that since the Estonian subsidiary of the Issuer is giving upstream collaterals, such collaterals could be contested under Estonian law in a certain case. As per the provisions of Estonian Commercial Code, an OÜ (osaühing)-type company shall not amongst others guarantee a loan taken by its shareholder whose share represents more than 5 per cent of its share capital. However, the Estonian law stipulates that this prohibition does not apply to guaranteeing or securing a loan taken by the parent if grant of guarantee or security/collateral does not harm the financial status of the company or the interests of its creditors.

If the Issuer fails to make the Coupon and / or Nominal payments in a timely manner, the Collateral Agent, acting in the interest of the Noteholders, will commence the Collateral enforcement proceedings according to the procedures described in Section 5.4. of the Terms of the Issue.

2.14.2. Notes repayment risk

Notes will be secured with Collaterals established in accordance with the Collateral Agreements executed between the Collateral Providers and the Collateral Agent. In case of Issuer's insolvency, Noteholders have the same right to receive their investment as other creditors of the relevant group in accordance with applicable regulatory enactments.

2.14.3. Notes early repayment risk

Issuer has a call option, which means, that at certain dates during the term of Notes the Issuer may decide to execute an early repayment of Notes by paying back the principal at the certain price for the Nominal amount to

the Noteholders. Noteholders should take into account that Notes early redemption price may be lower than Notes price on the secondary market.

2.14.4. Delisting risk

After Notes registration the Issuer plans to request admission to trading of the Notes on First North, which is alternative market operated by Nasdaq Riga. There is a risk, that Nasdaq Riga would not accept Notes to be admitted for trading on First North or order to delist Notes from the First North before the maturity after the admission to trading took place, due to changes in FCMC opinion and Legal acts, including Nasdaq Riga regulations.

2.14.5. Liquidity risk

Neither the Issuer, nor any other person guarantees the minimum liquidity of Notes. Noteholders should take into account that there may be difficulties in selling Notes in the secondary market.

2.14.6. Price risk

Notes will be repaid for their Nominal Value at the maturity, yet the price in the secondary market may change significantly. Neither the Issuer, nor any other person undertakes to maintain a certain price level of Notes.

2.14.7. Tax risk

Tax rates and tax payment procedure applicable at the moment of purchase of Notes to the tax residents, non-residents of Latvia, and residents of other countries may change. The Issuer will not compensate for the increase in taxes to Noteholders, therefore Noteholders may receive smaller payments related to Notes.

3. Party responsible for the Terms of the Issue

3.1. Party responsible for the Terms of the Issue

Akciju Sabiedrība "SAKRET HOLDINGS"

Registration number: 40103251030

Legal entity identifier: 8945008AJU1UU6D18269

Legal address: "Ritvari", Stopiņu nov., Rumbula, Latvia, LV-2121

3.2. Representations and Warranties of the Issuer

The Issuer shall, in accordance with these Terms of the Issue, issue Notes and perform the obligations arising from the Notes to the Noteholders.

The Issuer shall be liable to the Noteholders for due and complete fulfilment of its obligations deriving from the Notes with Collateral.

The Issuer gives the following warranties to the Noteholders:

- (a) All the Issuer's obligations assumed under this issue of the Notes are valid and legally binding to the Issuer and performance of these obligations is not contrary to the Issuer's Articles of Association, laws or any agreement concluded by the Issuer;
- (b) The Issuer has all the rights and sufficient authorizations to issue the Notes and fulfil obligations arising from issuing the Notes;
- (c) The Issuer has performed all the formalities required for issuing the Notes and fulfilling the obligations arising here from;
- (d) All information that is provided by the Issuer to the Noteholders is true, accurate, complete and correct as at the date of presenting the respective information and is not misleading in any respect.

3.3. Assurance of the information provided in the Terms of the Issue

The Issuer and its management board are responsible for the information contained in Terms of the Issue.

Hereby we, members of the board of AS "SAKRET HOLDINGS", Māris Kelpis, Juris Grīnvalds, Andis Ziedonis certify that, by paying sufficient attention to this purpose, the information included in the Terms of the Issue is true, in accordance with the facts, and no information which may affect its meaning is concealed therein.

		
Māris Kelpis Chairman of the board	Juris Grīnvalds Member of the board	Andis Ziedonis Member of the board

4. Information on Notes

4.1. The use of the proceeds

The total issue size is EUR 3,790,000 (three million seven hundred ninety thousand euro).

Funds that are raised as a result of the Notes issue will be used in refinancing of current loan liabilities of the Issuer and its subsidiaries.

4.2. Information on the offered Notes

4.2.1. General Information

The Notes are bearer and any person or entity that holds the Notes in his securities account has the right to receive Coupon and the Nominal payments. It is planned to issue Notes with nominal value of EUR 1,000 (one thousand euro) for one Note and total nominal value of EUR 3,790,000 (three million seven hundred ninety thousand euro).

Notes issue ISIN (International Security Identification Number) will be allocated by Nasdaq CSD.

4.2.2. Legal acts that regulate the Notes issue

The Notes issue is arranged in compliance with the Financial Instrument Market Law and other Legal acts of the Republic of Latvia that are in force including the FCMC and the Nasdaq CSD regulations.

All disputes between Noteholders and the Issuer shall be settled in courts of the Republic of Latvia in accordance to the Legal acts in force. Terms of the Issue are drafted and signed in English and any translations of the Terms of the Issue into another language are unofficial and made exceptionally for the Potential Noteholders' convenience. In case of any disputes' settlement, interpretation of the norms of the Terms of the Issue in English holds the priority against an interpretation in any other language.

4.2.3. Form and accounting of the Notes

The Notes are issued in dematerialized form and will be recorded in the Latvian SSS (securities settlement system governed by Latvian law) operated by Nasdaq CSD, which will provide the maintaining function for the Notes. Noteholders may hold Notes through Nasdaq CSD participants participating in the Latvian SSS.

4.2.4. Currency of the Notes

Currency of the notes is EUR (euro).

4.2.5. Collateral of the Notes, Parallel Debt

As security for the Secured Obligations, the Collateral shall be established in favor of and on the name of the Collateral Agent in accordance with the Collateral Agreements. Not later than on 22 November 2019, the Collateral Agreements will be executed between the Collateral Agent and the Collateral Providers in order to establish the Collateral (Collaterals) securing the Secured Obligations in accordance with the Terms of the Issue.

The Issuer shall ensure that the respective agreements are registered and perfected to the fullest extent required by the applicable law of the place of registration of the respective Collateral not later than on 22 November 2019. Notwithstanding the above, the Collaterals indicated in Annex 5 as having the second, third or fourth ranking in any case shall be registered only after the collaterals having the first, second and/or third rank are duly registered.

For the purpose of ensuring and preserving the enforceability of the Collateral, the Issuer irrevocably and unconditionally undertakes to pay to the Collateral Agent, as creditor in its own right and not as representative of the Noteholders and as a joint or solidary creditor together with the Noteholders, sums equal to and in the currency of the total of each amount payable by the Issuer to each of the Noteholders (whether present or future and whether actual or contingent) under the Terms of the Issue as and when the amount falls due for payment under the Terms of the Issue. For the purpose of clarification, the Parallel Debt will become due and payable at the same time and to the same extent as any of the Secured Obligations become due and payable. The conditions applicable to the Parallel Debt are in further detail described in the Annex 4 to the Terms of the Issue (please refer to Section 2 of the Collateral Agent Agreement).

4.2.6. Rights and restrictions connected with the Notes issue

Any Noteholder has the right to receive Coupon and Nominal payments in accordance with the Section 4.2.7. "Coupon payments" and 4.2.8. "Procedure of Notes repayment", as well as exercise other rights fixed in the Terms of the Issue and legislation of the Republic of Latvia.

The Issuer has the rights to purchase Notes on the secondary market directly from Noteholders. Notes that are purchased by the Issuer are held in Issuer's financial instruments' custody account and the Issuer has the rights to sell purchased Notes to Potential Noteholders and other Noteholders. The Issuer cannot cancel the purchased Notes held in the Issuer's financial instruments' custody account, therefore decreasing the size of Notes issue.

Notes owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) are not eligible to participate in the voting in accordance with Section 5.5. "Procedure for applying of the waiver".

4.2.7. Coupon payments

The Coupon rate for the Notes is 9% (nine per cent) per annum and is fixed until the maturity of the Notes.

Coupon payments are made once per quarter starting from 30 November 2019. The first Coupon payment will be made on 30 November 2019 and the last Coupon payment will be made on 30 August 2024.

The Coupon record date is the 5th (fifth) Business Day prior to the Coupon payment day. At the end of the Coupon record date Noteholders list, who will be eligible for the Coupon payments, will be fixed. Coupon payment shall be made to the Noteholders, as per Noteholders list, on each Coupon payment date for the preceding Coupon period.

The Issuer pays the Coupon through the intermediary of Nasdaq CSD and in accordance with applicable Nasdaq CSD regulations, which regulate the procedure for paying income from debt securities. Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Issue are Nasdaq CSD Rulebook and Corporate Action Service description.

If the Coupon payment date is a holiday or a festive day, the Issuer will make the relevant Coupon payment on the first Business Day after the holiday or festive day.

Coupon payments are determined according to the following formula:

$CPN = F * C / 4$ or $CPN\% = C/4$, where

CPN – the amount of Coupon payment in EUR per Note;

F – Nominal value of one Note;

C – annual Coupon rate (%);

CPN% - the amount of Coupon payment % per Note.

If the Issuer has failed to make Coupon payments in accordance with the deadlines specified in the Terms of the Issue, Noteholders shall have the right to submit claims regarding the payment of the Coupon not earlier than after 5 (five) Business Days following the payment date of the relevant Coupon.

The authority performing the calculation is not required to calculate the Coupon payment, since the annual rate of the Coupon for the relevant period is fixed in advance.

4.2.8. Procedure of the Notes repayment

The Nominal of one Note is EUR 1,000 (one thousand euro) and the Issuer will repay Nominal amount as a lump sum the maturity date of the Notes, which is 30 August 2024.

The Issuer will repay the Nominal amount in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Issue are Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal amount will be paid on the maturity date. Noteholders eligible to receive the Nominal will be fixed at the end of the Nominal record date, which is the previous Business Day before the maturity date.

If the maturity date is a holiday or a festive day, the Issuer will make the relevant Coupon payment and Nominal amount payment on the first Business Day after the holiday or festive day.

If the Issuer has failed to make Nominal amount payment in accordance with the deadlines specified in the Terms of the Issue, Noteholders shall have the right to submit claims regarding the repayment of the Nominal amount not earlier than after 5 (five) Business Days following the payment day of the Nominal amount.

4.2.9. Early redemption (call option)

The Issuer can carry out full early redemption (call option), on 30 August 2021 by paying 90% for the Nominal amount, or on 30 August 2022 by paying 95% for the Nominal amount or on 30 August 2023 by paying 100% for the Nominal amount. The Issuer can carry out call option only in full amount of total outstanding Notes.

If the Issuer takes decision on the early redemption of Notes, the Issuer shall notify Noteholders at least 20 (twenty) Business Days prior to the redemption date of Notes, with intermediation of Nasdaq CSD, or, if Notes are included in the Nasdaq Riga, via Nasdaq Riga information system.

If the Issuer takes decision on the early redemption of Notes, the Issuer will pay redemption payment in accordance with Nasdaq CSD intermediary and applicable Nasdaq CSD regulations. Nasdaq CSD regulations applicable on the day of preparation of the Terms of the Issue are Nasdaq CSD Rulebook and Action Service Description. Noteholders eligible to receive the redemption payment will be fixed at the end of the record date, which will be the previous Business Day before the redemption payment date.

4.2.10. Early redemption (put option)

Each Noteholder has a right to demand full early redemption (put option) on 30 August 2024 at 90% for the Nominal amount. In order to exercise the put option the Noteholders have to submit an application to the Issuer or to its appointed agent not later than 40 (forty) Business Days prior the put option date.

In case of breach of the covenant “Not to change the control of the Issuer” as per the Section 5.5. “Covenants” Noteholders have the rights to demand early redemption of Notes at the price of 101% (one hundred and one per cent) for the Nominal amount, along with the accrued Coupon within 5 (five) Business Days after the Issuer has received the notification.

Noteholders have the rights to demand early redemption of Notes (put option) in case of occurrence of the events of default in accordance with the Section 5.2. “Event of default”.

4.2.11. Accrued interest calculation

The first Coupon starts to accrue on 30 August 2019, which is the First Settlement Date of the Notes issue. The accrued Coupon is calculated presuming that there are 360 days in one year (day count convention - “European 30/360”). Accrued interest between Coupon payment dates shall be calculated as follows:

$AI = F * C / 360 * D$, where

AI – accrued interest of one Note;

F – Nominal value of one Note;

C – annual Coupon rate (%);

D – the amount of days from the beginning of the Coupon accrual period according to European 30/360 day count method.

4.2.12. Representation of the Noteholders

By submitting a subscription offer or acquiring the Notes on the secondary market, each Noteholder:

- (a) expresses its consent to the appointment of the Collateral Agent to perform the obligations and exercise the rights in connection with the Collateral as set forth in these Terms of the Issue and authorizes the Collateral Agent to exercise the rights, powers, authorities and discretions specifically given to the Collateral Agent under the Terms of the Issue and the Collateral Agent Agreement and any Collateral Agreement;
- (b) confirms that the fact that the Collateral Agent acts under the Collateral Agent Agreement concluded with the Issuer does not constitute any conflict with the interests of the Noteholder;
- (c) agrees that the Collateral Agent has only such functions, obligations and liability as expressly set forth in these Terms of the Issue and the Collateral Agent Agreement, and that upon the performance of its obligations and exercising of its rights in connection with the Collateral, the Collateral Agent is entitled to act at its discretion, considering the interests of the Noteholders, and, unless specifically requested

by the Collateral Agent, the Noteholders have no right to give any instructions to the Collateral Agent and the Collateral Agent is under no obligation to request or follow such instructions, except for the instructions provided under Section 5.4.;

- (d) agrees that the Collateral Agent does not have any obligation, and is not be liable for not fulfilling such obligation: (i) to take any action (including, without limitation, to commence legal proceedings, compulsory enforcement proceedings, bankruptcy proceedings or any other proceedings) with the purpose to satisfy any claims arising under the Terms of the Issue on the account of any assets of the Issuer or any other Collateral Provider, except the enforcement of Collateral in accordance with the Terms of the Issue and relevant instructions from the Majority Noteholders as stipulated in Section 5.4; (ii) to ensure the existence, validity, enforceability or any specific feature whatsoever of the Collateral or the assets encumbered with the Collateral or to preserve the Collateral or the assets encumbered with the Collateral or their value or to assess any rights arising from or relating to the Collateral; (iii) to inform the Noteholders or the Issuer about any circumstances except to the extent such obligation to provide information is explicitly set forth in these Terms of the Issue; (iv) to provide any advice to the Noteholders in legal, accounting, tax or other matters; (v) to verify, monitor or investigate the fulfilment of the obligations of the Issuer or any Collateral Provider under these Terms or under the Collateral Agreements, the correctness of representations and warranties or the adherence to covenants by the Issuer or any Collateral Provider;
- (e) agrees to pre-pay to the Collateral Agent all expenses (as detailed in the Collateral Agent Agreement) in relation to enforcement of the Collaterals, if such are not covered by the Issuer, or to compensate any other expenses of the Collateral Agent if so agreed by the Majority Noteholders as stipulated in Section 5.4.

The Noteholders do not have any independent power to enforce the Collateral or to exercise any rights or powers arising under the Collateral Agreements. Noteholders can exercise their rights in relation to the Collateral only through the Collateral Agent pursuant to these Terms of the Issue (especially Section 5.4.).

Upon the performance of its obligations and exercising its rights, the Collateral Agent acts at its own discretion in the interests and on the account of the Noteholders collectively and generally (and not of any particular Noteholder) without having any independent interests of its own, other than deriving from these Terms of the Issue and the Collateral Agent Agreement, and without any obligation to consider any interests or rights of the Issuer or any Collateral Provider (other than arising from the applicable law or the Collateral Agreements) and without any right of the Issuer to give any instructions to the Collateral Agent.

The Collateral Agent is not a party to the legal relationship between the Issuer, the Collateral Providers and the Noteholders, and is under no circumstances liable for the performance of the obligations of the Issuer or the Collateral Providers.

Upon the performance of its obligations and exercising of its rights the Collateral Agent has the right to use the services of third parties and to appoint third party representatives (by acquiring the prior approval of the Majority Noteholders if such is required by the applicable law). Notwithstanding such use or appointment, the Collateral Agent shall not be released from its responsibilities towards the Issuer and the Noteholders under the Collateral Agent Agreement and the Collateral Agent shall be personally liable to the Issuer and the Noteholders for the respective obligations. Furthermore, no additional fees and/or expenses shall be paid to the Collateral Agent as a result of such appointment by the Collateral Agent except where the payment of expenses is set forth in the Collateral Agent Agreement. The Collateral Agent may refrain from acting in accordance with the instructions of the Majority Noteholders as stipulated in Section 5.4. until it has received such indemnification or security as it may require for all costs, claims, losses, expenses (including but not limited to legal fees for services within Latvia or in other jurisdictions) and liabilities which it will or may expend or incur in complying with such instructions.

At the request of the Collateral Agent, any Noteholder shall provide the Collateral Agent with any information and/or documents required by the latter for the purposes of identification of the Noteholder and/or for the performance of other obligations arising from these Terms of the Issue, the Collateral Agreements, the Collateral Agent Agreement, or from the applicable law.

4.2.13. Decisions of the Issuer on the Notes issue

On 8 August 2019, the Issuer's shareholders passed the resolution (No. 2019-3) to approve the issue of secured debt securities (Notes) with nominal value of EUR 1,000 (one thousand euro), total nominal issue value EUR 3,790,000 (three million seven hundred ninety thousand euro), annual Coupon rate 9.00% (nine per cent) paid on a quarterly basis and approve the terms and conditions of the Notes Issue.

4.2.14. The First Settlement Date of the Notes issue

The First Settlement Date (Issue Date) of the Notes issue is 30 August 2019, on which the Coupon starts to accrue.

4.2.15. Restrictions on free circulation of the Notes

The Notes are freely transferable securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the laws of the Republic of Latvia and the United States of America.

5. Special Conditions

5.1. Disclosure of information

Up to the maturity of Notes, the Issuer shall publish all the information required by covenants, rules of Nasdaq Riga and regulatory enactments.

5.2. Event of default

The Issuer is in default if at least one of the following occurs:

- The Issuer has failed to make a Coupon payment in full for more than 5 (five) Business Days following the planned payment date;
- The Issuer has failed to make a Nominal value payment in full for more than 5 (five) Business Days following the planned payment date;
- The Issuer has violated the conditions of the Section 5.5. "Covenants";
- The Collateral Agent has not been able to establish the Collateral in favor of and on the name of the Collateral Agent, not later than on 22 November 2019;
- The Issuer has failed to service other liabilities in the amount of over EUR 100,000 for more than 5 (five) Business Days;
- Insolvency proceedings have been initiated against the Issuer;
- The Issuer has submitted an application for liquidation in the relevant state authorities in Latvia.

The Noteholder can submit a written notification to the Issuer regarding that the immediate repayment deadline has set in for the Notes owned by the relevant Noteholder, at any time after the event of default has occurred (and as long as the event of default exists). The Issuer has to pay the Nominal value of Notes along with the accrued Coupon and contractual penalty, in accordance with Section 5.3. "Contractual penalty", within 5 (five) Business Days after the receipt of the notification.

5.3. Contractual penalty

In the case of non-compliance or inadequate compliance with a payment obligation arising from the Notes, the Noteholder in question shall be entitled to require and the Issuer shall be obliged to pay contractual penalty upon the request of any Noteholder to all the Noteholders from the date (excluding), when the deadline has set in, to the actual payment date (including) in the amount of 0.05% (zero point zero five per cent) per day from the relevant outstanding amount, but total contractual penalty may not exceed 10% (ten per cent) from the relevant outstanding amount.

If the Issuer has failed to make Coupon payments in accordance with the deadlines specified in the Terms of the Issue, Noteholders shall have the right to submit claims regarding the payment of the Coupon not earlier than after 5 (five) Business Days following the payment date of the relevant Coupon.

If the Issuer has failed to make Nominal amount payment in accordance with the deadlines specified in the Terms of the Issue, Noteholders shall have the right to submit claims regarding the repayment of the Nominal amount not earlier than after 5 (five) Business Days following the payment day of the Nominal amount.

5.4. Enforcement

The Collateral Agent shall take all actions that the Collateral Agent as the holder of the Collateral may reasonably take with the purpose to enforce the Collateral according to the procedure provided for in the Collateral Agreements in case all of the following conditions are met:

- (a) any of the events of default indicated in Section 5.2. above have occurred; and
- (b) the Majority Noteholders have instructed the Collateral Agent in writing to enforce the Collateral;
- (c) the Majority Noteholders have agreed with the Collateral Agent on the order of payment of the fee of the Collateral Agent in relation to enforcement of the Collaterals.

At the enforcement of the Collateral, the Noteholders may transfer their Notes to the Collateral Agent for the purposes of the enforcement and in such case the Collateral Agent shall be obliged to accept the Notes and enforce the Collateral as a direct creditor under the Notes. For the avoidance of doubt, nothing in these Terms of the Issue shall oblige any Noteholder to transfer its Notes to the Collateral Agent and the Collateral Agent shall be obliged to enforce the Collateral in relation to such Notes not transferred to the Collateral Agent on the basis of Parallel Debt (without taking liability for enforceability of the Parallel Debt as such) in accordance with the provisions of these Terms of the Issue.

If pursuant to the Terms of the Issue the Majority Noteholders instruct the Collateral Agent, the Collateral Agent is obligated (subject to the other sentences in this Section) to comply with these instructions. Any such instructions from the Majority Noteholders will be binding on all Noteholders. The Collateral Agent is not liable for any consequences or damages that result from complying with the instructions, and the Majority Noteholders who have given such instructions shall fully indemnify the Collateral Agent if the Collateral Agent is held liable for this.

The Collateral Agent has the right to suspend enforcement and of its duties as Collateral Agent in general, if the fees and/or expenses of the Collateral Agent are not paid when due by the Issuer, and the Noteholders fail to pay such fees and/or expenses within 10 (ten) days of a respective request, or if the expenses of the Collateral Agent that need to be borne in order to commence or continue enforcement are not prepaid by the Issuer or the Noteholders within the same term. For the avoidance of doubt, the Noteholders shall have the right but not the obligation to pay the Collateral Agent's fees, costs or expenses instead of the Issuer, and in case the Noteholders do so, the relevant Noteholders shall be deemed to have acquired the Collateral Agent's claim against the Issuer in the relevant part.

Proceeds from the enforcement of Collateral are applied in the following order of priority (whereas no interest shall be added to the amounts received and due to be paid out by the Collateral Agent):

- (a) first, towards payment of fees and costs, which must be paid as a result of the enforcement of the Collateral pursuant to applicable laws (including, without limitation, notary fees, bailiff's fees, state duties);
- (b) second, towards payment of all fees, costs and expenses (including valuation costs and fees, costs and expenses of third parties engaged in by the Collateral Agent) of the Collateral Agent payable under the Terms of the Issue, any Collateral Agreement and the Collateral Agent Agreement;
- (c) third, towards the Secured Obligations (if necessary, proportionally to the nominal values of the Notes held by Noteholders);
- (d) fourth, if any proceeds remain, they shall be returned to the Issuer.

When a decision or an expression of will by the Majority Noteholders, such a decision or expression of will must be made at a meeting of the Noteholders, or in writing, pursuant to the order described below.

- (a) Noteholders meetings may be convened by the Issuer, by the Collateral Agent, or by the Majority Noteholders, and shall be notified at least 10 (ten) Business Days in advance by way of a notice sent in accordance with these Terms to each Noteholder and the Collateral Agent. The notice shall include the agenda of the meeting. If a meeting is convened by the Majority Noteholders or the Collateral Agent, they shall send the convocation notice to the Issuer who shall forward it to the Noteholders within 2 (two) Business Days.
- (b) Meetings shall take place in Riga, Latvia, on Business Days, during regular business hours, at such time as is indicated in the notice. Meetings shall have quorum if the Noteholders present constitute Majority Noteholders.
- (c) Majority Noteholders shall mean the Noteholders holding over 51% (fifty one per cent) of all outstanding Notes at the relevant time.
- (d) Meetings of the Noteholders shall be chaired and recorded by the person appointed by the Majority Noteholders represented at the meeting. A meeting may not adopt decisions in questions not included in the agenda of the meeting as notified to the Noteholders, except where all Noteholders are present. Meetings shall be held and minutes kept in English. A noteholder may be represented by any person (including by another Noteholder) based on a written power of attorney.
- (e) Minutes of the Noteholders meetings of the Noteholders must include: (i) the time and place of the meeting; (ii) the names and representatives of the Noteholders present, and the number of Notes held by them; (iii) the resolutions voted on and the voting results, indicating which Noteholders voted “in

- favor" and "against" the decision; (iv) signatures of all Noteholders present in the meeting. Minutes shall be promptly sent by the Issuer to all Noteholders, regardless of whether they participated in the meeting.
- (f) Costs related to meetings of the Noteholders shall be borne by the Issuer.

5.5. Covenants

From the Issue Date of Notes to the date of repayment thereof, the Issuer and its subsidiary companies (if any) shall undertake the following:

- The Issuer and its subsidiaries shall continue business operations in the production of dry mixes and ready-made liquid mixes;
- Not to change the control of the Issuer (not to sell more than 50% of shares of the Issuer or its ultimate holding company);
- Not to commence Issuer's liquidation and not to reduce the equity capital;
- Any transactions with Related Persons shall be at market prices;
- In case of investment larger than EUR 100,000 the Issuer or its subsidiaries may invest in share capital of other companies only if the participation share is at least 51% and the Issuer or its subsidiaries retains full control of a company;
- Not to sell, present, change, rent, invest, or otherwise transfer into utilization the right to use the trademarks owned or otherwise utilized by the Issuer and/or its subsidiary companies, except if trademarks are sold, presented, changed, rented, invested, or otherwise transferred into utilization to the Issuer's subsidiary company, its managing company, or any companies dependent on the managing company, other enterprises or companies which have directly or indirectly acquired participation in the equity capital of the Issuer or in which the Issuer has acquired direct or indirect participation (if any), or except if trademarks are sold, presented, changed, rented, invested, or otherwise transferred into utilization to be used outside Latvia, Estonia and Lithuania;
- Not to pay out dividends, if only audited consolidated Net Debt/Equity indicator is below 3.5 and if such dividend payout is allowed by other credit agreements;
- To maintain consolidated DSCR (profit before interest payments, tax payments, depreciation and amortization calculation against all interest, coupon and principal payments) at least 1.1*;
- To maintain both consolidated Net Debt/Equity (total interest bearing liabilities minus cash against equity) and Net Debt/EBITDA (total interest bearing liabilities minus cash against profit before interest payments, tax payments, depreciation and amortization calculation) indicators not exceeding:
 - 5.0*, as of 31.12.2019
 - 4.5, as of 31.12.2020
 - 4.0, as of 31.12.2021
 - 3.5, as of 31.12.2022

**for DSCR, Net Debt/Equity and Net Debt/EBITDA calculations as of 31.12.2019, EBITDA and Equity will be adjusted to one-off refinancing expenses*

- From the Issue Date, to prepare and publish unaudited consolidated quarterly reports as per Latvian accounting standards within 2 months after the reporting period;
- Starting from 31.05.2020, to prepare and publish unaudited consolidated quarterly reports as per International Financial Reporting Standards within 2 months after the reporting period;
- Until 30.09.2019, to prepare and publish audited consolidated annual report as per Latvian accounting standards for the year 2018;
- Until 31.05.2020, to prepare and publish audited consolidated annual report as per International Financial Reporting Standards for the year 2019 audited by Big4 (EY, Deloitte, PwC or KPMG). The respective auditor's opinion shall be unqualified;

- Starting from 01.01.2021, to prepare and publish audited consolidated annual report as per International Financial Reporting Standards within 4 months after the reporting period audited by Big4 (EY, Deloitte, PwC or KPMG). The respective auditor’s opinions shall be unqualified;
- Proof of compliance with the financial covenants to be included in every audited consolidated annual report;
- To include Notes on the alternative market within 6 months after the Issue Date.

For the needs of this section, quarterly and annual reports (together with proof of compliance with financial covenants) should be published on Issuer’s website and, after Notes are listed on First North operated by Nasdaq Riga, via Nasdaq Riga information system.

For the needs of this section, the term “Related Persons” shall mean any natural or legal person, which is (a) a shareholder or (b) a member of the board or council, or (c) a spouse of any persons referred to in (a) – (c) in relation to the Issuer.

5.6. Procedure for applying for the waiver

The Issuer has the right to ask for the consent (waiver) of Noteholders to amend the conditions included in the Terms of the Issue (apply for the waiver).

The amendment of the Terms of the Issue may include the amendment of any conditions, which is not restricted by such characteristics of Notes as currency, Coupon rate, Coupon calculation method, Coupon and Nominal payments, inclusion of Note for trade in other regulated or alternative markets, repayment deadline of Notes, and other conditions, unless they contradict regulatory enactments in force in the Republic of Latvia.

The Issuer can apply for the waiver itself or through the intermediary of an authorized person (“Agent”). To apply for the waiver, the Issuer or Issuer’s Agent shall notify Noteholders with intermediation of Nasdaq CSD, or, if Notes are included in the Nasdaq Riga, via Nasdaq Riga information system, specifying at the least the following information:

- a description of the changes applied for;
- a justification of the necessity of the changes applied for;
- the date when the list of Noteholders eligible to grant the waiver (vote) will be fixed;
- the term within which a Noteholder can support or reject the offered waiver;
- instructions concerning notification about the support or rejection of the waiver and the procedure for filling in the voting questionnaire;
- notification that a Noteholder willing to grant the waiver offered by the Issuer shall notify the Issuer and Issuer’s Agent within the term specified in the application, which is certified by a postal seal, signature on receipt or notification (letter or email) from Noteholder’s Custodian. If the Noteholder does not notify the Issuer or Issuer’s Agent about the approval to grant waiver within the term specified in the application, a Noteholder shall be deemed as not having granted the waiver;
- contact details of the Issuer and/ or the Issuer’s Agent to be used for notifications (telephone number for inquiries, email or address for sending filled in and signed questionnaires, list of representative offices and/ or branches of the Issuer and/ or Issuer’s Agent where Noteholders can submit the questionnaires in person);
- other information including a fee to Noteholders for approving the waiver needed by Noteholders for deciding upon granting the consent or refusal to grant the waiver to the Issuer.

The list of Noteholders shall be inquired from the Nasdaq CSD as of the date falling to the fifth Business Day after the waiver with intermediation of Nasdaq CSD was sent to Nasdaq CSD participants, who hold the Notes in financial securities’ custody accounts or are Noteholders, or after the announcement of the waiver has been published via Nasdaq Riga information system, if Notes are included in the regulated or alternative market.

The term allowed to Noteholders for deciding upon refusal to grant the waiver to the Issuer may not be shorter than 14 (fourteen) calendar days after the waiver with intermediation of Nasdaq CSD was sent to Nasdaq CSD participants, who hold the Notes in financial securities’ custody accounts or are Noteholders, or after the



announcement of the waiver has been published via Nasdaq Riga information system, if Notes are included in the regulated or alternative market.

Noteholders shall submit signed questionnaires with their decision to the Issuer or Issuer's Agent by a deadline set in the application of the waiver. The waiver is deemed to be granted, if Noteholders owning at least 2/3 (two thirds) of the outstanding Notes issue (excluding Notes owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) from the total outstanding amount of Notes issue) have voted for granting the waiver. The Notes owned by the Issuer and / or its affiliated persons (subsidiaries, shareholders, management or employees) are not eligible to participate in the voting.

The Issuer or Issuer's Agent shall sum up the received votes and notify Noteholders of the results of the voting within one Business Day after the deadline for submitting the questionnaires by sending relevant notification with intermediation of Nasdaq CSD to Nasdaq CSD participants, who hold the Notes in financial securities' custody accounts or are Noteholders, or by publishing relevant announcement via Nasdaq Riga information system, if Notes are included in the regulated or alternative market.

If the accepted changes refer to specifications of the Notes and/ or Coupon calculation method, as well as procedure of Coupon payments and/ or repayment of the Nominal, the Issuer shall inform Nasdaq CSD on the mentioned changes according to the regulation determined in the Nasdaq CSD rules.

If the Issuer offers Noteholders a fee for approving the waiver and the waiver is granted, the Issuer transfers the fee amount to the account stated by a Noteholder in the questionnaire not later than ten Business Days after the waiver comes into force.

6. Taxes

6.1. Notice

This summary is of general nature and should not be considered a legal or tax advice. This section does not contain full and complete information on all the taxes that relate to investment in the Notes. Tax rates and conditions for paying taxes may change during the life of the Notes. Prospective Noteholders should consult with their own tax advisors with respect to their particular circumstances and the effects of the Latvian or foreign tax laws to which they may be subject to.

6.2. Definition of residents and non-residents

An individual is considered resident of Latvia for tax purposes if his or her permanent place of residence is Latvia; or he or she stays in Latvia for more than 183 days within any 12-month period; or he or she is a citizen of Latvia and is employed abroad by the government of Latvia. If an individual does not meet any of the above-mentioned criteria, he or she is considered a non-resident for tax purposes.

Any legal entity is considered resident of Latvia for tax purposes if it is or should be established and registered in Latvia according to the Latvian legislation. Other legal entities are considered non-residents for tax purposes.

Table 1 – Tax consequences in Latvia regarding the income derived from Notes that are issued by a legal entity registered in Latvia (not being a credit institution) effective as of 1 January 2019:

Legal status of income beneficiary	Notes that are not in the Public Circulation		Conditions
	Interest tax rate	Capital gains tax rate	
Individual resident of Latvia	20%	20% ¹	20% tax from the interest (coupon) income is withheld and transferred to the State budget by an Issuer of Notes, if it is registered in Latvia. ¹ - Capital gains from a sale of Notes are considered equivalent to an interest income and taxed at 20% rate in Latvia. Self-assessment and payment of a tax on capital gains [i.e. profits] in Latvia is performed by a beneficiary of capital gains – a resident individual filing the Annual Income Statement.
Company resident of Latvia	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit)	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit)	Interest (coupon) income and a capital gain from the Notes not being in the Public Circulation constitute a part of the beneficiary - Latvian company's overall income. The Corporate Income Tax obligation is deferred to the moment of profit distribution (dividends, interim dividends) or deemed profit distribution (deemed dividends, non-business expenditure, bad debts provisions/write-off, loans to the related persons, transfer pricing adjustments, liquidation quota) of the beneficiary - Latvian company. The tax is assessed and paid based on the Corporate Income Tax Return filed for a taxation period (a month or year).

Individual non-resident	20% ^{2,4}	20% ^{3,4}	<p>20% tax from the interest (coupon) income is withheld and transferred to the State budget by an Issuer of Notes, if it is registered in Latvia.</p> <p>² - The reduced 10%, 7%, 5%, 2.5% or 0% tax rate on interest (coupon) income can be applicable in Latvia only, if provisions of the Double Tax Treaty concluded between Latvia and other relevant country stipulate it.</p> <p>³ - A capital gain from the Notes is considered equivalent to an interest income and taxed at 20% rate. The purchaser of the Notes, if it is registered in Latvia, performs calculation and withholding of a tax on capital gain [i.e. a profit]. If no profit is derived from a sale transaction, the 20% tax is not withheld/paid. The Double Tax Treaty provisions may stipulate a tax exemption in Latvia for a capital gain derived by a non-resident individual.</p> <p>⁴ - A non-resident individual being a beneficiary of interest (coupon) income or a capital gain could be obliged to assess and pay tax in its country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia.</p>
Company non-resident	exempt ^{5,6}	exempt ⁶	<p>Interest (coupon) income and a capital gain derived by a non-resident company (except a company from one of the "black listed countries or territories") are tax exempt in Latvia.</p> <p>⁵ - An issuer of Notes withholds 20% tax from interest (coupon) payments, if they are made to a company non-resident registered in one of the low tax or non-tax countries or territories specified by the Cabinet Regulations of Latvia (so called "the black listed countries and territories").</p> <p>⁶ - A non-resident company being a beneficiary of interest (coupon) income or a capital gain could be obliged to assess and pay tax in its country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia.</p>

Source: Legal acts of the Republic of Latvia

7. Terms of the Offering

7.1. Subscription to the Notes

7.1.1. Subscription period

The initial offering shall commence on 8 August 2019 and shall end on 8 September 2019 at 17:00.

7.1.2. Subscription terms

Subscription orders to the Notes can be submitted to the Arranger every Business day during normal working hours. More detailed information on the submission of the subscription orders is available by phone +371 67031222.

Subscription order can also be submitted to other Custodians, which in turn shall submit orders to the Arranger. Business relations between Potential Noteholders and Custodians are regulated by contracts between them and by the applicable legal acts.

The total Nominal value of subscribed Notes should be stated in the order. Potential Noteholders have the right to submit several subscription orders during the offering. Subscription orders to the Notes are irrevocable. The Arranger will register all submitted subscription orders of its clients according to legal requirements and internal procedures.

The minimal subscription size is EUR 1,000 (one thousand euro) for a qualified investor and EUR 100,000 (one hundred thousand euro) for other Potential Noteholders. The maximum subscription size is EUR 3,790,000 (three million seven hundred ninety thousand euro). Subscription size should adhere Settlement Unit Multiple.

7.1.3. Notes price

Notes purchase price can be equal to 100% (one hundred per cent) of the Nominal value or purchase price could be lower or higher than Nominal value, meaning that bonds can be sold with discount or premium, plus accrued interest as per Section 4.2.11 "Accrued interest calculation".

All subscription orders that were aggregated during the subscription period with the First Settlement Date as of 30 August 2019 will be delivered without accrued interest.

7.1.4. Reduction of the Notes issue size

At any time the Issuer may decide to discontinue offering of the Notes. The total issue size is equal to the actual issue size of the Notes before such decision.

7.1.5. Allocation of the Notes to investors

The Notes are allocated to investors in the amount not larger than the amount specified in the subscription form and not less than the minimum size as described in the Section 7.1.2. "Subscription terms".

The Arranger at its sole discretion has a right to refuse to allocate all or part of the subscribed Notes to any Potential Noteholder.

7.2. Settlement and delivery of the Notes

The First Settlement Date of Notes is 30 August 2019. All subscription orders that were aggregated during the subscription period with settlement date is 30 August 2019 will be delivered without accrued interest.

The settlement date for the Notes can be any Business Day which is not earlier than the second Business Day and not later than the 20th Business Day after subscription order is fully submitted to the Arranger.

Settlement of the Notes will be executed through the Nasdaq CSD as DVP (delivery versus payment) transactions according to the applicable Nasdaq CSD rules and Operating Manual. The Custodians execute payments for the Notes based on the results of the subscription provided by the Arranger. The Notes will be transferred to Potential Noteholders' financial instrument accounts on the settlement date.

Settlement for the Notes can be executed according to other procedure, which is agreed to by the Arranger and Potential Noteholder.

7.3. Pre-emptive rights

None of Potential Noteholders has the rights of pre-emption in respect to acquisition of the Notes in the initial placement.

7.4. Transaction

Funds raised through initial subscription of Notes will be transferred to bank account of Issuer in AS BlueOrange Bank. Issuer authorize BlueOrange Bank to transfer funds from Issuer's bank account to escrow account in BlueOrange Bank for the re-financing of current liabilities in line with the escrow account agreement No. DK-068109-01, signed on 23 August 2019 by AS BlueOrange Bank, Luminor Bank AS and Sakret Group. If terms of the escrow account agreement will not be fulfilled by any of the parties and terms of escrow account will not be met, meaning that the re-financing transaction will not occur, the Issuer authorizes AS BlueOrange Bank to use funds raised from Notes Issue and held in escrow account, in order to purchase issued Notes from the Noteholders at the secondary market at the issue price.

8. Including of the Notes on the market and trading regulations

The Issuer plans to request the admission to trading of the Notes on First North, which is alternative market operated by Nasdaq Riga, and submit Terms of the Issue and company description with Nasdaq Riga.

The Issuer has not signed any agreement with any person for Notes liquidity maintenance on the secondary market.

9. Additional Information

9.1. Advisors involved in the Issue

The Issuer has concluded an agreement with the Arranger to organize the Notes Issue, to communicate with the Nasdaq CSD and Nasdaq Riga, market it to Potential Noteholders and conduct settlement during the subscription period. The Arranger may provide other services to the Issuer in the future and receive remuneration for it. The Arranger may invest its own funds in the Notes.

The Issuer has signed the Collateral Agent Agreement with Collateral Agent, which holds the Collateral for the benefit of the Noteholders and is authorized to dispose the Collateral in the interests of all the Noteholders in accordance with the present Terms of the Issue and the Collateral Agent Agreement.

9.2. The external audit of the information included in the securities description

The auditors have not verified the information included in the securities description.

9.3. Statements or reports included in the securities description

The securities description does not contain any expert statements or reports.

9.4. Credit ratings

There is no credit rating assigned to the Issuer or to the Notes issue.

10. The Issuer

10.1. General Information on the Issuer

Country of location: Republic of Latvia.

Legal form: joint-stock company, legal status — legal person.

Date and place of registration: in the Commercial Register of the Republic of Latvia on 30 September 2009

Registration number: 40103251030

Legal address: "Ritvari", Stopiņu nov., Rumbula, Latvia, LV-2121

The company's country of foundation is the Republic of Latvia.

The Issuer carries out its activities in accordance with the legal acts of the Republic of Latvia.

The main regulatory enactments which regulate Issuer's activities are

- The Commercial Law of the Republic of Latvia;
- Labour Code;
- Construction Law.

10.2. A description of the Issuer's position within the group

Issuer is a holding company and it controls operational companies of the Sakret Holdings group. Since Issuer is a holding company, the insolvency of Issuer is directly dependent on operational subsidiaries and their financial results.

10.3. Auditor

The Issuer's financial auditor of the last audited annual report is SIA "Deloitte Audits Latvia" (registration number: 40003606960, legal address: Grēdu iela 4a, Riga, Latvia, LV-1019).

11. Business of the Issuer

11.1. Brief summary

Founded in 2003, Sakret Group is leading producer of dry mixes and ready-made liquid mixes for construction, such as masonry cement, plastering, and concrete in Baltics. Group consists of three dry-mixes factories in all three Baltic states, each with over 100,000 tonnes production capacity per year and liquid ready-made mixes factory in Latvia. Company employs more than 125 people.

Additional information about the business of Sakret Group is available in the Appendix 1.

11.2. Management of the Issuer

- **Māris Ķelpis** (Founder, Chairman of the Management Board)

Māris is the founder of Sakret Group. He has held a controlling stake in Sakret Group since the founding and still follows the operations on a daily basis.

- **Andris Vanags** (Chairman of the Supervisory Board)

Andris has spent long years working for construction material companies producing cement, concrete and other products. Prior experience include client service manager at AS Brocēni (currently Cemex) and project manager at AS Brocēnu šiferis.

Andris holds a BSc in chemical technology, MSc in silicate and high-temperature materials chemistry and technology from Riga Technical University and PhD in business management.

He acted as a Special Advisor to the former Prime Minister of Latvia, Māris Kučinskis, and is a Member of the Counsellors Convention of RTU and Member of the Council of Latvian Chamber of Commerce and Industry.

- **Juris Grīnvalds** (Chief Commercial Officer, Member of the Management Board)

From 1996 to 2003, worked in the Danish paint company SKALFLEX. Joined Sakret in early beginning of 2003 as Sales Director. Lead the construction project of the largest dry mixing plant in the Baltic states. Plant in Kėdainiai in Lithuania was opened in 2008. Currently coordinates Sakret sales in the Baltics and Scandinavian countries, as well as is the Director of Sakret Plus.

Juris graduated from the Faculty of Civil Engineering of Latvia University of Agriculture. Currently serves as Board Member of Association of Building Materials Manufacturers.

- **Andis Ziedonis** (Chief Financial Officer, Member of the Management Board)

Andis has more than 20 year experience as CFO. He joined Sakret in 2006 after 8 years in one of the largest press publishing house in the Baltics, where he started as an Economist and was promoted to Chief Economist, CFO and member of the board. He also has experience in banking sector.

Andis holds a combined BSc in Engineering and Economics from Riga Technical University.

11.3. Supervisory Board of the Issuer

The Supervisory Board of Issuer consists of three members:

- Andris Vanags, chairman
- Valērija Lieģe,
- Artis Grīnbergs

11.4. Shareholders of the Issuer

The only shareholder of AS "SAKRET HOLDINGS" is a company SIA "PĀRVALDĪBAS SISTĒMAS", with registration number: 42103085387 and legal address: "Ritvari", Stopiņu nov., Rumbula, Latvia, LV-2121.

Issuer's share capital is EUR 35,000 which consists of 25,000 ordinary shares, each of them with a nominal value of EUR 1.40. SIA "PĀRVALDĪBAS SISTĒMAS" holds all 25,000 shares of the Issuer.

SIA "PĀRVALDĪBAS SISTĒMAS" share capital is EUR 8,000 which consists of 8,000 ordinary shares, each of them with a nominal value of EUR 1.00.

At the moment of signing the Terms of the Issue, the current structure of SIA "PĀRVALDĪBAS SISTĒMAS" shareholders is as follows:

Table 2 – SIA "PĀRVALDĪBAS SISTĒMAS" shareholders structure

Name, surname/ Legal name	Number of shares	% of the total number
Māris Ķelpis (120561-10558)	6,824	85.300%
Ilgvars Belinskis (061060-10547)	810	10.125%
Private individuals	366	4.575%
Total:	8,000	100%

The beneficiary of the Issuer, controlling the Issuer, is chairman of the board, Māris Ķelpis.

At the moment of signing the Terms of the Issue, the Issuer has no information at its disposal regarding any agreements, the fulfilment of which might cause changes in the Issuer's control.

11.5. Legal proceedings and arbitration

At the moment of signing the Terms of the Issue, the Issuer are not involved in any government interventions, lawsuits or arbitration processes, which may significantly affect or have significantly affected the financial situation or profitability of the Issuer.

11.6. Substantial changes in financial situation of the Issuer

As of the publication of the last financial statement, the financial situation or performance of the Issuer has not worsened.

Issuer plans to use funds raised from Notes Issue, together with senior financing from AS BlueOrange Bank, to refinance current liabilities from credit institutions. After the refinancing, due to the discount granted by current credit institution, the consolidated equity of the Sakret Group will increase. Together with the shareholders contribution in amount of EUR 1m, the consolidated equity will become positive, allowing Sakret Group to participate in several grant and energy-efficiency increase programs and positively affecting the financial standing and solvency of the Issuer.

The Issuer is unaware of any other factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Issuer in future.

11.7. Important agreements

The Issuer has no knowledge of any important agreements that could have been concluded between the Issuer and any related company and that could affect the Issuer's capability to fulfil its liabilities due to investors regarding the securities to be issued.

11.8. Significant recent and known trends

At the moment of signing the Terms of the Issue, the Issuer has no information at its disposal regarding any recent tendencies that have negatively affected the Issuer or the activity of the construction material production industry.

At the moment of signing the Terms of the Issue, the Issuer has no information at its disposal regarding any identified tendencies that have negatively affected the Issuer or the activity of the construction material production industry.

11.9. Documents available to the public

After the Notes will be included in First North operated by Nasdaq Riga, Terms of the Issue and company description will be available to the public and on Issuer's website within 6 months after the Issue Date.

12. Financial information

The last audited equity of the Issuer is negative EUR (8,345,213).

Issuer does not provide pro forma financial information.

The profit/loss forecast has not been carried out.

Information, which is disclosed in this section of the Terms of the Issue, is taken from the Issuer's audited and unaudited financial reports that are approved by the Issuer's management. The annual reports are prepared according to the Latvian accounting standards.

As per unaudited data for 2018, all loan liabilities from credit institutions are classified as short-term due to refinancing planned in September 2019 with funds raised from Notes Issue, together with senior financing from AS BlueOrange Bank.

12.1. Objections in the financial information of the audit report

The audit report for financial statements for 2016 contained no objections.

The audit report for financial statements for 2017 one objection, regarding significant uncertainty about the company's ability to continue as a going concern. Auditor notes, that Sakret Group ended 2017 year with net loss of EUR 220,632, consolidated equity was negative EUR 8,345,213 and its current liabilities exceeded its current assets by EUR 2,629,360. Thus, auditor states, that the continued operation of the Sakret Group is dependent on its ability to meet its credit obligations on time, as well as to meet all financial ratios and secure the long-term financing from the credit institutions.

Issuer plans to use funds raised from Notes Issue, together with senior financing from AS BlueOrange Bank, to refinance current liabilities from credit institutions. Due to the discount granted by current credit institution, the consolidated equity of the Sakret group will increase. Together with the shareholders contribution in amount of EUR 1m, the consolidated equity will become positive, allowing Sakret Group to participate in several grant and energy-efficiency increase programs and positively affecting the financial standing and solvency of the Issuer.

12.2. Income Statement

Table 3 – Issuer's consolidated income statements, 2015-2018, EUR

	2015	2016	2017	2018 (unaudited)
Revenue	19 146 596	17 648 223	19 298 618	21 265 701
Cost of goods sold	14 414 231	13 220 742	14 649 323	15 872 424
Gross profit	4 732 365	4 427 481	4 649 295	5 393 277
Cost of sales	2 582 205	2 544 522	2 764 948	2 799 993
Administration costs	1 030 176	982 097	1 048 794	1 470 121
Other operating income	49 005	139 523	21 767	48 116
Other operating expenses	116 438	56 821	87 570	103 170
Interest income	1 302	1 284	1 552	1 248
Interest expense	861 803	878 922	976 775	652 772
Profit before tax	192 050	105 926	(205 473)	416 585
Income tax	70 369	79 557	15 159	49 230
Deferred tax	2 734	-	-	-
Net profit for the reporting year	118 947	26 369	(220 632)	367 355

12.3. Balance sheet

Table 4 – Issuer's consolidated balance sheet at the end of period 2015-2018, EUR

	31.12.2015	31.12.2016	31.12.2017	31.12.2018 (unaudited)
Non-current assets:				

Intangible assets:

Intangible assets	177 688	317 129	411 872	446 236
TOTAL:	177 688	317 129	411 872	446 236

Property, plant and equipment:

Plant and property	9 717 694	9 229 525	8 780 792	8 391 711
Machinery	3 300 286	2 925 925	2 537 216	2 126 376
Other fixed assets	75 431	71 068	99 582	109 805
Prepayments for fixed assets	8 000	4 296	6 529	-
TOTAL:	13 101 411	12 230 814	11 424 119	10 627 892

Non-current financial assets:

Other long-term debtors	20 880	13 926	13 918	34 113
Other financial assets	28	28	-	-
TOTAL:	20 908	13 954	13 918	34 113

TOTAL NON-CURRENT ASSETS: **13 300 007** **12 561 897** **11 849 909** **11 108 241**

Current assets:
Inventory:

Raw materials	1 406 227	1 565 903	1 367 758	1 380 966
Ready-made products	1 450 840	942 702	896 466	899 109
Prepayments for inventory	12 580	6 319	27 670	7 006
TOTAL:	2 869 647	2 514 924	2 291 894	2 287 081

Accounts receivable:

Receivables from clients and suppliers	1 940 896	1 953 264	2 515 993	2 717 539
Other receivables	128 121	159 127	142 318	149 858
Next period expenses	27 388	33 776	36 392	47 356
Short-term loans to shareholders	35 572	35 572	35 572	35 572
TOTAL:	2 131 977	2 181 739	2 730 275	2 950 325

Cash and cash equivalents:

TOTAL CURRENT ASSETS:	5 490 796	5 094 254	5 328 232	5 579 683
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TOTAL ASSETS: 18 790 803 17 656 151 17 178 141 16 687 924

Owners' Equity:

Fixed capital	35 000	35 000	35 000	35 000
Denomination reserve	572	572	572	572
Reorganisation reserve	(8 491 750)	(8 491 750)	(8 491 750)	(8 491 750)
Currency exchange rate revaluation reserve	24 899	24 899	24 899	24 899
Retained earnings	49 012	143 870	148 327	(90 811)
Profit for the year	89 244	4 457	(239 138)	349 876
TOTAL:	(8 293 023)	(8 282 952)	(8 522 090)	(8 172 214)

Owners' Equity attributable to the members of the parent company:

Minority shareholder participation	136 459	158 371	176 877	194 356
TOTAL:	136 459	158 371	176 877	194 356

TOTAL EQUITY: **(8 156 564)** **(8 124 581)** **(8 345 213)** **(7 977 858)**

Liabilities:
Long-term liabilities:

Debt from credit institutions	19 140 971	17 341 139	16 641 137	-
Other liabilities	167 093	167 093	167 093	167 093
Liabilities of related parties	896 532	767 932	757 532	644 132
Financial leasing	33 085	-	-	-
Deferred tax asset	5 713	-	-	-
TOTAL:	20 243 394	18 276 164	17 565 762	811 225

Short-term liabilities:

Debt from credit institutions	2 547 579	2 799 999	1 700 000	17 641 137
Other liabilities	500 145	654 835	1 170 582	1 384 137
Financial leasing	53 876	37 545	37 545	-
Pre-payments from buyers	11 851	222 099	118 865	38 127
Debts to suppliers and contractors	1 550 063	1 957 165	3 005 926	2 976 635
Liabilities of related parties	804 740	624 844	421 535	469 324
Taxes and social security payments	360 554	520 983	325 638	191 555
Other creditors	136 658	98 845	139 133	130 153
Accrued liabilities	689 615	559 250	1 009 365	994 486
Unpaid dividends for minority shareholders	48 892	29 003	29 003	29 003
TOTAL:	6 703 973	7 504 568	7 957 592	23 854 557
TOTAL LIABILITIES:	26 947 367	25 780 732	25 523 354	24 665 782
TOTAL EQUITY AND LIABILITIES	18 790 803	17 656 151	17 178 141	16 687 924

12.4. Statement of cash flows

Table 5 – Issuer's consolidated statement of cash flow for 2015-2018, EUR

	2015	2016	2017	2018 (unaudited)
<u>Cash flow from operations</u>				
Profit before tax	192 050	105 926	(205 473)	416 585
Corrections:				
<i>Depreciation and amortisation</i>	<i>1 060 651</i>	<i>1 077 005</i>	<i>1 027 755</i>	<i>902 426</i>
<i>Interest income</i>	<i>1 302</i>	<i>1 284</i>	<i>1 552</i>	<i>1 248</i>
<i>Interest expense</i>	<i>861 803</i>	<i>878 922</i>	<i>976 775</i>	<i>652 772</i>
<i>Income from disposal of assets</i>	<i>42 539</i>	<i>3 795</i>	<i>10 925</i>	<i>16 521</i>
Profit before change in working capital	2 070 663	2 056 774	1 786 580	1 954 014
<i>Net change in working capital</i>	<i>752 641</i>	<i>542 770</i>	<i>717 837</i>	<i>(600 208)</i>
Cash from operations	2 823 304	2 599 544	2 504 417	1 353 806
<i>Income tax paid</i>	<i>20 730</i>	<i>40 950</i>	<i>71 271</i>	<i>20 785</i>
Net cash from operations	2 802 574	2 558 594	2 433 146	1 333 021
<u>Cash flow from investments</u>				
Investments in tangible and intangible assets	208 403	309 092	309 013	135 148
Interest received	56	-	-	-
Net cash from investments	(208 347)	(309 092)	(309 013)	(135 148)
<u>Cash flow from financing operations</u>				
Gain from sale of assets	92 422	4 567	20 369	14 521
(Paid)/ received loans, net	(2 172 075)	(1 392 722)	(1 284 254)	(486 445)
Interest paid	866 356	903 512	951 776	652 190
Expense for buying rented assets	48 814	49 416	-	37 545
Net cash from financing operations	(2 994 823)	(2 341 083)	(2 215 661)	(1 161 659)
Change in cash	(400 596)	(91 581)	(91 528)	36 214
Cash at the beginning of the year	889 768	489 172	397 591	306 063
Cash at the end of the year	489 172	397 591	306 063	342 277