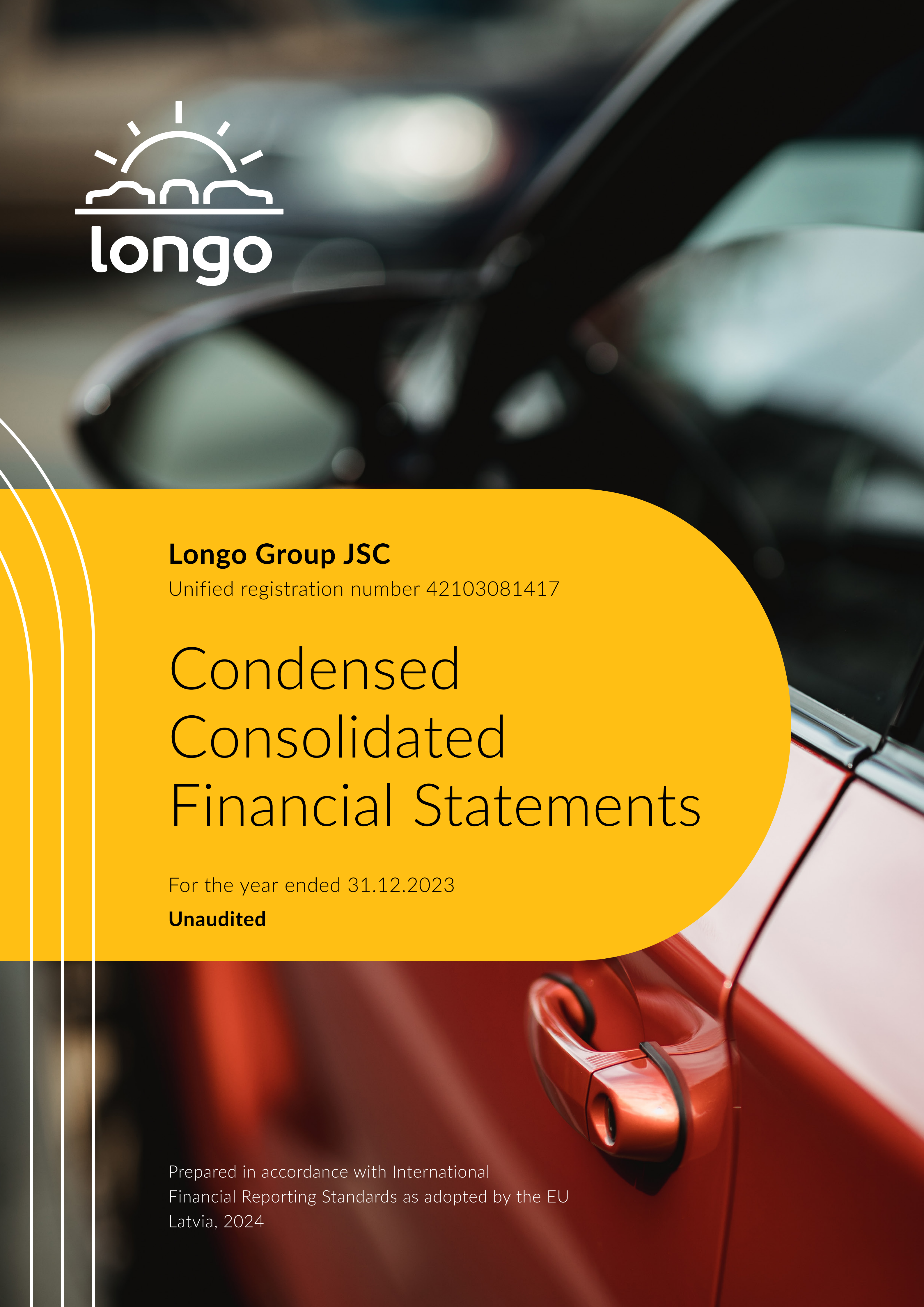

Longo Group JSC

Unified registration number 42103081417

Condensed Consolidated Financial Statements

For the year ended 31.12.2023

Unaudited

Prepared in accordance with International Financial Reporting Standards as adopted by the EU

Latvia, 2024

Contents

General Information

Name of the Parent Group	Longo Group	
Legal status of the Parent Group	Joint Stock Company	
Unified registration number, place and date of registration	42103081417, Riga, Latvia, 30 October 2017	
Registered office	Mūkusalas iela 72A, Riga, Latvia	
Shareholders		31.12.2023
	SIA ALPPES Capital	45.40%
	Other shareholders	54.60%
	TOTAL:	**100%**
Board Members	Edgars Cērps - Chairman of the Board from 28.12.2020	
	Jacob Willem Hoogenboom - Member of the Board from 28.12.2020	
Council Members	Aigars Kesenfelds - Chairman of the Council from 28.12.2020	
	Māris Keišs - Deputy of the Council from 01.03.2021	
	Alberts Pole - Member of the Council from 01.03.2021	
	Kristaps Ozols - Member of the Council from 01.03.2021	
	Jonathan Neil Smith - Member of the Council from 01.03.2021	
Subsidiaries	Longo Latvia LLC, Latvia (100%)	
	Longo LT LLC, Lithuania (100%)	
	Longo Estonia LLC, Estonia (100%)	
	Longo Shared Services LLC, Lithuania (100%)	
	Longo Netherlands LLC, Netherlands (100%)	
	Longo Belgium LLC, Belgium (100%)	
	Maxxus LLC, Germany (100%)	
	Longo Poland LLC, Poland (100%)	
	Longo IP Holdings LLC, Latvia (100%)	
Financial period	01.01.2023 - 31.12.2023	
Previous financial period	01.01.2022 - 31.12.2022	

Longo's mission is to deliver 3 customer promises:

Wide assortment

Largest and widest competitively priced assortment of popular used car models in the Baltics

Convenient and safe

Most convenient and safest used car shopping experience end-to-end, both digital and on-site

Highest standards

Only quality cars with guaranteed mileage, full available history and freshly serviced and cleaned

Address: Mūkusalas iela 72A, Riga, Latvia
Unified registration number: 42103081417

Longo controls each step of the business from buying and transporting cars to preparing and selling them

01. Sourcing (Car Purchasing) Operations

Longo has established a network in Western Europe, where it reviews, inspects and buys cars

02. Preparation Operations

Longo transports cars to Panevežys, Lithuania, where all cars are serviced, repaired, cleaned and photographed

03. Sales Operations

Longo stores, markets and sells cars in the Baltics and Poland

04. Aftersales

Longo also provides aftersales warranty and reengages customers for next purchase

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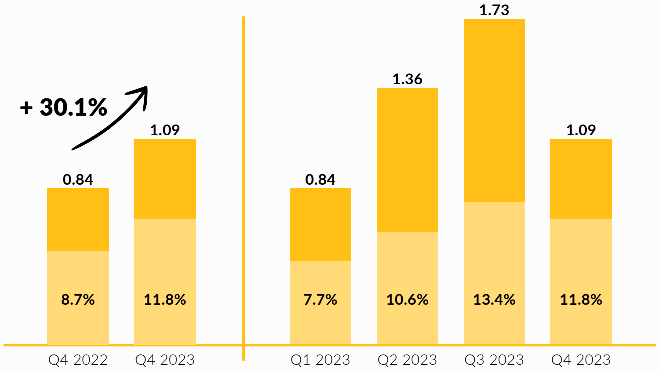
Unified registration number: 42103081417

Longo demonstrates strong gross profit increase Q4 2023 compared to Q4 2022

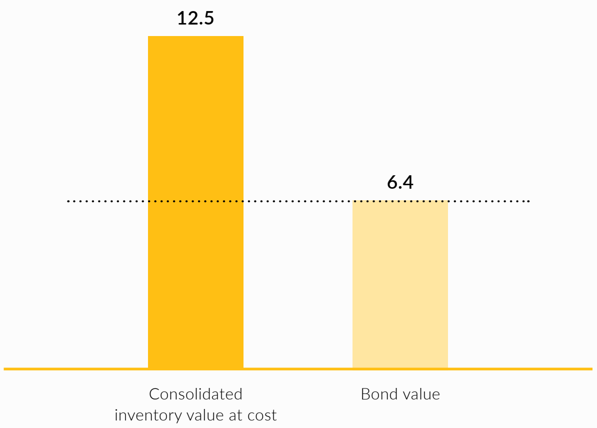
The Y-o-Y improvement demonstrates the results of process improvements and the stabilization of used car prices in 2023 after the sharp drop at the end of 2022. There is decrease in gross profit margin in Q4 due to seasonality, including the more expensive winter tire effect. The used car market prices have remained stable.

Gross profit, in M EUR
Gross margin, %



Longo current inventory comfortaby covers the value of issued bonds

Longo inventory value, in M EUR
As of 31 Dec 2023



Management Report

19 February 2024

Business results

Longo has sold cars worth EUR 45.8 million during year 2023, which is an increase of 2.5% compared to the same period in 2022. Even in uncertain market conditions in the Baltics and beyond, the Group has ensured growth in its main markets of operation.

The year 2023 can be marked as a period of investment in the future of Longo Group - there have been significant changes and improvements in all areas of business. Most notably - improved processes in Longo Shared services, enhanced quality and dynamics of pricing procedures and redesigned marketing strategy of the Group. First comprehensive radio campaign was launched across three Baltic countries and there was significant reduction in performance marketing cost per view. At the end of 2023, Longo Group own web traffic consistently generated over 100 thousand unique visitors per week. This allowed Longo to eliminate classified platform expenditures across all sales markets. Besides, the Group has increased focus on and expanded supplementary income channel offers.

Due to multiple external factors - high inflation and interest rate environment, soaring energy costs, along with weakened customer demand and significant drop in used car retail prices at the end of the year 2022- especially impacting the profitability of first two quarters of the year, total gross profit of Longo in year 2023 has improved just by 0.7% compared to same period last year. Gross profit of the group was EUR 5.02 million, with gross margin being 10.9%. Longo has recovered the margins - each month of first three quarters has shown improvement with Q3 gross margin being highest yet. There is slight decrease in Q4 gross margin compared to Q3 mainly due to seasonality effect. If comparing Q4 2023 to the same quarter in 2022, gross profit of the Group has increased by 30.1% to EUR 1.1 million, gross margin being up to 11.8% from 8.7% - demonstrating the results of process improvements introduced in sourcing and pricing operations, as well as stabilization of market prices. In the beginning of Q1 2024 the tendency continues and there is a significant improvement in Gross profit year on year.

Mainly driven by one-off start-up costs Longo Group incurred due to launching operations in Poland and the weak gross profit in the first two quarters of the year, the net loss of the Group in 2023 was EUR 0.5 million. Longo Poland operation is expected to reach break even and start contributing to profitability of the Group during first half of year 2024.

Increased focus on supplementary income channels has paid off and other operating income from sales of lease and insurance products of its partners has brought EUR 1.9 million income to Longo Group- it is 25.3% more than in previous year.

The Group continues to be committed to executing its set strategy and working hard on the core pillars of operation - procurement, sales, preparation operations and efficient inventory management.

Future prospects

The Group has ambitious plans for year 2024 and beyond - to improve its profitability while increasing its revenue. It is to be achieved by boosting its brand awareness, expanding its physical network, and further diversifying its car assortment. There is continuous focus on increasing the capacity of refurbishing center of the Group. Longo continues to successfully sell financing of its partners as well as has introduced new additional service to cater their customer needs - extended warranty insurance provided by its insurance partner. The management of Longo Group is firmly confident in the potential business opportunities within the fragmented used car market in the Baltic region and Poland.

"Continuous dedication of the team, as well as development and improvement of processes have led Longo to selling cars worth EUR 45.8 million during year 2023 thus ensuring 2.5% growth even in uncertain market conditions"

Edgars Cērps
Group CEO and Co-Founder

Largest specialized used car dealer in the Baltics

Address: Mūkusalas iela 72A, Riga, Latvia
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Risk management

Credit risk

Receivables of the Group consist mainly of receivables from finance companies. Credit risk of the Group refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Longo considers all of its material counterparties to be creditworthy as they represent well-established financial institutions. The Group`s exposure to credit risk is continuously monitored, in particular, if agreed payments are delayed.

The credit risk on cash and cash equivalents is limited because the counterparties are banks and payment systems. To spread the credit risk, Longo deposits its cash reserves with different banks and payment systems.

Interest rate risk

Longo's interest rate risk arises primarily from its debt. As at 31 December 2023, a long-term debt of EUR 4.9 million is financed at a floating interest rate (6% + 3M EURIBOR) for a period of 1.5 years.

Capital risk

The Group's objective when managing capital (net debt and total equity) is to ensure the continuity of its operations and within foreseeable future achieve optimal returns to shareholders. Management aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group.

The Group monitors equity capital on the basis of the capitalization ratio as defined in Bond prospectus. This ratio is calculated as Ratio of Adjusted Equity (the aggregate book value of the Group's total equity on a consolidated basis, increased by Subordinated Debt) to consolidated assets of the Group. Ratio as at 31 December 2023 was 55%. Overall management of the borrowings is driven by monitoring and complying with the lender imposed covenants as well as planning the further borrowing needs to ensure business development of the Group.

Liquidity risk

Prudent liquidity risk management of Longo means maintaining sufficient cash reserve to cover planned liabilities of the Group.

Events after the reporting period

There have been no significant events after the end of the reporting period.

Signed on behalf of the Group on 19 February 2024 by:

Edgars Cērps
Chairman of the Board

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Consolidated Financial Statements

Consolidated Statement of **Comprehensive Income**

	Notes	01.01.2023-31.12.2023 EUR	01.01.2022-31.12.2022 EUR
Revenue from vehicle sales		45 840 353	44 719 585
Cost of sales		(40 817 600)	(39 743 477)
Gross profit		**5 022 753**	**4 976 108**
Selling expenses		(1 533 708)	(1 102 507)
Administrative expenses	1	(4 703 087)	(4 576 795)
Other operating income		1 949 205	1 519 176
Other operating expenses	2	(411 739)	(91 854)
Other income from interest and similar income		14 093	-
Interest expenses and similar expenses	3	(884 545)	(556 719)
Net operating expenses		**(5 569 781)**	**(4 808 699)**
Profit/(loss) before tax		**(547 028)**	**167 409**
Income tax		17 937	(516)
Net profit/(loss) for the period		**(529 091)**	**166 893**
Other comprehensive income/(loss)			
Items that are or may be reclassified subsequently to profit or loss			
Net investment in a foreign operation		**-**	
Translation of financial information of foreign operations to presentation currency		**4 532**	**(149)**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**(524 559)**	**166 744**

The accompanying notes on pages 15 to 19 are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 19 February 2024 by:

Edgars Cērps
Chairman of the Board

Olīvija Lavrenova
Senior Group Accountant

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Consolidated Statement of
Financial Position

ASSETS

NON-CURRENT ASSETS	Notes	31.12.2023 EUR	31.12.2022 EUR
Intangible assets			
Intangible assets		961 329	690 960
Intangible assets development costs		504	12 474
Total intangible assets		**961 833**	**703 434**
Tangible assets			
Right-of-use assets		1 292 304	1 894 801
Property and equipment		497 374	421 279
Leasehold improvements		97 706	122 074
Construction in progress		29 406	145 610
Total tangible assets		**1 916 790**	**2 583 764**
Deferred tax assets		342 518	323 999
Total non-current financial assets		**342 518**	**323 999**
TOTAL NON-CURRENT ASSETS		**3 221 141**	**3 611 197**
CURRENT ASSETS			
Inventories			
Goods for resale and raw materials	4	12 573 927	13 064 264
Work in progress	4	85 699	111 499
Total inventories		**12 659 626**	**13 175 763**
Receivables and other current assets			
Other assets		663 748	875 830
Prepayments to suppliers and similar		568 916	862 064
Trade and other receivables		208 724	161 931
Contract assets		130 353	139 848
Total receivables and other current assets		**1 571 741**	**2 039 673**
Short-term financial investments			
Other securities	5	1 002 666	-
Total short-term financial investments		**1 002 666**	**-**
Cash and cash equivalents		**1 253 098**	**1 424 762**
TOTAL CURRENT ASSETS		**16 487 131**	**16 640 198**
TOTAL ASSETS		**19 708 272**	**20 251 395**

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Consolidated Statement of **Financial Position**

EQUITY AND LIABILITIES

EQUITY	Notes	31.12.2023 EUR	31.12.2022 EUR
Share capital		13 017 058	12 969 926
Share premium		250 000	250 000
Share-based payment reserve		875	48 007
Foreign currency translation reserve		4 532	(149)
Accumulated losses/Retained earnings			
brought forward		(4 882 016)	(5 048 909)
for the period		(529 091)	166 893
TOTAL EQUITY		**7 861 358**	**8 385 768**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	6	8 152 534	6 733 960
Total non-current liabilities		**8 152 534**	**6 733 960**
Current liabilities			
Loans and borrowings	6	2 430 326	3 856 638
Trade payables		273 983	404 840
Taxes payable		465 596	465 108
Corporate income tax		296	817
Other liabilities		83 978	106 530
Accrued liabilities		440 201	297 734
Total current liabilities		**3 694 380**	**5 131 667**
TOTAL LIABILITIES		**11 846 914**	**11 865 627**
TOTAL EQUITY AND LIABILITIES		**19 708 272**	**20 251 395**

The accompanying notes on pages 15 to 19 are an integral part of these consolidated financial statements.

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Chairman of the Board

Olīvija Lavrenova
Senior Group Accountant

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Consolidated Statement of
Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings / Accumulated loss	Total
Balance at 01.01.2022	**12 969 926**	**250 000**	**-**	**38 007**	**(5 048 909)**	**8 209 024**
Total comprehensive income						
Profit for the period	-	-	-	-	166 893	**166 893**
Other comprehensive income	-	-	(149)	-	-	**(149)**
Total comprehensive income for the period	**-**	**-**	**(149)**	**-**	**166 893**	**166 744**
Transactions with owners of the Group						
Contributions and distributions						
Equity-settled share-based payment	-	-	-	10 000	-	10 000
Total transactions with owners of the Group	**-**	**-**	**-**	**10 000**	**-**	**10 000**
Balance at 31.12.2022	**12 969 926**	**250 000**	**(149)**	**48 007**	**(4 882 016)**	**8 385 768**

	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings / Accumulated loss	Total
Balance at 01.01.2023	**12 969 926**	**250 000**	**(149)**	**48 007**	**(4 882 016)**	**8 385 768**
Total comprehensive income						
Profit for the period	-	-	-	-	(529 091)	**(529 091)**
Other comprehensive income	-	-	4 681	-	-	**4 681**
Total comprehensive income for the period	**-**	**-**	**4 681**	**-**	**(529 091)**	**(524 410)**
Transactions with owners of the Group						
Contributions and distributions						
Issues of ordinary shares	47 132	-	-	(47 132)	-	(0)
Equity-settled share-based payment	-	-	-	-	-	-
Total transactions with owners of the Group	**47 132**	**-**	**-**	**(47 132)**	**-**	**(0)**
Balance at 31.12.2023	**13 017 058**	**250 000**	**4 532**	**875**	**(5 411 107)**	**7 861 358**

The accompanying notes on pages 15 to 19 are an integral part of these consolidated financial statements.

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Edgars Cērps
Chairman of the Board

Olīvija Lavrenova
Senior Group Accountant

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Consolidated Statement of **Cash Flows**

Cash flows to/from operating activities	Notes	01.01.2023-31.12.2023 EUR	01.01.2022-31.12.2022 EUR
Profit before tax		(547 028)	167 409
Adjustments for:			
Amortization and depreciation		1 039 680	828 236
Interest expense	3	873 804	551 397
Interest income		(14 093)	-
(Gain)/Loss from disposal of property and equipment		102	14 521
Equity settled share-based payment transactions		-	10 000
Income from COVID-19 related rent concession		-	(2 048)
Cash flow from operating activities before working capital changes		**1 352 465**	**1 569 515**
(Increase)/ decrease in inventories		516 137	(4 947 201)
(Increase)/ decrease in trade and other receivables		458 437	(491 374)
(Decrease)/ increase in advances received and trade payables		(152 921)	132 029
(Decrease)/ increase in accrued liabilities		142 467	51 706
(Increase)/ decrease in accrued income		31 640	(101 901)
Cash flows used in/from operations		**2 348 225**	**(3 787 226)**
Interest received		-	-
Corporate income tax paid		(521)	533
Net cash flows used in operating activities		**2 347 704**	**(3 786 693)**

Cash flows to/from investing activities		
Other securities acquired	(1 000 000)	-
Acquisition of property and equipment and other intangible assets	(586 936)	(744 051)
Proceeds of property and equipment and other intangible assets	-	3 700
Interest received	11 509	-
Payments for acquisition of securities	(1 100)	-
Net cash flows to/from investing activities	**(1 576 527)**	**(740 351)**

Cash flows to/from financing activities		
Repayments of borrowings	-	(1 000)
Payments for borrowings issuance costs	(57 169)	(212 410)
Repayment of liabilities for right-of-use assets	(712 928)	(547 741)
Borrowing received	-	1 000 001
Bonds sold	2 260 152	3 320 000
Bonds repurchased	(1 685 000)	-
Interest paid	(710 451)	(444 714)
Cash payments for the interest portions of lease liabilities	(38 782)	(53 249)
Net cash flows to/from financing activities	**(944 178)**	**3 060 887**
Change in cash	**(173 001)**	**(1 466 157)**
Effects of currency translation on cash and cash equivalents	**1 337**	**-**
Cash at the beginning of the period	1 424 762	2 890 919
CASH AT THE END OF THE PERIOD	**1 253 098**	**1 424 762**

The accompanying notes on pages 15 to 19 are an integral part of these consolidated financial statements.

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Chairman of the Board

Olīvija Lavrenova
Senior Group Accountant

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Unified registration number: 42103081417

Notes to the Consolidated Financial Statements

1. Administrative expenses

	01.01.2023-31.12.2023 EUR	01.01.2022-31.12.2022 EUR
Employees' salaries	2 450 268	2 292 262
Amortization and depreciation	1 039 680	828 236
Social tax contributions	304 911	302 456
Office and branches' maintenance expenses	253 702	303 393
IT services	127 444	97 897
Professional services	127 016	150 193
Other personnel expenses	91 481	238 955
Audit fees	69 735	67 331
Other administrative expenses	56 827	68 034
Insurance	55 150	40 293
Recruitment fees	26 502	50 274
Business trips	22 392	37 456
Communication expenses	22 233	21 653
Transportation expenses	16 310	26 555
Representation	16 137	19 527
Legal services	12 184	20 293
Bank commissions	11 115	11 987
TOTAL:	**4 703 087**	**4 576 795**

2. Other operating expenses

	01.01.2023-31.12.2023 EUR	01.01.2022-31.12.2022 EUR
Other operating expenses	398 250	17 533
Penalty fees paid	6 558	10 054
Other taxes	6 426	5 771
Donations	400	10 000
Loss on sale of fixed assets	102	14 522
Write-offs of bad debts	3	336
BPM expenses	-	33 638
TOTAL:	**411 739**	**91 854**

Increase in Other operating expenses is due to write-off of startup costs of EUR 379'985 for launching Longo Group subsidiary in Poland. This is an exceptional item which is not in line with the ordinary course of business. Longo Poland operation is expected to reach break even and start contributing to profitability of the Group during first half of year 2024.

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3. Interest expenses and similar expenses

	01.01.2023-31.12.2023 EUR	01.01.2022-31.12.2022 EUR
Interest expenses on issued bonds	813 659	467 279
Interest expenses on lease liabilities	58 448	57 128
Other financial expenses	10 741	5 322
Interest expenses on loan facilities	1 697	26 990
TOTAL:	**884 545**	**556 719**

4. Inventories

	31.12.2023 EUR	31.12.2022 EUR
Acquired vehicles for purpose of selling them to customers	12 489 480	13 014 464
Lithuania	*6 194 938*	*5 249 795*
Latvia	*3 830 573*	*3 973 670*
Estonia	*2 893 475*	*3 742 559*
Poland	*218 316*	*593 445*
NRV allowance	*-*	*(160 113)*
Netherlands	*40 940*	*70 284*
Belgium	*15 670*	*-*
Intercompany consolidation eliminations	*(704 432)*	*(455 176)*
Raw materials	84 447	49 800
Work in progress	85 699	111 499
TOTAL:	**12 659 626**	**13 175 763**

Inventory is measured at lower of cost and net realizable value. The cost of an individual car included in the inventory balance is determined using the purchase price for the car including directly attributable repair costs for reconditioning the car for selling purposes. At the reporting date, a detailed review for net realizable value is executed for cars that have been in inventory at 31 December 2023. Management had performed analysis to determine profit margins for all cars that were sold in 2024, and concluded that no adjustments to net realizable value should be expensed through profit or loss in year 2023. In Latvia, Estonia, and Lithuania inventories are pledged as bonds` collateral, total amount of pledged inventory in these countries is EUR 12 381 295 (31.12.2022: EUR 12 665 412).

Included in cost of goods sold for the periods ended 31 December 2023 and 31 December 2022, are inventory write-offs of EUR 0 and EUR 160 113, respectively.

5. Other securities

	Interest rate per annum (%)	31.12.2023 EUR	31.12.2022 EUR
Bonds 1.00 million EUR notes purchase	6%+3M EURIBOR	1 002 666	-
TOTAL:		**1 002 666**	**-**

On 23 November 2023, the Group management decided to slightly scale down inventory due to the seasonality of the business therefore deploying its short-term liquidity by buying bonds (ISIN:LV0000860146) worth EUR 1 million.

6. Loans and borrowings

Non-current	Interest rate per annum (%)	Maturity	31.12.2023 EUR	31.12.2022 EUR
Liabilities for issued debt securities				
Bonds EUR 3.00 million notes issue[1)]	6%	31.12.2026	2 872 469	2 708 794
Bonds EUR 4.90 million notes issue[2)]	6%+3M EURIBOR	30.06.2025	4 511 038	2 541 164
		TOTAL:	**7 383 507**	**5 249 958**
Lease liabilities[4)]	3%-8%	up to 5 years	769 027	1 314 335
		TOTAL:	**769 027**	**1 314 335**
Loans from related parties[5)]	6%	31.12.2024	-	169 667
		TOTAL:	**-**	**169 667**
		TOTAL NON-CURRENT BORROWINGS:	**8 152 534**	**6 733 960**

[1)] On 30 December 2021, the Group registered with the Latvian Central Depository a subordinated bond facility through which it can raise up to EUR 3 million.

The Group has raised a total of EUR 3 000 000 as at 31 December 2023 (EUR 2 830 000 at 31 December 2022).

The notes are issued at par, have a maturity of five years and carry a fixed coupon of 6% per annum, paid monthly in advance. All subordinated bond facility is acquired by the shareholders as a result of conversion of loan facility.

[2)] On 10 June 2022, the Group registered with the Latvian Central Depository a bond facility through which it can raise up to EUR 5 million.

The Group has raised a total of EUR 4 900 000 as at 31 December 2023 (EUR 2 850 000 at 31 December 2022).

This bond issue is secured by the assets of Longo Latvia LLC, Longo LT LLC and Longo Estonia LLC. The notes are issued at par, have a maturity of three years and carry a coupon of 6%+3M EURIBOR per annum, paid monthly in advance.

The bonds of JSC Longo Group have been admitted to trading on the Nasdaq Baltic First North Market by Nasdaq Riga since June 28, 2023.

[3)] On 30 November 2021, the Group registered with the Latvian Central Depository a bond facility through which it can raise up to EUR 3 million.

Part of the Noteholders have used the right to early redemtion of the notes (put option) on 30 November 2023 therefore the Group has bonds outstanding for EUR 1 515 000 as at 31 December 2023 (EUR 3 000 000 at 31 December 2022).

This bond issue is secured by the assets of Longo Latvia LLC and Longo LT LLC. The notes are issued at par, have a maturity of three years- therefore are recognised as short-term liability, and carry a fixed coupon of 6% per annum, paid monthly in advance.

The bonds of JSC Longo Group have been admitted to trading on the Nasdaq Baltic First North Market by Nasdaq Riga since March 31, 2022.

[4)] The Group has entered into several lease agreements for office premises and car lots as well as several vehicle rent agreements.

[5)] Shareholders` loan in a form of a credit line, duration up to 5 years, was converted to subordinated bonds.

Accordingly, those liabilities are split between current and non-current as at 31 December 2023.

Current	Interest rate per annum (%)	Maturity	31.12.2023 EUR	31.12.2022 EUR
Liabilities for issued debt securities				
Bonds EUR 3.00 million notes issue[1)]	6%	31.12.2026	124 347	117 296
Bonds EUR 4.90 million notes issue[2)]	6%+3M EURIBOR	30.06.2025	241 690	144 380
Bonds EUR 1.515 million notes issue[3)]	6%	30.11.2024	1 472 464	2 934 410
		TOTAL:	**1 838 501**	**3 196 086**
Lease liabilities[4)]	3%-8%	up to 12 months	591 825	659 675
		TOTAL:	**591 825**	**659 675**
Accrued interest on loans from related parties[5)]		05.01.2023	-	877
		TOTAL:	**-**	**877**
		TOTAL CURRENT BORROWINGS:	**2 430 326**	**3 856 638**

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Unified registration number: 42103081417

7. Commitments and contingencies

There are restrictions in the prospectus for the senior secured bonds issued (ISIN LV0000860062 and LV0000860096) and subordinated bonds issued (ISIN LV0000802544).

These financial covenants are the following :

A) To maintain consolidated Interest Coverage Ratio (The ratio of EBITDA to Net Finance Charges for the Relevant Period) of at least 2x (two times), calculated for the Relevant Period at the end of each quarter;

B) To maintain consolidated Equity Ratio (Ratio of Adjusted Equity (the aggregate book value of the Group's total equity on a consolidated basis, increased by Subordinated Debt, according to the most recent Financial Report) to consolidated assets of the Group calculated according to the most recent Financial Report) at least 30% (thirty per cent) calculated for the Relevant Period at the end of each quarter;

C) To maintain Inventory Coverage Ratio (The ratio of Pledged Inventory plus consolidated Cash and Cash Equivalents of the Group divided by the Secured Financial Indebtedness) for the Collateral Provider of at least 1.5x (one point five times), calculated for the Relevant Period at the end of each quarter.

During the reporting period the Group complied with all externally imposed capital requirements to which it was subjected to.

All of the covenants are fulfilled with following ratios:

A) 2.09x

B) 55%

C) 2.16

8. Events after the reporting period

There have been no significant events after the end of the reporting period.

Signed on behalf of the Group on 19 February 2024 by:

Edgars Cērps	**Olīvija Lavrenova**
Chairman of the Board	Senior Group Accountant

This document has been signed with a secure electronic signature and has a time-stamp.

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