



## **Longo Group JSC**

Unified registration number 42103081417

# Condensed Consolidated Interim Financial Statements

For the period ended 30.09.2024

PREPARED IN ACCORDANCE WITH IFRS  
ACCOUNTING STANDARDS AS ADOPTED BY THE EU

**Unaudited**

Latvia, 2024

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# General Information

Name of the Parent Group	Longo Group
Legal status of the Parent Group	JSC
Unified registration number, place and date of registration	42103081417, Riga, Latvia, 30 October 2017
Registered office	Mūkusalas iela 72A, Riga, Latvia
Shareholders	30.09.2024
	SIA ALPPES Capital 45.34%
	Other shareholders 54.66%
	<b>TOTAL: 100%</b>
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	01.01.2024 - 30.09.2024
Previous financial period	01.01.2023 - 30.09.2023



## 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



# 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



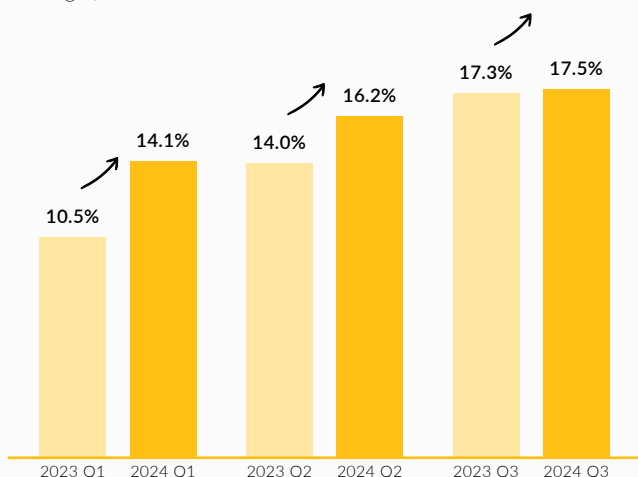
## 04. Aftersales

Longo also provides aftersales warranty and reengages customers for next purchase



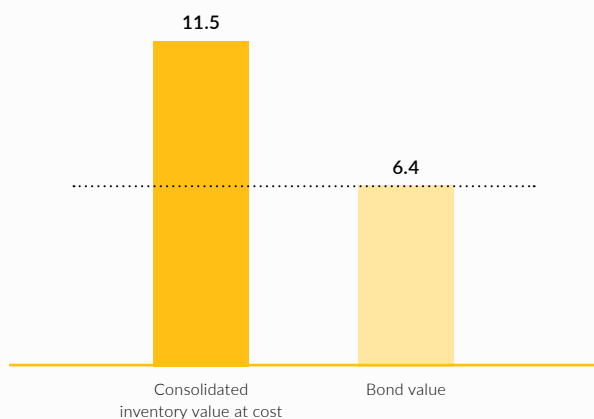
## Total gross profit margin of Longo has improved vs 2023 respective quarters

Total gross profit margin, %



## Longo current inventory comfortably covers the nominal value of issued secured bonds

Longo inventory value, in M EUR  
As of 30 Sep 2024





# Management Report

29 NOVEMBER 2024

## Business results

In the first nine months of the year 2024 Longo management team has continued to focus on improving gross profitability of the Group. The efforts are yielding results and there has been increase of 4.4% in gross profit if compared to the same period prior. This is achieved while maintaining average quarterly stock balance of EUR 12 million that is around EUR 1.5 million less than prior.

Total revenue of Longo in 9M 2024 was EUR 35.1 million, which is a decrease of 8% compared to the same period in 2023. The decrease in revenues is mainly driven by decrease in average sales price of a car, as count wise sales were fairly at previous years level- 3'097 vs 3'160 cars sold in 9M 2023. The decrease is mitigated by an 18% increase in income from sales of lease and insurance products of partners- driven by successful launch of additional warranty sales in 2023 in Lithuania, Latvia and Poland and continuous push in leasing financing sales.

The Group has achieved EBITDA of EUR 1.3 million in 9M 2024. It is EUR 0.2 million less compared to prior- mainly due to increased admin expenses driven by investments in preparation for further expansion of Longo.

Main focus of the Group in the year 2024 is continuous investment in operations and increase of inventory to be able to return to growth in 2025 - both in terms of cars sold and total revenue. During 2024 there have been significant improvements in main areas of business, especially in sourcing and preparation, as well as additional capital raised to further increase and diversify car assortment, enabling the Group to move towards increasing the sales volumes in 2025. In July the Group has finalized a significant deal- it has purchased industrial building complex in Panevėžys, so it can fully customize and adjust it to the needs of car diagnostics and preparation process. The new service center will enable the Group to significantly increase sourcing and consequently sales volumes. The deal is financed by loan from Citadele banka JSC.

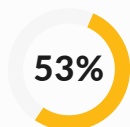
The Group continues to be committed to executing its set strategy and working hard on the core pillars of operation - procurement, sales, preparation operations and efficient inventory management. In the middle of Q4 2024 Longo prudently started to expand its inventory to support the next growth phase of the Group.

## Future prospects

The Group has ambitious plans going forward - to increase its profitability while increasing its revenue further. It is to be achieved by expanding its sales network in Baltics and Poland, boosting its brand awareness and further diversifying its car assortment.

### Equity ratio

As of 30 Sep 2024



M EUR	2024 9M	2023 9M
Revenue	35.1	38.1
Gross profit	5.6	5.4
Gross margin	16.1%	14.1%
EBITDA	1.3	1.5
Count of cars sold	3097	3160

“The team effort to improve profitability of Longo Group is yielding results - there has been 4.4% increase Gross profit if compared to 9M 2023”

**Edgars Cērps**

Group CEO and Co-Founder



**Largest specialized used car dealer in the Baltics**



## 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 30 September 2024, a short-term debt of EUR 4.9 million is financed at a floating interest rate (6% + 3M EURIBOR) for a period of 0.75 year.

### *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 30 September 2024 was 53%. 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.

The Group is in refinancing process of its senior secured bonds expiring November 2024 and June 2025.

### *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

On November 29.11.2024. Longo Group completed a successful bond issue (ISIN LV0000804987) in amount of EUR 10 million with coupon of 10% per annum and maturity on 30.11.2027.

It has used the proceeds to pay back outstanding bonds with ISIN LV0000860062 (maturity 30.11.2024). Additionally it is in process of early repayment of Citadele mortgage loan and has announced the decision to execute a call option with respect to the bond issue with ISIN code LV0000860096 on 31 December 2024, with the record date on 30 December 2024. According to the Terms of the Issue, those LV0000860096 bondholders who did not participate in the exchange offer, will receive 101% of the nominal value of their bonds together with accrued and unpaid interest.

The rest of the proceeds from the bond issue (ISIN LV0000804987) will be used to finance AS Longo Group's growth plans through investments in new car stock and expansion of sales network.

Signed on behalf of the Group on 29 November 2024 by:

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### **Edgars Cērps**

Chairman of the Board

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# Consolidated Financial Statements



# Consolidated Statement of Comprehensive Income

	Notes	01.01.2024-30.09.2024 EUR	01.01.2023-30.09.2023 EUR
Revenue from vehicle sales		35 077 963	38 104 763
Cost of sales		(29 447 476)	(32 713 451)
<b>Gross profit</b>		<b>5 630 487</b>	<b>5 391 312</b>
Selling expenses		(1 087 750)	(1 043 263)
Administrative expenses	1	(4 043 501)	(3 523 810)
Other operating income		-	-
Other operating expenses		(32 071)	(28 453)
Other income from interest and similar income		44 990	-
Interest expenses and similar expenses	2	(740 371)	(630 972)
<b>Net operating expenses</b>		<b>(5 858 703)</b>	<b>(5 226 498)</b>
<b>Profit/(loss) before tax</b>		<b>(228 216)</b>	<b>164 814</b>
Income tax		(19 915)	20 947
<b>Net profit/(loss) for the period</b>		<b>(248 131)</b>	<b>185 761</b>
<b>EBITDA</b>		<b>1 257 792</b>	<b>1 491 351</b>
<b>Other comprehensive loss</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Translation of financial information of foreign operations to presentation currency		7 627	(2 355)
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD</b>		<b>(240 504)</b>	<b>183 406</b>

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

Signed on behalf of the Group on 29 November 2024 by:

**Edgars Cērps**

Chairman of the Board

**Ina Volkova**

Responsible Accountant

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# Consolidated Statement of Financial Position

## ASSETS

NON-CURRENT ASSETS	Notes	30.09.2024 EUR	31.12.2023 EUR
<b>Intangible assets</b>			
Intangible assets		1 109 517	960 060
Intangible assets development costs		939	504
<b>Total intangible assets</b>		<b>1 110 456</b>	<b>960 564</b>
<b>Tangible assets</b>			
Right-of-use assets		1 189 675	1 292 304
Property and equipment		446 226	497 312
Leasehold improvements		77 905	97 706
Construction in progress		1 409 036	29 406
<b>Total tangible assets</b>		<b>3 122 842</b>	<b>1 916 728</b>
Deferred tax assets		322 643	342 518
<b>Total non-current financial assets</b>		<b>322 643</b>	<b>342 518</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4 555 941</b>	<b>3 219 810</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Goods for resale and raw materials	3	11 605 559	12 573 927
Work in progress	3	103 661	85 699
<b>Total inventories</b>		<b>11 709 220</b>	<b>12 659 626</b>
<b>Receivables and other current assets</b>			
Other assets		923 808	657 976
Prepayments to suppliers and similar	4	642 527	568 916
Trade and other receivables		184 234	208 724
Contract assets		114 444	135 573
<b>Total receivables and other current assets</b>		<b>1 865 013</b>	<b>1 571 189</b>
<b>Short-term financial investments</b>			
Other investments		-	1 002 666
<b>Total short-term financial investments</b>		<b>-</b>	<b>1 002 666</b>
<b>Cash and cash equivalents</b>		<b>2 395 161</b>	<b>1 253 098</b>
<b>TOTAL CURRENT ASSETS</b>		<b>15 969 394</b>	<b>16 486 579</b>
<b>TOTAL ASSETS</b>		<b>20 525 335</b>	<b>19 706 389</b>

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Chairman of the Board

**Ina Volkova**

Responsible Accountant

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# Consolidated Statement of Financial Position

## EQUITY AND LIABILITIES

EQUITY	Notes	30.09.2024 EUR	31.12.2023 EUR
Share capital		13 034 872	13 017 058
Share premium		250 000	250 000
Share-based payment reserve		11 341	12 215
Foreign currency translation reserve		12 010	4 532
Accumulated losses/Retained earnings			
brought forward		(5 412 990)	(4 882 016)
for the period		(248 131)	(530 974)
<b>TOTAL EQUITY</b>		<b>7 647 102</b>	<b>7 870 815</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	5	4 545 560	8 152 534
<b>Total non-current liabilities</b>		<b>4 545 560</b>	<b>8 152 534</b>
<b>Current liabilities</b>			
Loans and borrowings	5	6 973 562	2 430 326
Trade payables		313 700	273 983
Taxes payable		572 726	465 596
Corporate income tax		58	296
Other liabilities		157 172	83 978
Accrued liabilities		315 455	428 861
<b>Total current liabilities</b>		<b>8 332 673</b>	<b>3 683 040</b>
<b>TOTAL LIABILITIES</b>		<b>12 878 233</b>	<b>11 835 574</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20 525 335</b>	<b>19 706 389</b>

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# Consolidated Statement of Changes in Equity

	Notes	Share capital	Share premium	Foreign currency translation reserve	Other Reserves	Retained earnings / Accumulated loss	Total
<b>Balance at 01.01.2023</b>		<b>12 969 926</b>	<b>250 000</b>	<b>(149)</b>	<b>48 007</b>	<b>(4 882 016)</b>	<b>8 385 768</b>
<i>Total comprehensive income</i>							
Profit for the period		-	-	-	-	(530 974)	<b>(530 974)</b>
Other comprehensive income		-	-	4 681	-	-	<b>4 681</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>4 681</b>	<b>-</b>	<b>(530 974)</b>	<b>(526 293)</b>
<i>Transactions with owners of the Group</i>							
<i>Contributions and distributions</i>							
Issues of ordinary shares		47 132	-	-	(47 132)	-	-
Equity-settled share-based payment		-	-	-	11 340	-	<b>11 340</b>
<b>Total transactions with owners of the Group</b>		<b>47 132</b>	<b>-</b>	<b>-</b>	<b>(35 792)</b>	<b>-</b>	<b>11 340</b>
<b>Balance at 31.12.2023</b>		<b>13 017 058</b>	<b>250 000</b>	<b>4 532</b>	<b>12 215</b>	<b>(5 412 990)</b>	<b>7 870 815</b>
<b>Balance at 01.01.2024</b>		<b>13 017 058</b>	<b>250 000</b>	<b>4 532</b>	<b>12 215</b>	<b>(5 412 990)</b>	<b>7 870 815</b>
<i>Total comprehensive income</i>							
Profit for the period		-	-	-	-	(248 131)	<b>(248 131)</b>
Other comprehensive income		-	-	7 478	-	-	<b>7 478</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>7 478</b>	<b>-</b>	<b>(248 131)</b>	<b>(240 653)</b>
<i>Transactions with owners of the Group</i>							
<i>Contributions and distributions</i>							
Issues of ordinary shares		17 814	-	-	(874)	-	<b>16 940</b>
Equity-settled share-based payment		-	-	-	-	-	-
<b>Total transactions with owners of the Group</b>		<b>17 814</b>	<b>-</b>	<b>-</b>	<b>(874)</b>	<b>-</b>	<b>16 940</b>
<b>Balance at 30.09.2024</b>		<b>13 034 872</b>	<b>250 000</b>	<b>12 010</b>	<b>11 341</b>	<b>(5 661 121)</b>	<b>7 647 102</b>

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

Signed on behalf of the Group on 29 November 2024 by:

**Edgars Cērps**

Chairman of the Board

**Ina Volkova**

Responsible Accountant

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# Consolidated Statement of Cash Flows

Cash flows to/from operating activities	Notes	01.01.2024-30.09.2024 EUR	01.01.2023-30.09.2023 EUR
Profit/ (loss) before tax		(228 216)	164 814
Adjustments for:			
Amortization and depreciation		850 806	744 500
Interest expense	2	726 515	623 369
Interest income		(34 112)	102
(Gain)/Loss from disposal of property and equipment		(198)	-
Equity settled share-based payment transactions		16 939	-
<b>Cash flow from operating activities before working capital changes</b>		<b>1 331 734</b>	<b>1 532 785</b>
(Increase)/ decrease in inventories		950 406	(1 065 446)
(Increase)/ decrease in trade and other receivables		(314 953)	(1 376 716)
(Decrease)/ increase in advances received and trade payables		220 041	562 172
(Decrease)/ increase in accrued liabilities		(113 406)	(19 824)
(Increase)/ decrease in accrued income		21 129	470
<b>Cash flows used in/from operations</b>		<b>2 094 951</b>	<b>(366 559)</b>
Corporate income tax paid		(278)	(748)
<b>Net cash flows used in operating activities</b>		<b>2 094 673</b>	<b>(367 307)</b>
<b>Cash flows to/from investing activities</b>			
Proceeds from sale of other securities		1 000 000	-
Acquisition of property and equipment and other intangible assets		(1 780 869)	(452 617)
Interest received		32 307	-
Payments for sale of other securities		4 471	-
<b>Net cash flows to/from investing activities</b>		<b>(744 091)</b>	<b>(452 617)</b>
<b>Cash flows to/from financing activities</b>			
Repayment of liabilities for right-of-use assets		(535 476)	-
Repayments of borrowings		-	(55 382)
Mortgage loan received		800 000	-
Repayment of liabilities for right-of-use assets		-	(502 631)
Bonds issued		-	1 276 485
Interest paid		(429 734)	(511 848)
Cash payments for the interest portions of lease liabilities		(51 335)	(27 686)
<b>Net cash flows to/from financing activities</b>		<b>(216 545)</b>	<b>178 938</b>
Change in cash		<b>1 134 037</b>	<b>(640 986)</b>
Effects of currency translation on cash and cash equivalents		<b>8 026</b>	-
Cash at the beginning of the period		1 253 098	1 424 762
<b>CASH AT THE END OF THE PERIOD</b>		<b>2 395 161</b>	<b>783 776</b>

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Signed on behalf of the Group on 29 November 2024 by:

**Edgars Cērps**  
Chairman of the Board

**Ina Volkova**  
Responsible Accountant

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# Notes to the Consolidated Financial Statements

## 1. Administrative expenses

	<b>01.01.2024-30.09.2024</b> <b>EUR</b>	<b>01.01.2023-30.09.2023</b> <b>EUR</b>
Employees' salaries	2 098 654	1 843 290
Amortization and depreciation	850 806	744 500
Social tax contributions	265 906	230 858
Office and branches' maintenance expenses	218 640	206 550
IT services	139 510	87 148
Other personnel expenses	133 201	77 950
Professional services	102 759	96 533
Audit fees	55 137	48 886
Other administrative expenses	40 090	46 663
Insurance	37 996	40 088
Representation	19 446	11 204
Communication expenses	18 801	17 298
Business trips	16 584	19 955
Legal services	14 494	8 426
Recruitment fees	14 094	23 555
Transportation expenses	8 795	11 856
Bank commissions	8 588	9 050
<b>TOTAL:</b>	<b>4 043 501</b>	<b>3 523 810</b>

## 2. Interest expenses and similar expenses

	<b>01.01.2024-30.09.2024</b> <b>EUR</b>	<b>01.01.2023-30.09.2023</b> <b>EUR</b>
Interest expenses on issued bonds	670 872	580 340
Interest expenses on lease liabilities	46 626	41 332
Other financial expenses	13 856	7 603
Interest expenses on loan facilities	9 017	1 697
<b>TOTAL:</b>	<b>740 371</b>	<b>630 972</b>



### 3. Inventories

	30.09.2024 EUR	31.12.2023 EUR
Acquired vehicles for purpose of selling them to customers	11 522 530	12 489 480
Raw materials	83 029	84 447
Work in progress	103 661	85 699
<b>TOTAL:</b>	<b>11 709 220</b>	<b>12 659 626</b>

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 on September 30. Management had performed analysis to determine profit margins for all cars that were sold after the reporting period, and concluded that no adjustments to net realizable value should be expensed through profit or loss in Q3 2024. In Latvia, Estonia and Lithuania inventories are pledged as bonds' collateral, total amount of pledged inventory in these countries is EUR 10 583 335 (31.12.2023: EUR 12 381 295).

### 4. Prepayments to suppliers and similar

	30.09.2024 EUR	31.12.2023 EUR
VAT receivable and other taxes	398 087	338 376
Security deposits	95 814	68 748
Prepays	78 083	81 496
Advances paid for goods and services	70 543	80 296
<b>TOTAL:</b>	<b>642 527</b>	<b>568 916</b>





## 5. Loans and borrowings

<b>Non-current</b> <i>Liabilities for issued debt securities</i>	<b>Interest rate per annum (%)</b>	<b>Maturity</b>	<b>30.09.2024 EUR</b>	<b>31.12.2023 EUR</b>
Bonds 3.00 million EUR notes issue <sup>1)</sup>	6%	30.12.2026	3 008 165	2 872 469
Bonds 4.90 million EUR notes issue <sup>2)</sup>	6%+3M EURIBOR	30.06.2025	-	4 511 038
		<b>TOTAL:</b>	<b>3 008 165</b>	<b>7 383 507</b>
Lease liabilities	3%-8%	up to 5 years	733 108	769 027
		<b>TOTAL:</b>	<b>733 108</b>	<b>769 027</b>
Citadele loan <sup>4)</sup>	3%+6M EURIBOR	up to 5 years	804 287	-
		<b>TOTAL:</b>	<b>804 287</b>	<b>-</b>
<b>TOTAL NON-CURRENT BORROWINGS:</b>			<b>4 545 560</b>	<b>8 152 534</b>

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 30 September 2024 (EUR 3 000 000 at 31 December 2023).

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.

Starting year 2024, there have been change in Coupon payment procedure as described in Amendments of Terms (approved by noteholders by voting) - Coupon for period starting year 2024 will be paid at Maturity of the notes, therefore interest expenses for the said Notes are reclassified as payment-in-kind interest.

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 30 September 2024 (EUR 4 900 000 at 31 December 2023).

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 redemption of the notes (put option) on 30 November 2023 therefore the Group has bonds outstanding for EUR 1 515 000 as at 30 November 2024 (EUR 1 515 000 at 31 December 2023).

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) Longo Shared Services UAB received a loan on 24 July 2024 to finance purchase of industrial building complex in Panevėžys, so it can fully customize and adjust it to the needs of car diagnostics and preparation process. Loan has maturity of five years and carry a fixed rate 3.00%+6M EURIBOR per annum, paid monthly in advance, it is secured by the purchased real estate. Accordingly, those liabilities are split between current and non-current as at 30 September 2024.

Accordingly, those liabilities are split between current and non-current as at 30 September 2024.

The Group is in the refinancing process for refinancing of its senior secured bonds expiring November 2024 and June 2025.

<b>Current</b> <i>Liabilities for issued debt securities</i>	<b>Interest rate per annum (%)</b>	<b>Maturity</b>	<b>30.09.2024 EUR</b>	<b>31.12.2023 EUR</b>
Bonds 3.00 million EUR notes issue <sup>1)</sup>	6%	30.12.2026	124 347	124 347
Bonds 4.90 million EUR notes issue <sup>2)</sup>	6%+3M EURIBOR	30.06.2025	4 823 804	241 690
Bonds 1.515 million EUR notes issue <sup>3)</sup>	6%	30.11.2024	1 506 830	1 472 464
		<b>TOTAL:</b>	<b>6 454 981</b>	<b>1 838 501</b>
Lease liabilities	3%-8%	up to 12 months	518 581	591 825
		<b>TOTAL:</b>	<b>518 581</b>	<b>591 825</b>
<b>TOTAL CURRENT BORROWINGS:</b>			<b>6 973 562</b>	<b>2 430 326</b>

## 6. 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.

\* Definition of EBITDA in the Terms includes not taking into account any exceptional items which are not in line with the ordinary course of business. It is judgment of the management of Longo Group JSC to treat expenses as exceptional.

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) 2.01

b) 53%

c) 2.05

As part of the sourcing process, the Group has committed to purchase vehicles with total costs of EUR 22 881.99. Commitment was realised in October 2024 in full.

## 7. Events after the reporting period

On November 29.11.2024. Longo Group completed a successful bond issue (ISIN LV0000804987) in amount of EUR 10 million with coupon of 10% per annum and maturity on 30.11.2027.

It has used the proceeds to pay back outstanding bonds with ISIN LV0000860062 (maturity 30.11.2024). Additionally it is in process of early repayment of Citadele mortgage loan and has announced the decision to execute a call option with respect to the bond issue with ISIN code LV0000860096 on 31 December 2024, with the record date on 30 December 2024. According to the Terms of the Issue, those LV0000860096 bondholders who did not participate in the exchange offer, will receive 101% of the nominal value of their bonds together with accrued and unpaid interest.

The rest of the proceeds from the bond issue (ISIN LV0000804987) will be used to finance AS Longo Group's growth plans through investments in new car stock and expansion of sales network.

Signed on behalf of the Group on 29 November 2024 by:

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**Edgars Cērps**

Chairman of the Board

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**Ina Volkova**

Responsible Accountant

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