banga®

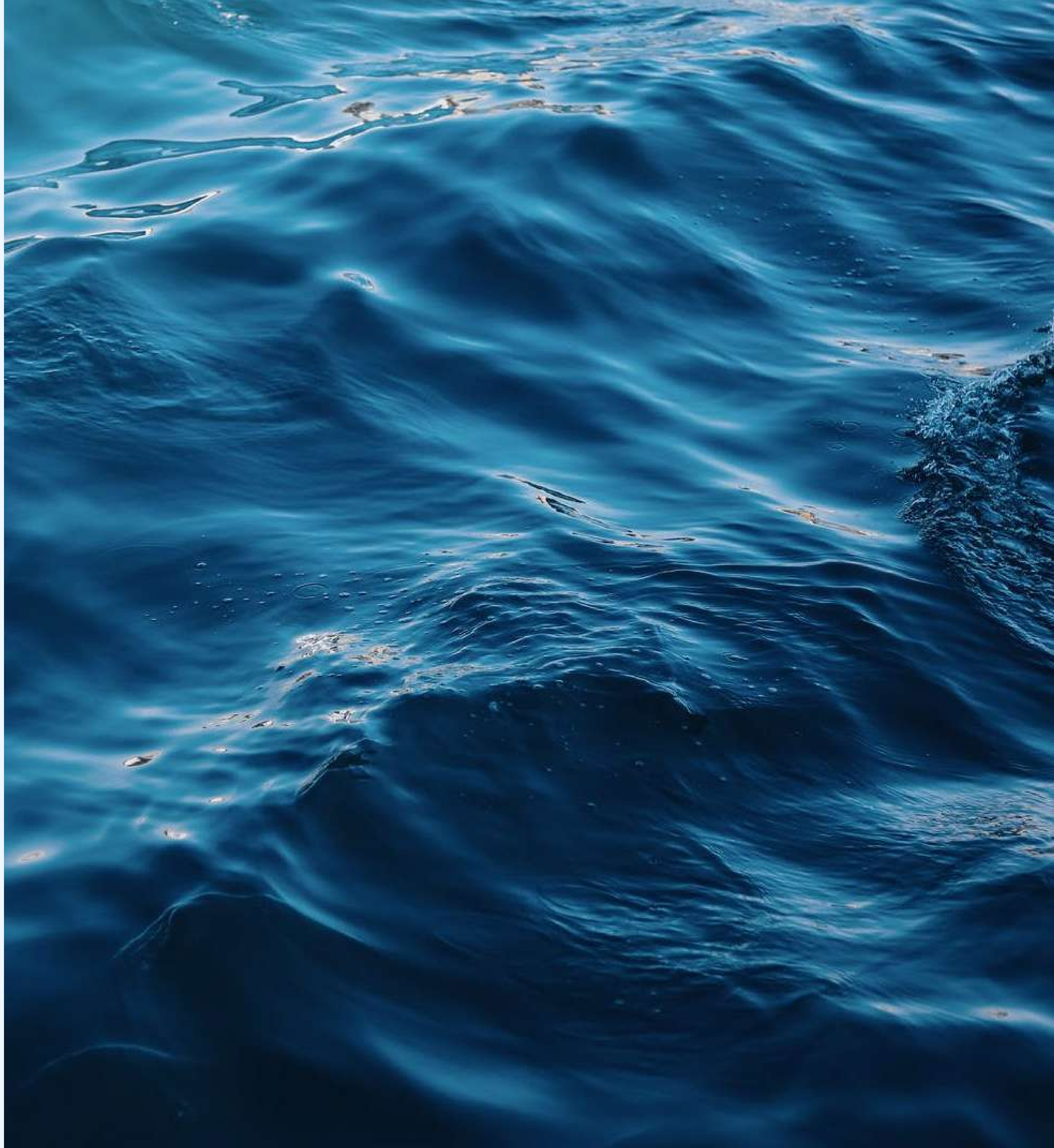
ANNO 1947

BOND ISSUE
INVESTOR PRESENTATION

March 2022 | Riga, Latvia

SIGNET

PRIVATE BANK



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The Issuer or its affiliates may, subject to applicable laws, purchase the Bonds. It should be noted that under specific circumstances their interests may conflict with those of other Bondholders.

Target market

The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate.

Any person subsequently offering, selling or recommending the Bonds (a Distributor) should take into consideration the manufacturer’s target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels

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KEY HIGHLIGHTS

Banga Ltd is modern, high quality canned seafood production company located in Latvia.

Sales to more than **30 countries**

Asset growth **183% in last 5 Y**

Produce more than **50 products**

More than **130 employees**

Revenue growth **225% in last 5 Y**

Produced more than **30 M cans in last 5 Y**

Taste and enjoy the seafood

EXECUTIVE SUMMARY

Business overview

- Fast growing seafood production company
- Full canning cycle - fresh/frozen fish pre-treatment - insertion - packing - delivery

Focus to robotisation and automatisation

- New equipment from worldwide leaders
- Focus to robots and automatisation
- EU certified production

Worldwide customer base

- More than 1000 customers in pipeline
- Sales to more than 30 countries in 4 continents – geographic risk diversification
- Long term relations with core customers

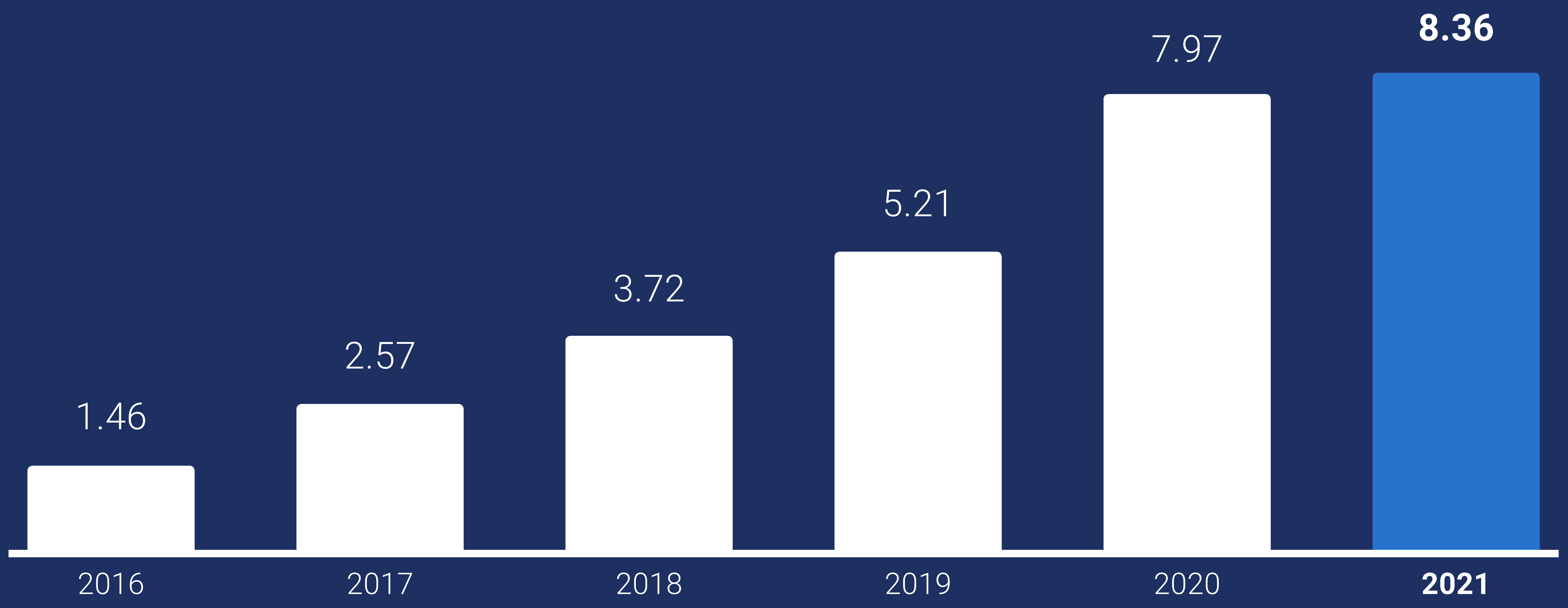
Strong financial position

- Equity ratio more than 40%
- EBITDA margin stable over 10% every year
- EBITDA growth 5 times in last 5 years

Key figures, EUR K	2019	2020	2021
Revenue	5 210	7 970	**8 366**
EBITDA	635	924	**884**
Net Profit	354	600	**508**
EBITDA margin	12.2%	11.6%	**10.6%**
Total assets	2 442	3 745	**4 434**
Equity ratio	28.4%	34.6%	**40.8%**

REVENUE

Steady turnover growth since 2016, M EUR



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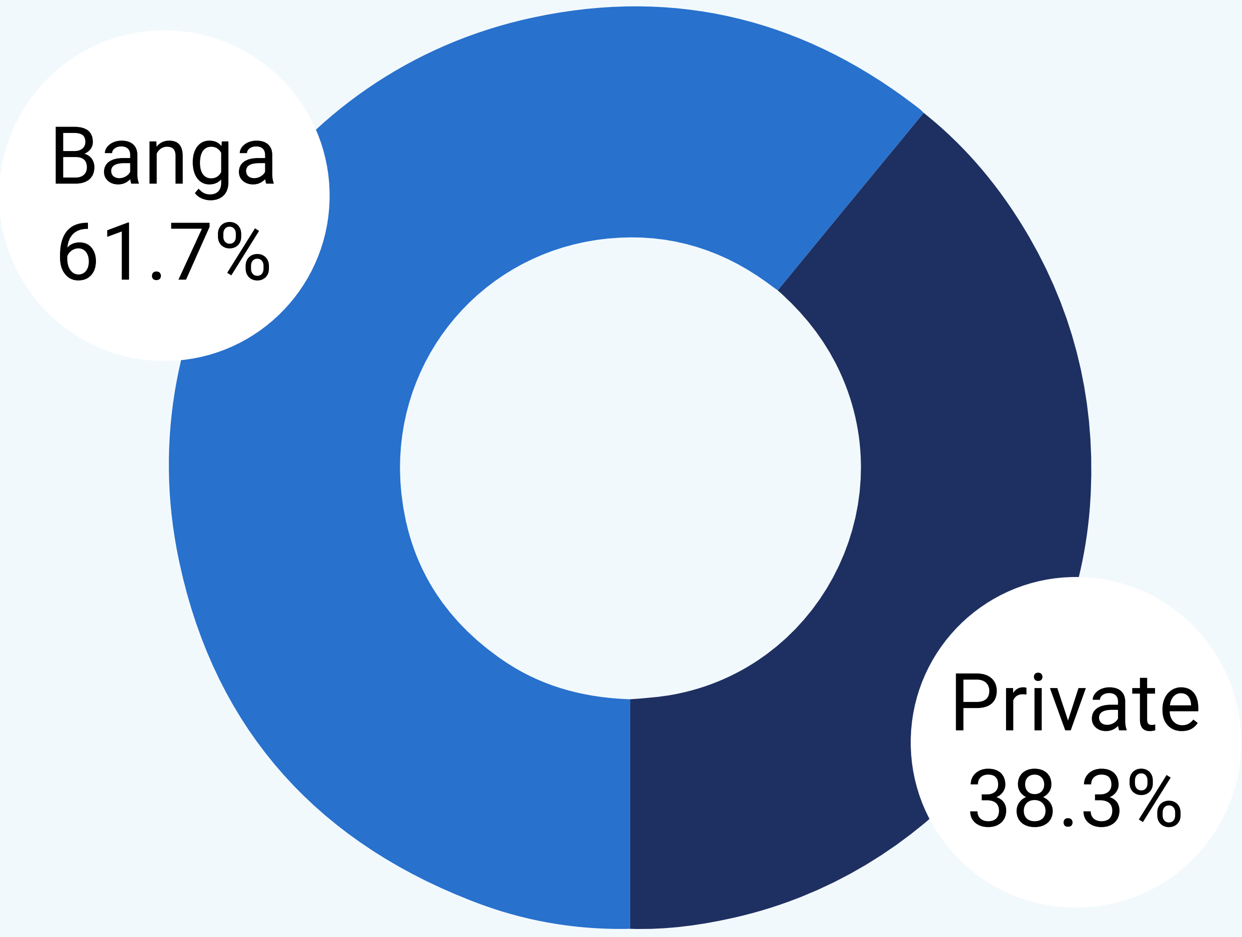
DISTRIBUTION AND SALES NETWORK

BRANDS, 2021

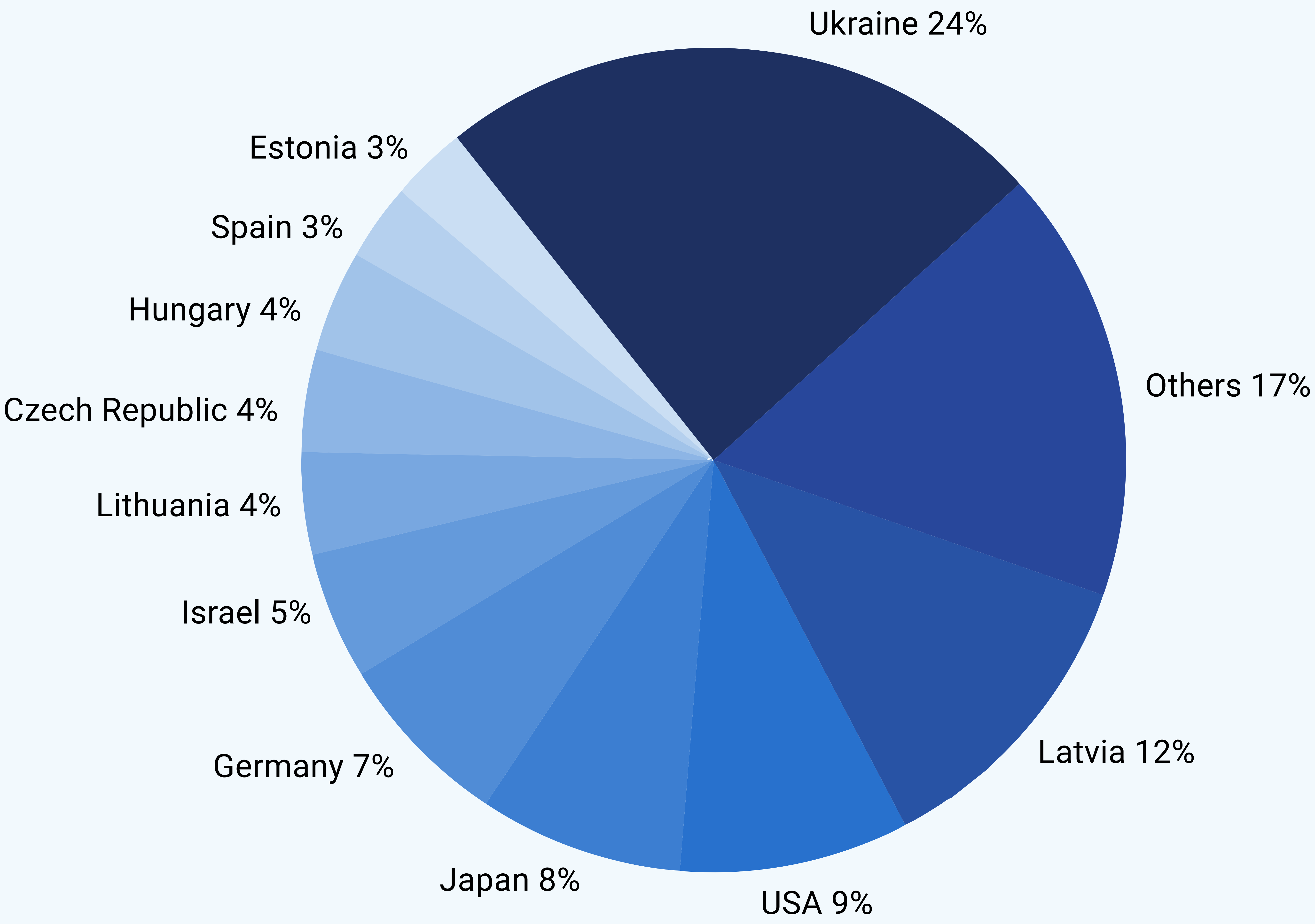


SUPERMARKET CHAINS

Customer range includes retail chains in Europe, the Baltics, Japan, Australia and Ukraine

SALES BY COUNTRIES 2021

- Customers located in 4 continents
- Developed relationships with large supermarket chains
- Mixed distribution and end user network
- Constant growth in sales for last 10 years (number of clients, sold cans, revenue)



OWNERSHIP STRUCTURE

INGUS VECKĀGANS

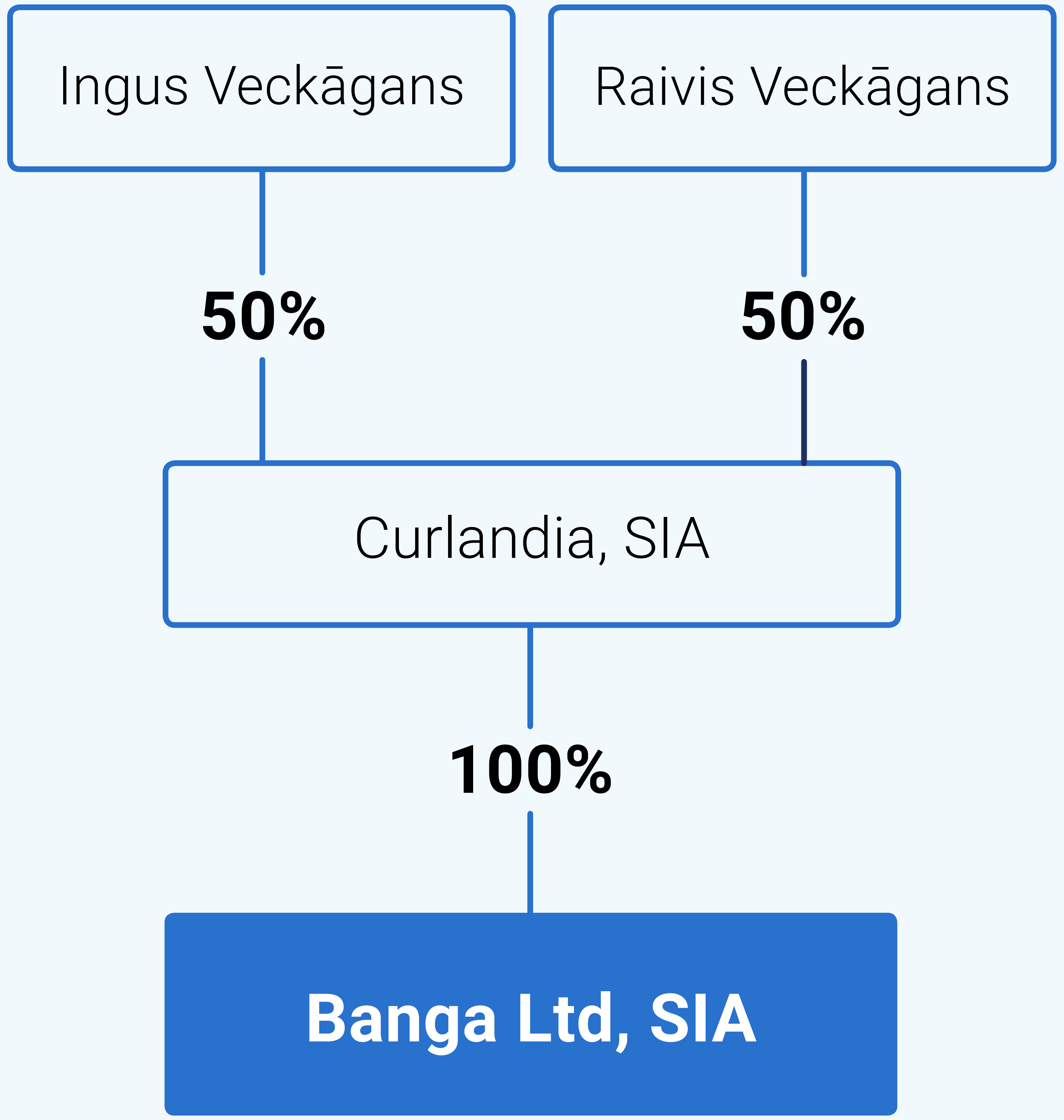
Production, investments, sales, HR

EXPERIANCE

- Banga Ltd, CEO
  Since 06/2011
- DNB, Manager, Corporate Banking Department
  10/2010-08/2011
- DnB Nord Līzings, Relationship manager
  06/2007-10/2010
- SEB Banka, Relationship manager
  06/2004-06/2007

EDUCATION

Holds an MSc from BA School of Business and Finace



RAIVIS VECKĀGANS

Strategic development, Finance

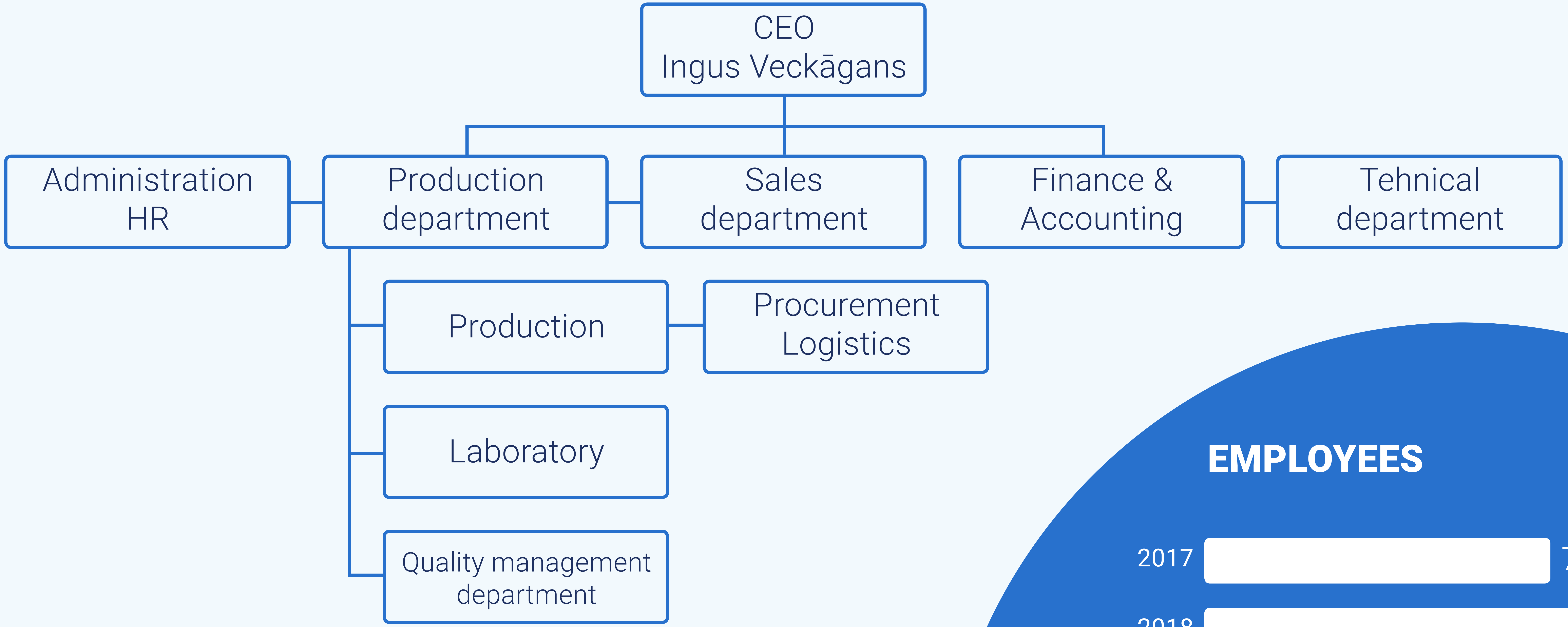
EXPERIANCE

- Mobile Heavy Machinery, Managing Director
  Since 01/2021
- Ukranian Seaport Authority, Acting CEO
  01/2017-01/2020
- Riga Container Terminal, CEO
  02/2011-11/2015

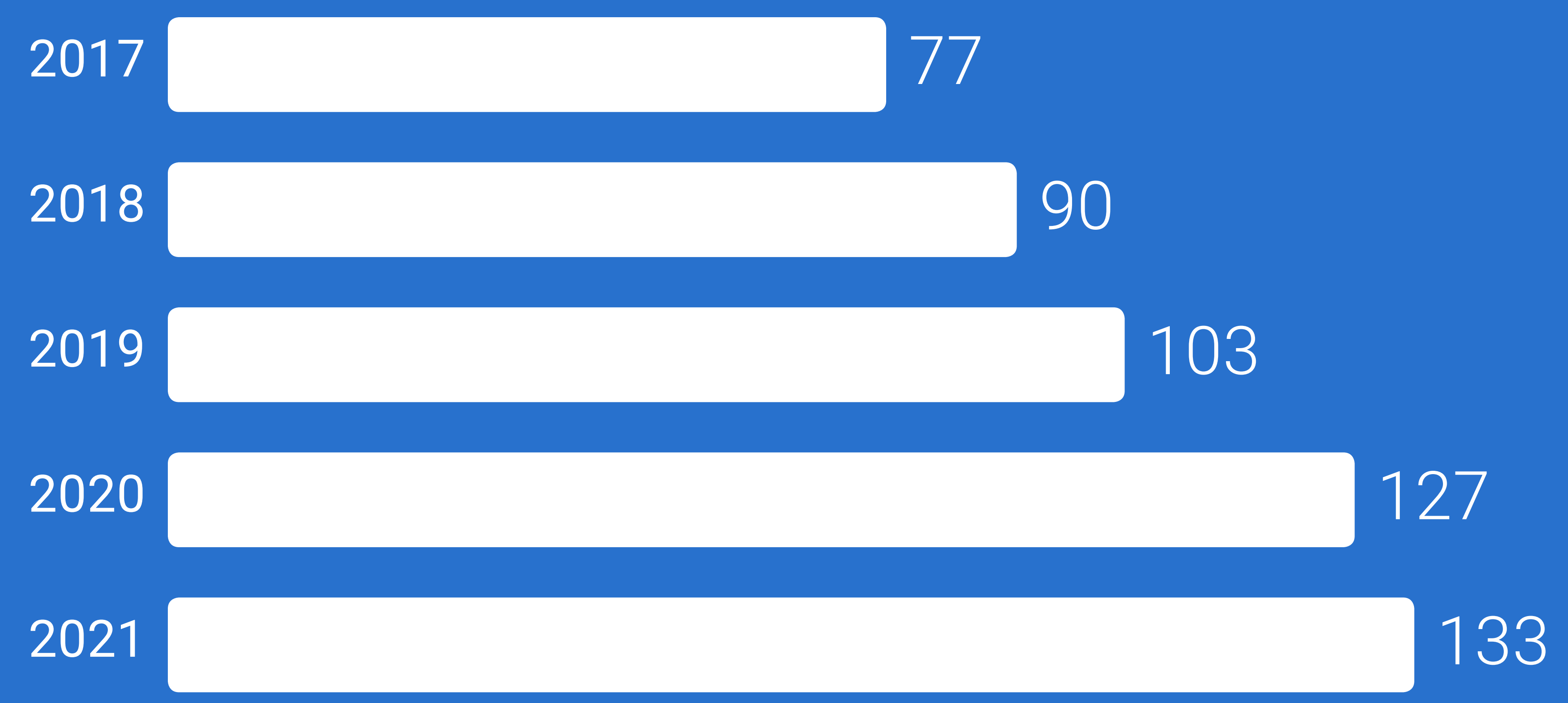
EDUCATION

Holds an MSc from University of Latvia / Faculty of Economy

COMPANY STRUCTURE



EMPLOYEES



BUSINESS STRATEGY

Banga Ltd is a canned seafood factory located in north-western part of Latvia, in the famous fishing village – Roja.

The company dates back to 1947 and nowadays combines historic tradition with modern canned seafood production.

Fresh raw material

Experienced staff

Modern technology

Developed products

High quality standards

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CORE PRODUCTION VALUES

- The factory is located at the shores of Gulf of Riga that ensures the highest quality of **fresh fish for our production** daily
- Our most valuable asset is **more than 130 employees** with their experience in fish packaging for many years
- Our own laboratory checks the production quality daily and ensures our factory runs according to IFS, MSC and ASC standards
- Modern processing platform with high quality seafood production equipment combined with traditional fish canning methods ensures the product development
- We are proud that our own solar sun panel park ensures the electricity for our factory – **we are "green" and focus on it**

Sorgo® MarrodaN Food technology Italian Pack Packaging Machines Since 1988 PERUZA

ASSET COMPONENTS IN PRODUCTION

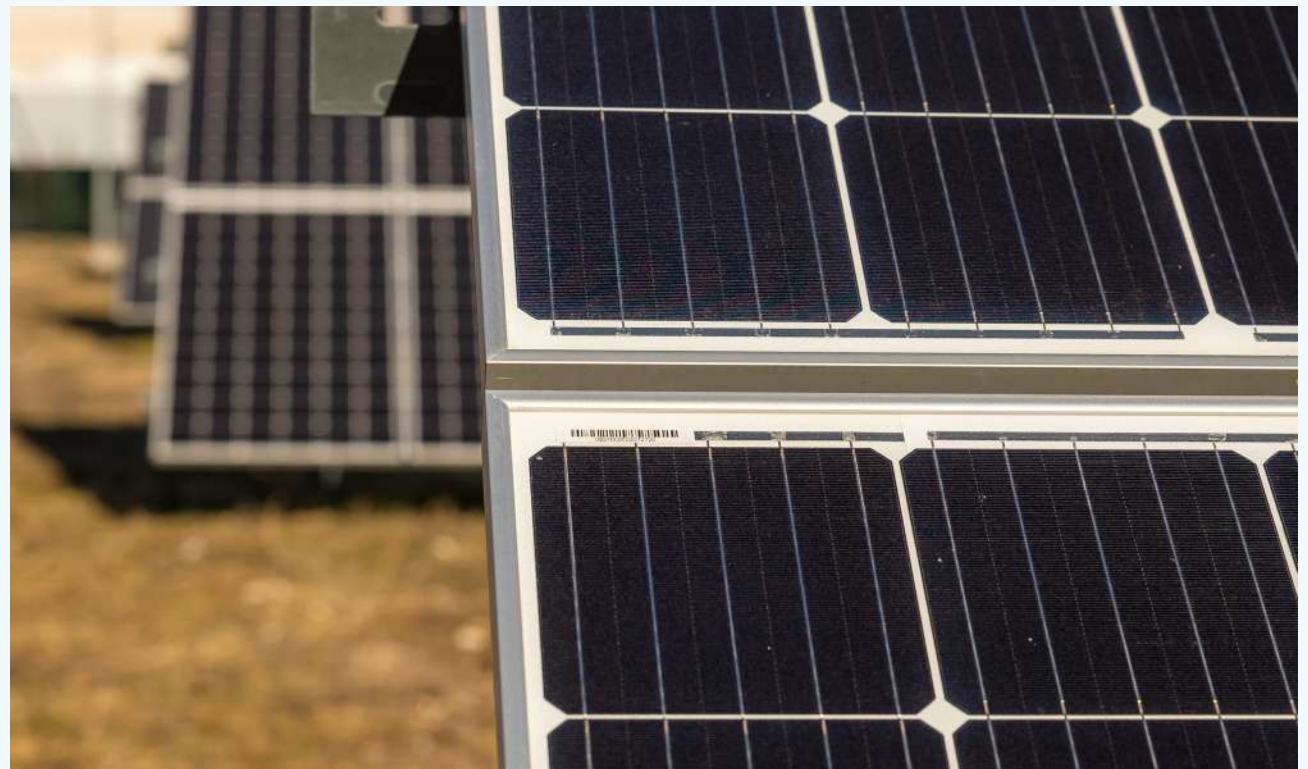
Ownership
Land plot in the area of 5 h next to the Gulf of Riga

Green energy
Solar panel park for the needs of the factory

Flexibility
6 production lines

Independence
Own artesian water place

- 2 production buildings including cold storage and 2 warehouses for packaging materials and finished goods, admin office
- Treatment Equipment next to production plant
- Gas storage facilities
- Oil storage tanks
- Electricity substation



PRINCIPLES OF QUALITY MANAGEMENT

- Sustainable fishing – high quality suppliers
- Product and process analyses on regular basis
- High quality ingredients
- Own labrotory to monitor, control, and analyse the production process
- Internal safe control system
- HACCAP quality standards integrated in all business processes
- We cooperate with external laboratories as BIORS, HAMILTON baltic etc.
- Organic sertification process in progress

Production of fish products

Supply chain

Supply chain

Naturally smoked

Hand packed

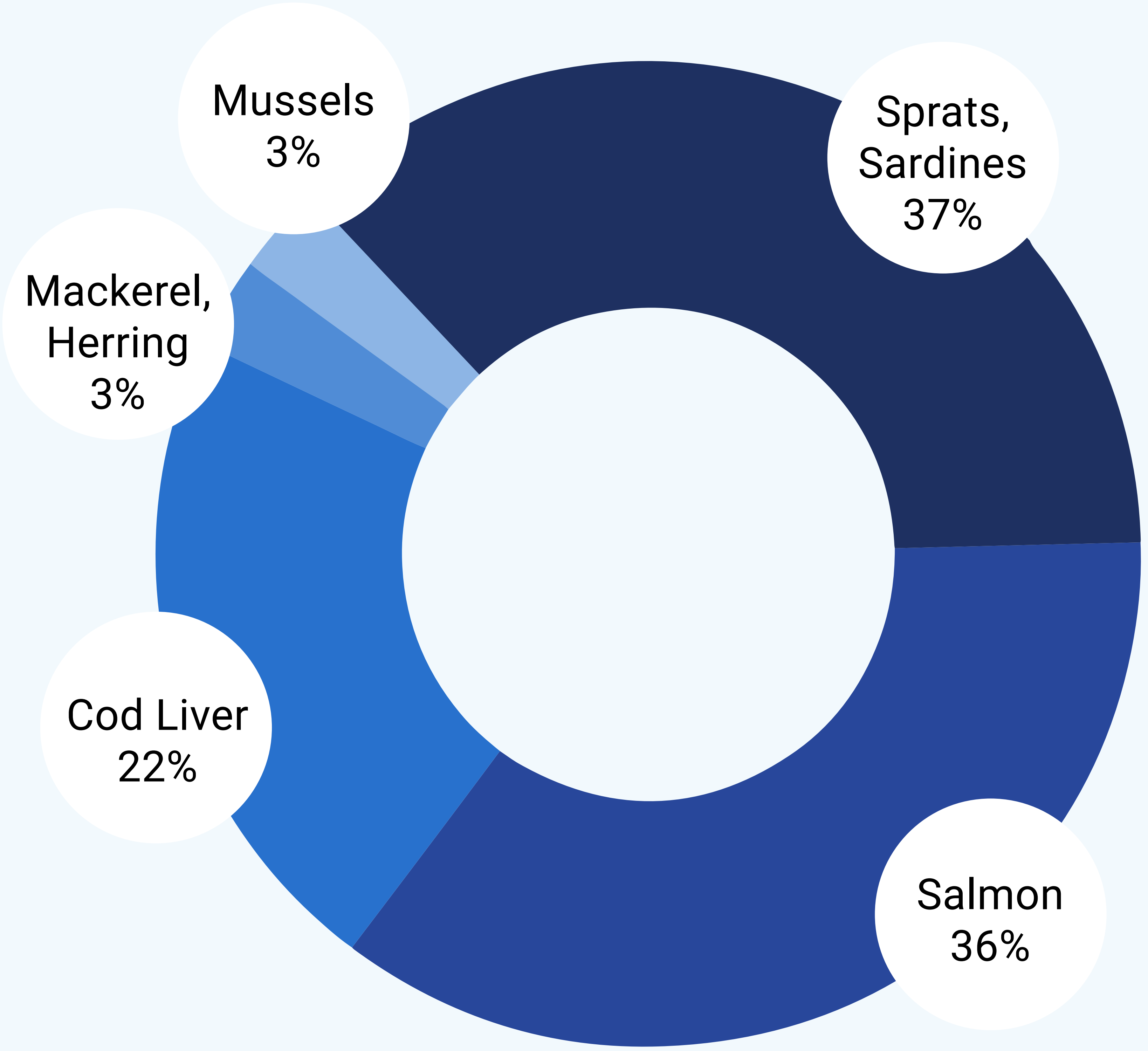
RAW MATERIALS

Product quality is the company's main priority and added value **- only the highest quality raw materials from the world's leaders** are used in production.

Salmon	Mackerel	Mussels	Herring
Norway	Norway	Spain | Netherlands	Latvia
Sprats and Baltic Herring	**Oil**	**Cans and Lids**	**Packaging Materials**
Latvia	Lithuania	Spain | UK	Germany | Latvia

MAIN PRODUCT RANGE

- Salmon
- Mussels
- Tuna
- Brisling Sardines
- Sprats
- Atlantic Herring
- Mackerel
- Cod Liver



Taste and enjoy the seafood

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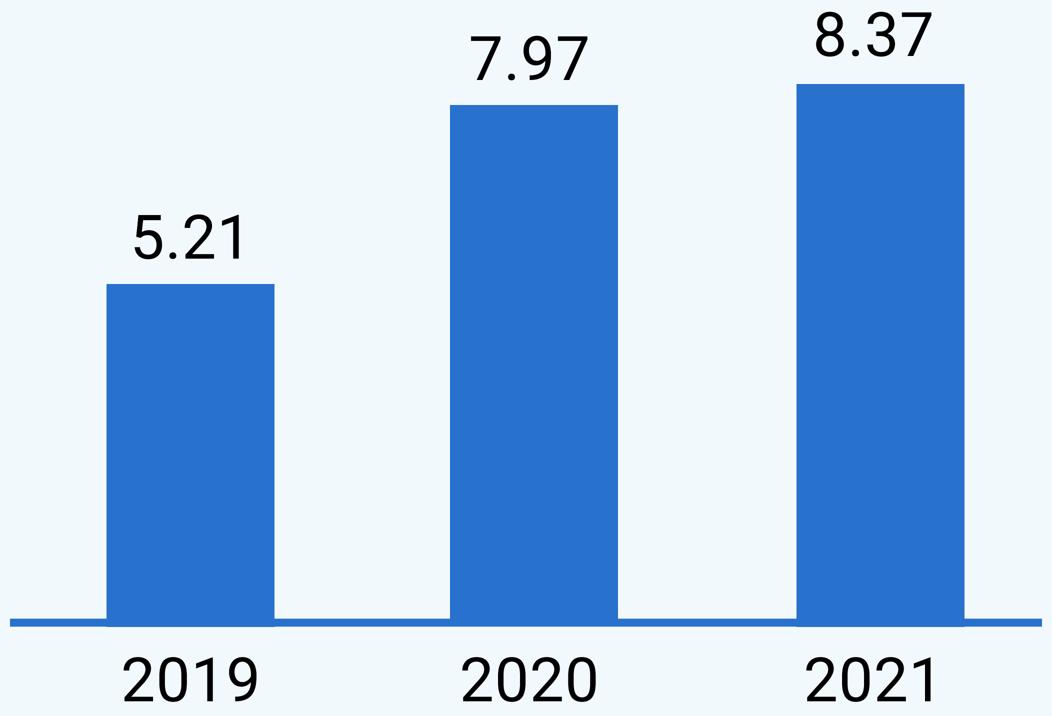
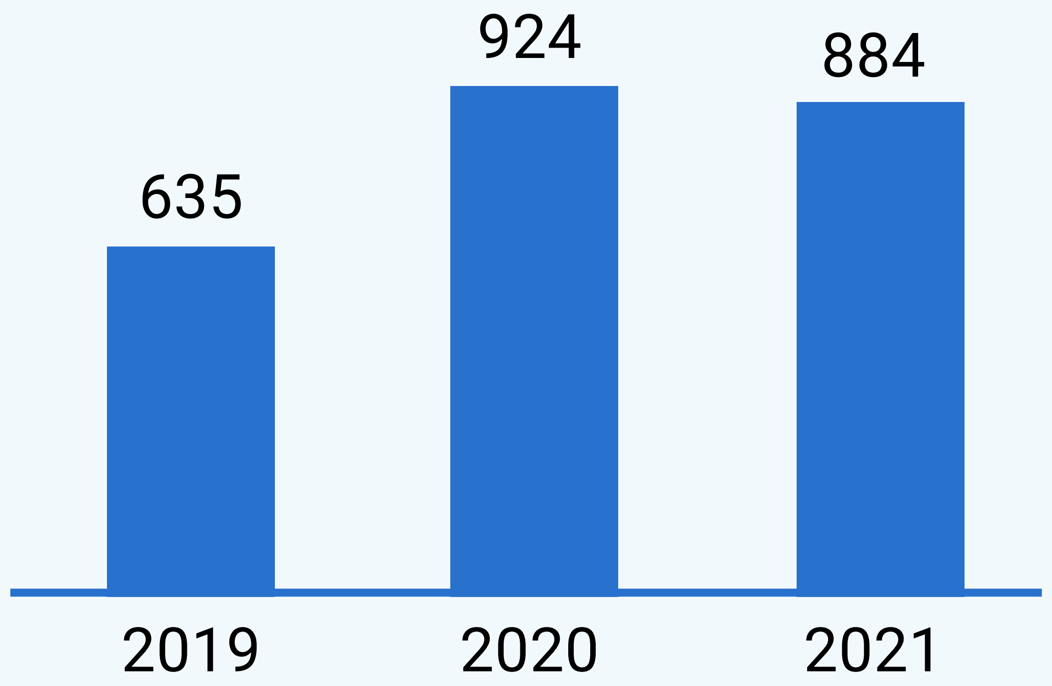
KEY FINANCIAL HIGHLIGHTS

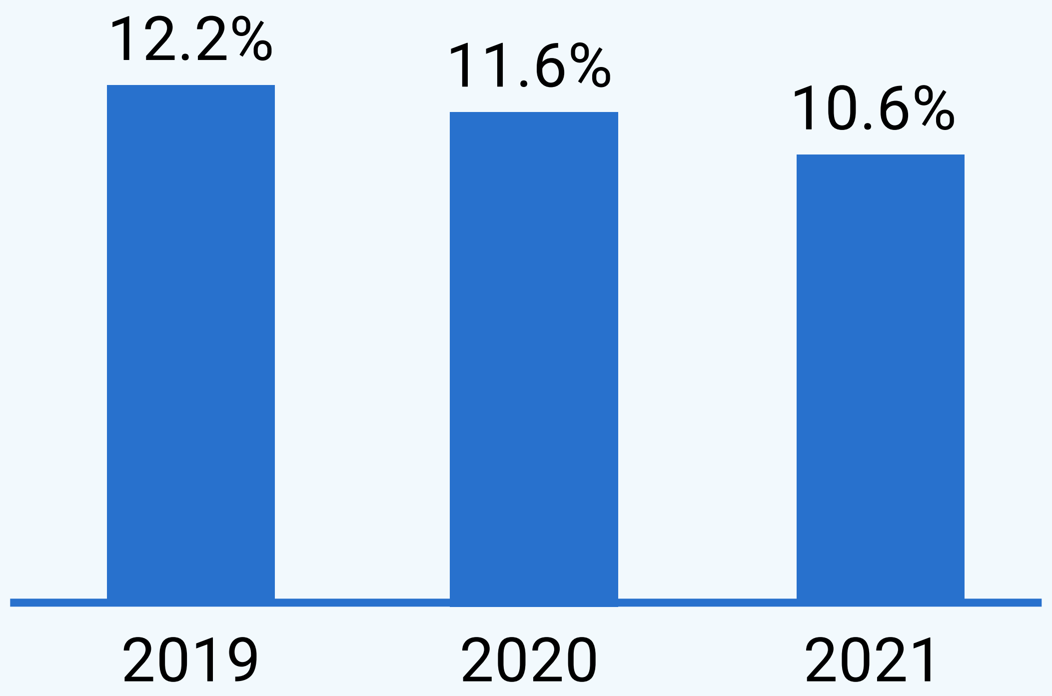
Revenue, M EUR



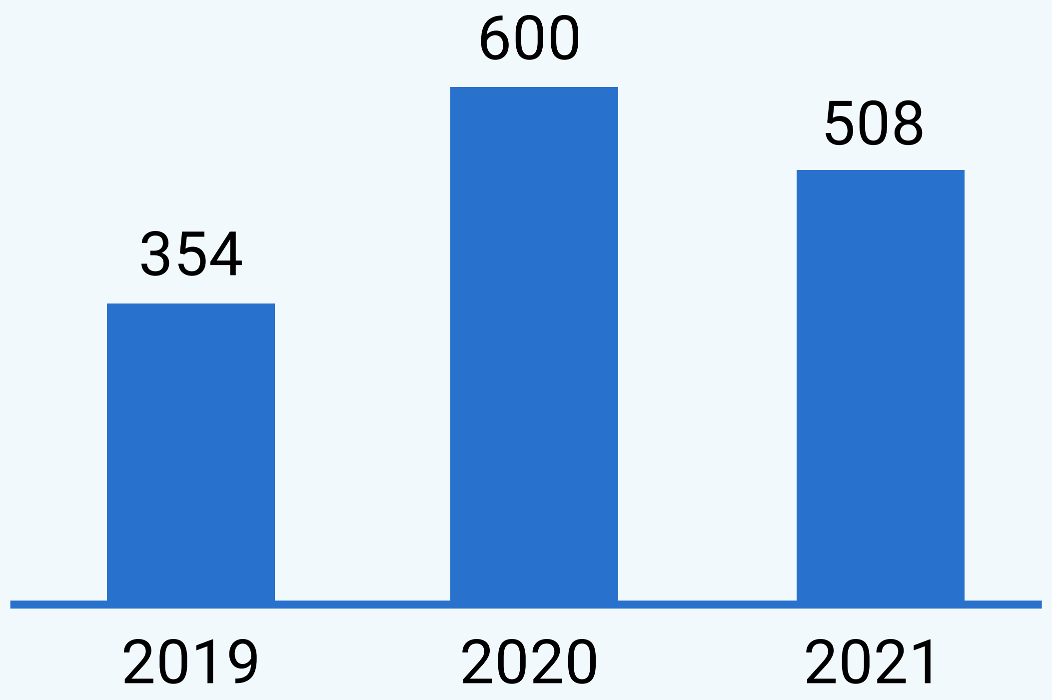
EBITDA, K EUR



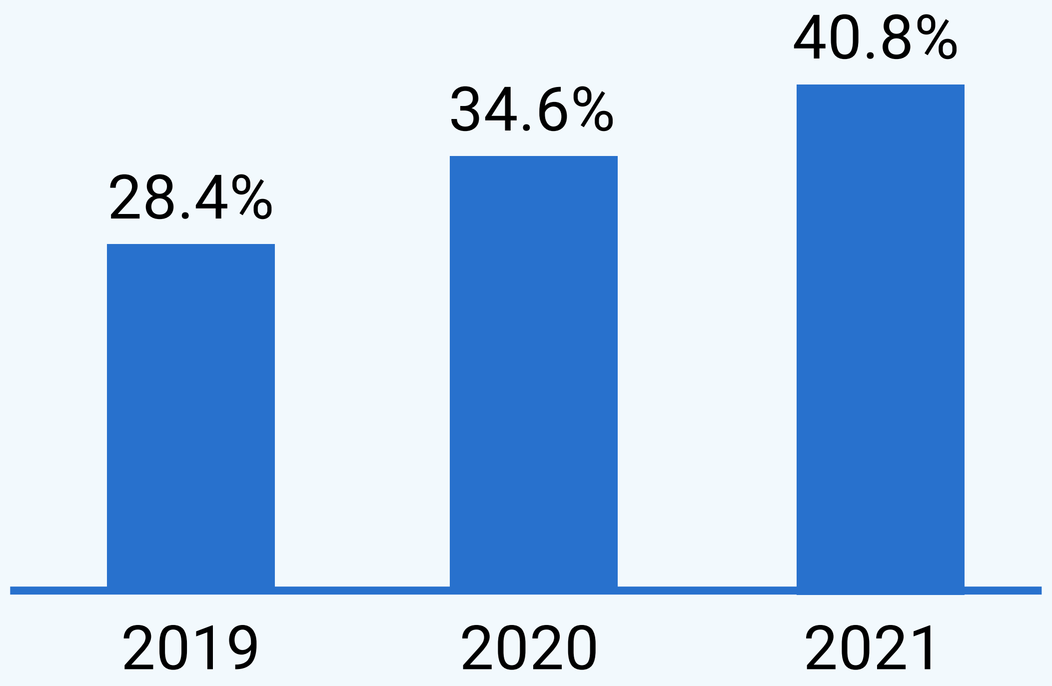
EBITDA margin



Net profit, K EUR



Equity ratio



INCOME STATEMENT

Income Statement	Audited 2019	Audited 2020	Unaudited 2021
Revenue	**5 210 334**	**7 970 196**	**8 870 230***
Cost of sales	(4 512 145)	(6 935 139)	(8 096 031)
Gross profit	**698 189**	**1 035 057**	**774 199**
Selling and distribution expenses	(92 423)	(196 252)	(160 997)
Administrative expenses	(193 328)	(247 996)	(263 745)
Other operating income	27 868	53 610	138 004
Other operating expenses	(73 608)	(4 738)	(7 231)
Other interest and similar income	107 021	60 229	90 261
Interest and similar expenses	(118 129)	(102 724)	(62 761)
Operating profit	**355 590**	**597 186**	**507 730**
Extraordinary income		6 253	549
Income tax expense	(1 209)	(2 968)	(188)
Profit for the period	**354 381**	**600 471**	**508 091**

** including ERST Finance inventory financing*

- Geographically diversified sales to more than 30 countries. 100% canned seafood.
- Average gross margin over the last 3 years 11.70%
- The main cost items - fresh and frozen fish, cooking oil, cans
- Personal expenses are 20% of the cost of sales
- The reports have been prepared in accordance with Latvian Generally Accepted Accounting Principles.

BALANCE SHEET

Balance Sheet	*Audited* 2019	*Audited* 2020	*Unaudited* 2021
Non-current assets	**1 248 198**	**1 497 446**	**1 803 847**
Inventories	819 191	1 462 121	1 473 622
Trade and other receivables	323 448	761 482	1 129 607
Cash and cash equivalents	51 625	24 533	27 418
Total current assets	**1 195 264**	**2 248 136**	**2 630 647**
TOTAL ASSETS	**2 442 462**	**3 745 582**	**4 434 494**
Total equity	**694 682**	**1 295 152**	**1 803 244**
Long Term Borrowings	340 796	513 296	442 295
Short Term Borrowings	434 551	409 765	404 339
Accrued income	186 883	165 393	270 602
Trade and other payables	712 100	1 317 455	1 488 799
Taxes payable	73 450	44 521	25 215
Total liabilities	**1 747 780**	**2 450 430**	**2 631 250**
TOTAL EQUITY AND LIABILITIES	**2 442 462**	**3 745 582**	**4 434 494**

- The company's long-term strategy is to continuously expand production
- The plant is located on 5.5 hectares of land and consists of 3,000 m2 of production buildings and technological equipment.
- Balance value of land and buildings 0.7 m EUR, balance value of technological equipment 0.97 m EUR.
- 60% of inventories are finished products valued at cost
- Inventories and recievebles increases proportionately
- The amount of assets has doubled in last 3 years
- Continuous equity increase (more than 40% in 2021)
- Bank loans from Swedbank will be refinanced

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USE OF PROCEEDS

The aim of the investment project is to **increase production capacity** and introduce the production of **new products** using new automated technological equipment.

	Total EUR 2 500 000
Building construction	500 000
Robotic packaging machines	200 000
Refrigeration and defrosting equipment	120 000
Sterilization autoclave	150 000
Fish processing equiment	180 000
Steam chisel	200 000
Reconstruction of the treatment plant	150 000
Repaying bank debt	700 000
Working capital	300 000

Capacity **increased 2 times** to 20 M cans per year

Own **cold store wharehouse** for frozen fish

New 185 g can in production

FORECASTS OF FINANCIAL INDICATORS

Key Figures, EUR M	2021	2022	2023	2024	2025
Revenue	8.40	9.00	14.00	16.99	**18.35**
Gross profit	1.12	1.18	2.40	3.15	**3.47**
EBITDA	0.88	0.86	1.92	2.47	**2.74**
Net profit	0.50	0.40	1.30	1.88	**2.31**
EBITDA margin (%)	10.60	9.50	13.80	14.60	**15.00**
Equity	1.81	2.24	3.53	5.41	**7.72**
Balance sheet total	4.44	6.38	8.89	10.81	**10.68**

15%
EBITDA margin increase to 15%

70%
Equity ratio increase from 40 to 70%

119%
Revenue increases by 119%

10M
The amount of assets exceeds 10M EUR in 2025

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TRANSACTION OVERVIEW

Issuer	SIA Banga Ltd
Status	Senior secured bonds
Collateral	○ Commercial pledge on assets of SIA Banga Ltd. ○ Mortgage on the real estate of SIA Banga Ltd.
Issue size	EUR 2,500,000
Coupon rate	6-7%, quarterly
Maturity	3 years, bullet
Call option	@102% after year 1, @100% 3 months before maturity
Put option	In case of Change of Control @101%
Financial covenants	○ Interest coverage ratio: min 3x ○ Equity ratio: min 30% ○ Net Debt / EBITDA: max 4x from the Issue Date, max 3x starting from 2024
Type of placement	Private placement with minimum subscription of EUR 100,000
Listing	Nasdaq Baltic First North within 12 months after the Issue Date
Use of proceeds	Repaying existing bank debt and financing of investment project
Arranger	Signet Bank AS
Collateral Agent	ZAB Vilgerts SIA

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RISK FACTORS

BELOW IS THE DESCRIPTION OF RISK FACTORS THAT ARE MATERIAL FOR THE ASSESSMENT OF THE MARKET RISK ASSOCIATED WITH THE NOTES AND RISK FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES. SHOULD ONE OR MORE OF THE RISKS DESCRIBED BELOW MATERIALIZE, THIS MAY HAVE A MATERIAL ADVERSE EFFECT ON THE CASH FLOWS, RESULTS OF OPERATIONS, AND FINANCIAL CONDITION OF THE ISSUER AND THE GROUP. MOREOVER, IF ANY OF THESE RISKS MATERIALIZE, THE MARKET VALUE OF THE NOTES AND THE LIKELIHOOD THAT THE ISSUER WILL BE IN A POSITION TO FULFIL ITS PAYMENT OBLIGATIONS UNDER THE NOTES MAY DECREASE, IN WHICH CASE THE INVESTORS COULD LOSE ALL OR PART OF THEIR INVESTMENTS.

BEFORE DECIDING TO PURCHASE THE NOTES, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THE FOLLOWING RISK FACTORS, IN ADDITION TO ALL OTHER INFORMATION PRESENTED IN THE TERMS OF THE ISSUE, AND CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS IF NECESSARY. MOREOVER, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT SEVERAL OF THE DESCRIBED RISK FACTORS CAN OCCUR SIMULTANEOUSLY AND TOGETHER WITH OTHER CIRCUMSTANCES COULD HAVE A POTENTIALLY STRONGER IMPACT ON THE ISSUER OR THE GROUP. THIS IS NOT AN EXCLUSIVE LIST OF RISK FACTORS, AND ADDITIONAL RISKS, OF WHICH THE ISSUER IS NOT PRESENTLY AWARE, COULD ALSO HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER AND THE GROUP.

1. RISK FACTORS

1.1. Important note

The risks indicated in this section, if some or all of them materialize, may reduce Issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario.

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

1.2. Risks related to the economic and regulatory environment

1.2.1. Macroeconomic risk

The Group's operations are well diversified with exports to more than 30 countries. Exports account for a considerable proportion of the Group's total sales and the Group's key markets are Ukraine, Latvia, USA and Japan together accounting for 53% of the Group's total sales in 2021. Ukraine accounted for 24%, Latvia 12%, USA 9%, Japan 8%, Germany 7%, Israel 5%, Lithuania 4%, Czech Republic 4%, Hungary 4% and other countries (22 in total) 23% of the Group's total sales in 2021. Lower economic growth or a downturn in the Group's export markets could have a negative effect on the Group's business and profitability. This could take the form of reduced demand, losses on receivables resulting from customers' inability to pay their debts, etc. Furthermore, changes in consumer habits and patterns of consumption could affect demand for the Group's products in main markets. This could have a negative impact on the Group's sales and profitability.

1.2.2. Geopolitical risk

The Group sells and transports products across a wide variety of national jurisdictions and geographical areas. This entails a risk of business interruptions that may result from political circumstances, trade disputes or inadequacies in the legal systems and law enforcement mechanisms in certain countries in which the Group operates. The political circumstances or inadequacies of the legal systems and law enforcement mechanisms in certain countries in which the Group operates may have a material negative impact on the Group's reputation, revenue, cash flows and financial condition.

The Group exports its products to Ukraine and the share of Ukraine account for a significant proportion of the Group's total sales – sales in Ukraine accounted for 24% of total sales in 2021. Due to ongoing war with Russia, Ukrainian economy has significantly worsened. The Group can shift its sales in Ukrainian market to other markets as the demand for the Group's products in other markets is high, however there is no guarantees that it can be done successfully. Taking in account the significance of Ukrainian market the Group has implemented measures to mitigate possible risks. The Group cooperates with largest supermarket chains in Ukraine and has changed the order of payments – in contrast to situation before the war, the Group now receives payments for its products in advance. Furthermore, all payments are made in EUR currency eliminating negative impact from currency exchange rate fluctuations. Although the demand for the Group's products in Ukraine remains high, uncertainty regarding further Group's operations in the market remains high due to ongoing war with Russia.

1.2.3. The ongoing global pandemic risk

The global economy has experienced a period of uncertainty since the outbreak of Covid-19, in March 2020. The global outbreak of Covid-19, and the extraordinary health measures and restrictions on local and global basis imposed by authorities across the world has, and are expected to continue to cause, disruptions in the Group's value chain. As a result of the Covid-19 situation, national authorities have adopted several laws and regulations with immediate effect and which provide legal basis for the government to implement measures in order to limit contagion and the consequences of Covid-19. Covid-19 situation is continuously changing, and new laws and regulations that could directly, or indirectly, affect the Group's operations may enter into force. Authorities in the Group's export markets could implement measures that affect the Group's operations, such as in relation to logistics and transportation of products, as well as other parts of the Group's value chain. The effects of the Covid-19 situation could in turn negatively affect the Group's revenue and operations going forward, where the severity of the Covid-19 situation and the exact impacts for the Group are highly uncertain. Under increasing uncertainty due to Covid-19 situation, demand for the Group's products and for canned food products in general has increased which in turn has positively impacted the Group's operations. However, it could change going forward in case of adverse developments regarding Covid-19 situation.

1.2.4. Regulatory risk

The Group is subject to national Latvian laws and regulations, as well as EU laws and regulations that regulate the industry in which the Group operates. Any uncertainty as to the regulatory trends or changes in policies in relation to the Group's industry may delay or prevent the achievement of the strategic plans or increase the cost of implementing such plans. The sale of the Group's products and the provision of services are subject to a high level of regulation and oversight applicable to the consumer sector.

The Group complies with all legislative requirements and other regulations as of the date of the Terms of the Notes Issue. Legislation and regulations may change however, and the management cannot guarantee, in such cases, it would be able to comply immediately, without material measures to be in line with the requirements of any revised legislation or other regulations. Adapting the Group's operations to any of the changes described above may incur costs for the Group that are difficult to anticipate, which in turn may have a material adverse effect on the Group's business operations, financial conditions and results of operations.

1.2.5. Taxation risk

Changes to local tax regime or challenges to the current tax structures of the Group's business could have material adverse effect on the Group's business, financial condition, or results of operations. Additionally, certain tax positions taken by the Group require the judgement of management and, thus, could turn to be inefficient or challenged by tax authorities due to possible erroneous interpretation of tax legislation.

1.2.6. Supply of raw material risk

The Group is dependent on access to raw material in order to deliver products to its customers. The Group's raw material is sourced from third parties, and no guarantees can be made that the Group will secure sufficient volumes going forward. Dependency on third party supply of raw material also exposes the Group to further competition from its peers, and especially from industry players owning coastal vessels or aquaculture production facilities that to a greater extent than the Group secure supply of raw material.

The revenues can be impacted both by the available raw material in the region the Group is operating but also by the supply in other regions. Variations in regional fishing quotas could impact the supply of raw material available for the group. Further, the supply from other regions both in relation to the same species/products and similar substitutes could have an impact on prices. In a very broad sense also the supply and prices for alternative sources of proteins could therefore impact the demand and prices for fish. Approximately 60 % of the Group's annual costs are related to purchase of raw material.

Increased prices for raw material could as a result have a negative effect on the Group's results of operations, profitability and future development.

1.2.7. Inventory management risk

The Group maintains a certain level of inventory in order to ensure the optimal flow of the inventory and the ability to satisfy customer demands. The Group's total inventory level was EUR 1.5 million (one-point-five million Euro) as of 31 December 2021, constituting around 33% (thirty-three per cent) of the Group's total assets.

Insufficient levels of inventory can leave a significantly negative impact on the Group's revenue. However, in the event of high levels of unsold products, the Group could be required to sell some of its products at lower prices, which could negatively affect the Group's operating profits and have a materially adverse impact on its business operations and financial conditions.

Alternatively, the Group may underestimate the demand of one product compared to another and acquire stock inadequately as a result. To be responsive to shifting customer demands, the Group must manage its product selection and inventory levels closely. If the Group misjudges, fails to identify or fails to react swiftly to changes in consumer preferences, its sales could decrease, and the Group could see a significant increase in its inventories. Conversely, if the Group underestimates consumer interest in its products, it may experience inventory shortages and lower revenue and profitability than the Group could otherwise have achieved. Therefore, it is important for the Group to optimize inventory levels accordingly.

1.2.8. Financial leverage risk

The financial leverage of the Group will increase as a result of the Notes issue and could increase further due to potential additional external financing in the future, which could result in negative consequences for the Group's business operations. Such consequences would include, but are not limited to, requiring the Group to dedicate a substantial portion of its cash flows for financing debt, increasing vulnerability to a downturn in the Group's business operations or general economic conditions, placing the Group at a competitive disadvantage relative to its competitors with lower leverage, limiting flexibility in reacting to competition or changes in the business or industry. Any of these or other consequences or events could have a material adverse effect on the Group's ability to satisfy its obligations on Financial Indebtedness.

1.2.9. Retention of key personnel

The Group's business and prospects depend to a significant extent on the continued services of its key personnel in its various business areas. Financial difficulties or lack of industry sustainability could negatively impact the Group's ability to retain key employees. The loss of any of the members of its senior management or other key personnel or the inability to attract a sufficient number of qualified employees could adversely affect its business and results of operations.

1.2.10. Employee risk

As of 31 December 2021, the Group employs 133 (one hundred and thirty-three) full-time employees. The Group's employees are a significant part of the overall operations of the Group. Therefore, it is of high importance for the Group to have a professional team of employees with low employee turnover rate. To retain and motivate its personnel, the Group has a performance bonus scheme in place, health insurance, employees are transported from / to work by company transport!

Additionally, in the future the Group may be unable to attract enough skilled employees that would fit the needs and the corporate culture of the Group. Training of new employees also takes time and resources. Any difficulties in attracting new and/ or to retain existing employees could have a material adverse effect on the Group's service quality and reputation, business operations, financial conditions and results of operations.

1.2.11. Operational risks

Operational risk is a possibility of experiencing losses due to insufficient or unsuccessful internal processes, personnel management, systems, or external circumstances. Thorough personnel selection is carried out, accurate descriptions of job duties are compiled, division of duties is coordinated, which allows the Group and management to reduce operational risks. The Group's internal controls, procedures, compliance systems and risk management systems may prove to be inadequate to prevent and discover previous or future breaches of laws and regulations and generally to manage risks which could have a material adverse effect on the Group's business operations, financial conditions and results of operations.

1.2.12. Competitive risks

The Group operates in a globalized highly competitive industry where a significant share of its products is exported internationally. As a consequence, the prices for the Group's products are affected by global supply and demand for canned seafood products. The Group's revenue is correlated with the supply and the prices obtained for its products. Unfavorable raw material prices could significantly affect the Group's competitiveness and profitability if prices for its products are not adjusted accordingly in the markets in which it operates. Because the driving factors behind the price development for the Group's products are primarily external, the Group has limited flexibility to manage and adjust the prices for its own products. The Group is therefore exposed to the risk of having high production volumes, and a high corresponding production cost, without securing favorable prices for its products due to an imbalance between global supply and demand.

There is generally a high demand for the Group's products, as canned seafood is considered to be attractive commodities among consumers, however, there can be no guarantee that this demand for the Group's products will continue in the future. Further, tastes and preferences from pelagic products like herring and mackerel can change towards other seafood products. The Group is dependent on introducing, marketing and selling products that suit customer demand at satisfactory price levels for both the customer and the Group. The seafood industry is a global industry with many producers ensuring a supply of a broad range of various fish and other aquatic products worldwide. By securing longstanding customer relationships, the Group can somewhat mitigate its competition risk. Nevertheless, many of the Group's competitors produce similar products as the Group and offer these to the same customer base and use the same suppliers as the Group, all of which can drive prices for products sold down while prices for raw material, labor cost and energy remain high. Increased prices for raw material in combination with lower prices for products sold, result in lower operating profit for the Group and could, in the event of a material gap, have adverse effects on the Group's results of operations and future prospects.

1.2.13. Production levels risk

The Group's business is reliant on a continued supply from the fishing fleet to maintain an efficient operation of its production facilities. The supply from the fishing fleet is again dependent on the yearly fishing quotas in the respective regions. Typically, the quotas will change over time due to normal fluctuations in nature. In periods with lower quotas the land-based production industry will typically compete harder to achieve the necessary raw material volume. With a tougher competition for the raw material it will maybe reduce the possibility to earn sufficient margins in the global market.

1.2.14. The risk of rising costs of logistics and transportation

The Group is processing over 3 000 tons of raw material yearly. Due to the high volume a significant part of the production is exported worldwide to over 30 different countries yearly. The group is therefore a user of cold storages and shipping containers and in total the costs related to logistics and transportation is an important cost factor. As an effect, changes in the markets for logistics and transportation could have a material effect on the results of the group.

1.2.15. New technology utilization risk

The Group operates within a capital-intensive industry, where use of technology is becoming increasingly important for the Group in order to limit its operating expenses and stay competitive. Therefore, the Group has been continuously making investments in upgrading its production processes and facilities. to remain competitive..
However, there can be no guarantee that all new production facilities will perform as expected and deliver the expected contribution, and the Group will be able to keep up with technological changes within the industry, nor that it will have sufficient financial resources to invest in new and relevant technology going forward. If the Group is unable to implement new technology, its operations, as well as competitiveness, could be adversely affected.

1.2.16. The risk of product liability claims

As a supplier of products made directly for human consumption it is critical that the Group's products are perceived as safe and healthy in all relevant markets. The food industry in general has experienced increased customer awareness with respect to food safety and product quality, information and traceability. A failure by the Group to meet new and existing customer requirements may lower the demand for its products. Moreover, this also exposes the Group to the risk of product liability claims from its customers as well as end-consumers. Should any contamination or other food safety issues related to the Group's products occur, such would not only have financial consequences due to product recalls and liability claims, but also reputational consequences as it could result in consumers being deterred from consuming the Group's products.

1.2.17. New product introduction, existing product repositioning and changes of consumer preference risk

The Group's future business and financial performance depend, in part, on its ability to successfully introduce new products and improved products, reposition existing products, and anticipate and offer products that appeal to the changing tastes, dietary habits and trends and product packaging preferences of consumers in the market categories in which the Group competes. There is no certainty that opportunities for product innovation will exist or that new products will be successfully introduced or existing products successfully repositioned. Significant development and marketing costs are usually incurred in connection with the introduction of new products or repositioning of existing products. Successfully launching and selling new products puts pressure on its sales and marketing resources, and sufficient funds might not be invested behind a new product introduction to make it successful. If customers and consumers do not accept a new product, then the introduction of a new product can reduce the Group's operating income as introduction costs, including slotting fees, may exceed revenues. If the Group is not able to anticipate, identify or develop and market products that respond to changes in consumer preferences or if new product introductions or repositioned products fail to gain consumer acceptance, the Group's business may not grow as anticipated, and results of operations could be adversely affected. To mitigate such risks, the Group pursues innovation programs, conducts adequate market studies and go-to market plans before launching new products.

1.2.18. Counterparty credit risk

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. In spite of such policy, there is no guarantee that the Group's customers, distributors, buyers or other contracted counterparties will be able to fulfil their respective contractual financial obligations to the Group and as a result, the Group may experience a decrease in cash flow and an inability to offset costs associated with manufacturing and distributing its products.

1.2.19. Risk of natural disasters and other business disruption

The Group's operations are vulnerable to damage or interruption from various natural disasters and business disruptions, such as fire, flood, power losses, telecommunication failures, terrorist attacks, acts of war, human error, and other events. A significant natural disaster could have a material adverse impact on the Group's ability to conduct its business, and insurance coverage may be insufficient to compensate losses that may occur. Although the Group has implemented business continuity plans, acts of terrorism, war, civil unrest, violence or human error could cause disruptions to the Group's business or the economy as a whole. Any of these occurrences may have a material adverse effect on the Group's business operations, financial conditions, results of operations and cash flows.

1.3. Risks related to Notes

1.3.1. Notes repayment risk

The Notes will rank pari-passu with other senior secured Financial Indebtedness of the Group. However, after the Notes issue, the Group's only secured Financial Indebtedness will be the Notes.

In the case of the Group's insolvency, Investors have the same right to receive their investment as other creditors of the relevant group in accordance with applicable local regulatory enactments. There are no contracts or other transaction documents, which would subordinate the claims of Investors to other secured obligations of the Group.

The Group may not have the ability to repay or refinance these obligations. If the maturity date occurs at a time when other arrangements prohibit the Group from repaying the Notes, it could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or the Group could attempt to refinance the borrowings that contain the restrictions. If the Group fails to obtain the waivers or refinance these borrowings, it would be unable to repay the Notes.

1.3.2. Liquidity risk

Neither the Group nor any other person guarantees the minimum liquidity of the Notes. Thus, the Investors should consider the fact that they may not be able to sell or may face difficulties in selling their Notes on the secondary market at their fair market value or at all.

1.3.3. Delisting risk

After registration of the Notes the Issuer plans to request admission to trading of the Notes on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga within 12 months from the Issue Date. There is a risk that Nasdaq Riga will not accept the Notes to be admitted to trading on First North or order that the Notes are delisted from First North before maturity after admission to trading has taken place due to changes in legal acts, including Nasdaq Riga regulations, or recommendations by the FCMC.

1.3.4. Price risk

The development of market prices of the Notes depends on various factors, such as changes of interest rates, central bank policies, overall economic development, or demand for the Notes.

The Notes bear a fixed interest rate. Thus, Investors who seek to sell the Notes before their final maturity are exposed to interest rate risk: if the market interest rate increases, the price of fixed rate Notes typically declines.

Neither the Issuer, nor any other person undertakes to maintain a certain price level of the Notes. The Investors are thus exposed to the risk of unfavorable price development of their Notes if they sell the Notes prior to final maturity. If an Investor decides to hold the Notes until maturity, the Notes will be redeemed at their Nominal Value.

1.3.5. Early redemption risk

According to the Terms of Issue, the Notes may be redeemed prematurely at the initiative of the Issuer. If the early redemption right is exercised by the Issuer, the rate of return from the investment into the Notes may be lower than initially expected, as the Investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Notes being redeemed. The Group's redemption right may also adversely impact the Investor's ability to sell such Notes.

1.3.6. 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 the increase in taxes to Investors, therefore Investors may receive smaller payments related to Notes.

1.3.7. Resolutions of Investors risk

The majority resolution of the Investors is binding on all Investors. Thus, an Investor is subject to the risk of being outvoted by a majority resolution of the other Investors. As such, certain rights of such Investor against the Issuer may be amended or reduced, or even cancelled, without its consent.

1.3.8. Resolutions of Investors risk

The majority resolution of the Investors is binding on all Investors. Thus, a Potential Investor is subject to the risk of being outvoted by a majority resolution of the other Potential Investors. As such, certain rights of such Potential Investor against the Issuer may be amended or reduced, or even cancelled, without its consent.

1.3.9. Risk that some Investors might have more preferential terms than others

While the Issuer will try to maintain the proportional reduction principle to the extent possible in final allocation of the Notes, in case the total number of Notes subscribed for is higher than the number of Notes available, the Issuer has a right to refuse all or part of the subscribed Notes to any Potential Investor due to perceived risks that might not be directly measurable and subjective, thus, the proportionality principle might not be observed.

Additionally, the Issuer has the right to sell the Notes at a price lower than their Nominal value to selected Investors and / or enter into agreements that may add additional rights to selected Investors if the Issuer perceives them as especially important for this Notes issue due to the size of their investment or added experience. This may result in a situation where some Investors might gain preferential terms for investment into the Notes than the rest of the Investors.

1.4. Risks related to Collateral

1.4.1. Risks associated with the Collateral Agent Agreement

The Investors are represented by the Collateral Agent in all matters relating to the Collateral. There is a risk the Collateral Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Collateral. Subject to the terms of the Collateral Agent Agreement, the Collateral Agent is entitled to enter into agreements with a third-party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Collateral or for the purpose of settling, among others, the Investors rights to the Collateral.

1.4.2. Risks associated with the value of the Collateral

The value of the Collateral is not fixed and is subject to changes in several factors, primarily the demand and supply conditions for the Group's products, which at times can be unpredictable and are out of the Group's control. Thus, the value of the Collateral might decline if unfavourable market conditions would result in a decline in prices of Group's products. Additionally, if a sudden necessity to sell the Collateral were to arise, the Group might be forced to sell the Collateral at a discount to its market value and derive less value than expected from it.

Moreover, the Collateral structure could change over time due to changes in the Group's inventory and overall asset structure. Additionally, the Collateral is subject to damage defects, and the risk of theft. Any of these risks related to the Collateral can negatively affect the value of the Collateral and the Group's ability to meet its obligations under the Notes.

Considering the Collateral Agent does not supervise the quality of the Collateral during the duration of the Issuer's obligations and the Collateral Agent has no liability to the Investors in this regard, there is a risk the Collateral may be taken over, but the realisation of the Collateral may be insufficient to fully satisfy the Investors' claims.

1.4.3. The enforcement of the Collateral will be subject to the procedures and limitations set out in the Collateral Agent Agreement and these Terms of the Notes Issue

Even when the Collateral is enforceable, the enforcement is subject to the procedures and limitations agreed in the Collateral Agent Agreement and these Terms of the Notes Issue. There can be no assurance as to the ability of the Investors to instruct the Collateral Agent to initiate any enforcement procedures. Furthermore, any enforcement of security may be delayed due to the provisions of the Collateral Agent Agreement and these Terms of the Notes Issue.

RISK FACTORS

1.4.4. The rights of the Investors depend on the Collateral Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Note, each of the Investors will accept the appointment of the Collateral Agent as the agent and representative of the Investors, to represent and act for such secured creditors, i.e., Investors, in relation to the Collateral.

Only the Collateral Agent is entitled to exercise the rights under the Collateral and enforce the same. Any failure by an agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Investors due to, for example, inability to enforce the security and/or receive any or all amounts payable from the security in a timely and effective manner.

CONTENTS

TOP SALES

Smoked sprats in oil
100g

Smoked sprats in oil
160g

Smoked sprats in oil
250g

Lightly smoked sardines in oil
120g

Brisling Sardines in oil
100g

Smoked Atlantic herring fillet in oil
170g

Mackerel in oil
240g

Smoked mussels in oil with chili
120g

TOP SALES

Atlantic salmon fillet pieces in oil with lemon
120g

Smoked Atlantic salmon fillet pieces in oil
120g

Atlantic salmon fillet pieces in oil
120g

Cod liver
115g

Cod liver and roe pate
120g

Cod liver
90g

SALES TEAM

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