



Bond Issuer review

6M 2023

October 2023

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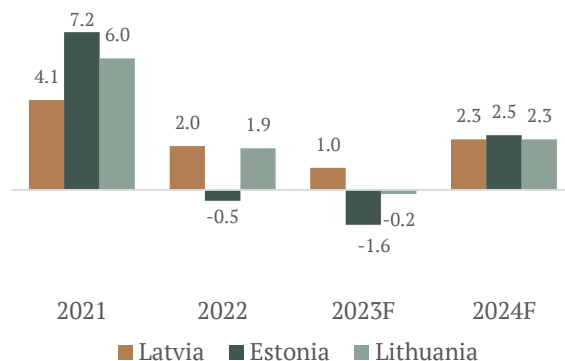
Sector highlights

- Year 2023 has begun with a slight economic slowdown in the Baltics, caused by a decline in the purchasing power as inflation remains quite high. To combat inflation, the ECB continued with its rate-hiking cycle and emphasized its determination to keep raising interest rates until inflation is well under control. However, signals of economic slowdown in the EU may imply that the cycle of interest rate hikes is coming to an end.
- With the exception of ELKO Group, all of the companies included in the review increased their business scale and recorded notable revenue growth. Along with the increase in scale, the inflationary environment had an adverse effect on profitability, as most companies reported a minor decrease in gross margin. In most cases, a fall in gross margin translated into a decrease in net profit as well, as operating costs rose. However, despite some of the challenges, the overall performance of most companies included in the review could be considered satisfactory, and all issuers covered in the report complied with their respective bond covenants.
- Despite subsequent interest rate rises by central banks, bond prices remained reasonably stable during the period. For example, benchmark bonds in the Baltic bond market, such as Akropolis Group and Maxima Group, yield about 8% and 7% respectively.
- During the Q2 2023, one of the reviewed companies completed its debut bond issue – Amber Beverage Group issued EUR 30m 7.5% floating secured 4-year bonds. There have been no large bond issues in the Baltic capital market since Latvenergo issued EUR 50m green bonds in February 2023.
- During 6M 2023, Given Jewellery, Longo Group, Coffee Address, CleanR Grupa, Banga LTD, and L. J. LINEN all listed their bonds on the Nasdaq Riga First North list, while Amber Beverage Group listed their bonds on Frankfurt Stock Exchange and is in the process of listing them also on Nasdaq Riga Regulated market.

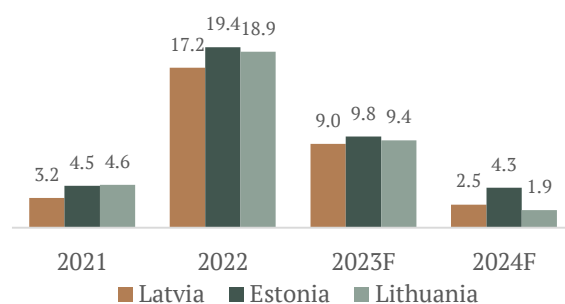
6M 2023 Financial highlights

EUR m	Amber Beverage Group	ELKO Group	CleanR Grupa	Coffee Address Holding	Longo Group	Given Jewellery	Banga Ltd	L. J. LINEN
Revenue	163.8	534.5	45.5	21.8	23.7	7.2	6.8	18.3
Gross margin	28%	7%	20%	45%	9%	57%	13%	7%
EBITDA	13.7	11.9	10.9	3.6	0.6	0.8	0.8	1.3
Net profit	3.7	5.9	4.8	0.2	-0.3	-0.6	0.9	1.2
Total assets	452.6	347.3	77.9	53.1	21.4	19.1	8.7	17.4
Cash	36.3	14.9	16.3	2.6	0.5	1.6	0.6	0.2
Adjusted Equity	180.3	162.1	42.5	19.1	11.1	5.7	3.2	10.4
Net Debt / EBITDA	2.3x	1.9x	0.1x	2.7x	4.4x	2.3x	1.9x	0.6x
Equity ratio	40%	47%	54%	36%	52%	30%	37%	60%

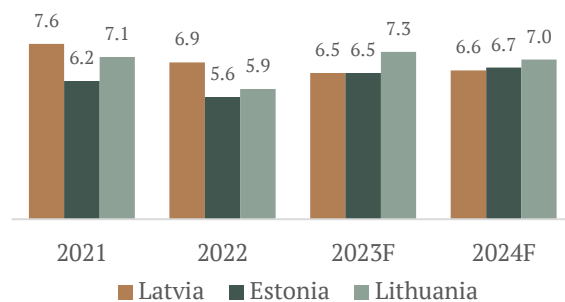
GDP Growth, % Y/Y



CPI, % Y/Y



Unemployment, %



Source: Bloomberg

6M 2023 Amber Beverage Group



Key parameters

Founded: 1900	Bonds outstanding: EUR 30m
Headquarters: Riga, Latvia	Industry: Alcoholic beverage production and distribution
Employees: 2000+	Key markets: Baltics, EMEIA, Americas, Asia-Pacific
Auditor: PwC (IFRS)	

About company

- With its origins dating back to 1900, Amber Beverage Group (ABG) is a vertically integrated and rapidly growing global spirits company with presence in the Baltics, EMEIA, North-America and Asia-Pacific regions, with more than 2,000 employees.
- ABG operates its own spirit production facilities, as well as provides third-party brand distribution and management – the Group represents a wide range of beverages, including more than 100 own and 1,300 third-party brands.
- The most popular ABG own brands are Moskovskaya Vodka, Riga Black Balsam, whiskey Irishman and Writer's Tears, tequila KAH and Rooster Rojo, sparkling wine Cosmopolitan and others.
- ABG is owned by SPI Group, which is ultimately owned by Israeli businessman Yuri Scheffler, who was born in the former USSR. SPI Group is an owner of popular Stolichnaya vodka brands and has business interest in agricultural and real estate industries.

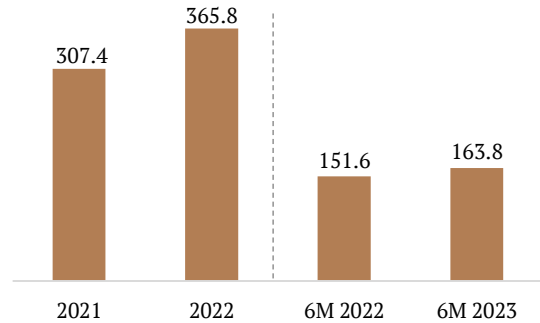
Financial highlights

- The Group's revenue during 6M 2023 reached EUR 163.8m (+8% Y/Y) supported mainly by implemented price increase in all major markets, as well as opening new market for ABG's brands.
- Despite inflationary environment, the Group was able to maintain a stable gross margin. The Group's gross margin during 6M 2023 amounted to 28%, showing a slight decrease of half a percentage point compared to 6M 2022.
- Although the Group was able to sustain its gross margin, the operating expenses, impacted by rapid increase in energy, resources and salaries, increased and weighed on the Group's EBITDA. During 6M 2023 the Group's EBITDA decreased to EUR 13.7m, showing a decrease of three percentage points compared to 6M 2022. As a result, the Group's EBITDA margin fell as well – the Group's EBITDA margin for 6M 2023 was 8%, showing a one percentage point drop.
- The Group's net profit during 6M 2023 was negatively impacted by the result of the disposal of subsidiaries. After careful analysis, the Group sold its investment in Amber Permalko AO, an alcohol producer in Russia, during 6M 2023, resulting in a net loss of EUR 1.4m. All above mentioned effects led to the Group's net profit of EUR 3.7m during 6M 2023, compared to EUR 8.0m during 6M 2022 (-54% Y/Y).
- ABG exceeds all bond financial covenants at the end of 6M 2023 with a sufficient reserve. At the end of 6M 2023, the Group had a solid equity ratio of 40% and a modest leverage level represented in a Net Debt / EBITDA ratio of 2.3x.

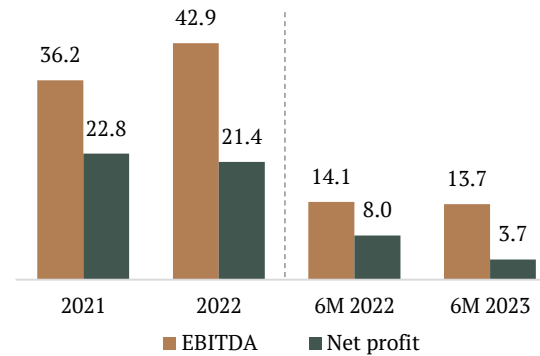
Financial highlights, EUR m

	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	307.4	365.8	+19%	151.6	163.8	+8%
Gross margin	27%	30%	+9pp	28%	28%	-1pp
EBITDA	36.2	42.9	+19%	14.1	13.7	-3%
Net profit	22.8	21.4	-6%	8.0	3.7	-54%
Total assets	420.9	453.2	+8%	407.1	452.6	+11%
Inventory	79.3	87.8	+11%	87.0	93.6	+8%
Cash	7.4	7.5	+1%	6.7	36.3	+442%
Total Equity	178.0	187.7	+5%	193.8	180.3	-7%
Total borrowings	109.1	107.9	-1%	100.1	135.0	+33%
Equity ratio (min 35%)	42%	41%	-1pp	48%	40%	-8pp
EBITDA / Interest expense (min 2x)	10.8x	8.5x	n/a	10.4x	6.2x	n/a
Net Debt / EBITDA (max 4x)	2.8x	2.3x	n/a	2.4x	2.3x	n/a

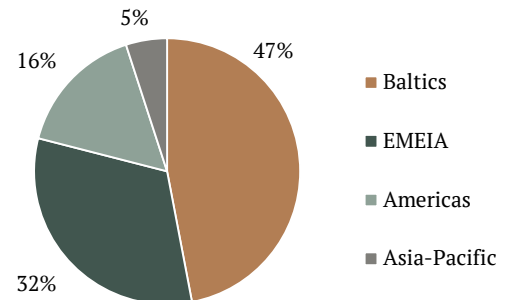
Revenue, EUR m



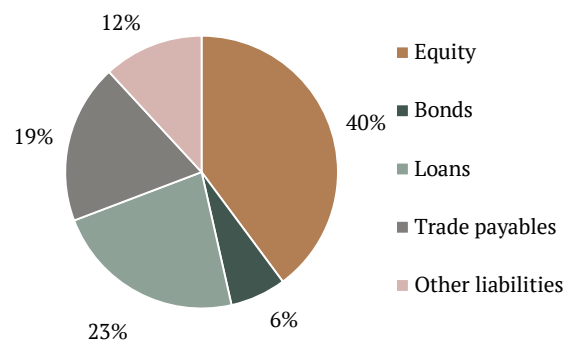
EBITDA and Net profit, EUR m



Revenue split by markets (FY 2022)



Funding structure (6M 2023)



6M 2023 ELKO Group



Key parameters

Founded: 1993	Bonds outstanding: EUR 20m
Headquarters: Riga, Latvia	Industry: IT, consumer electronics
Employees: 950+	Key markets: CIS, CEE, Baltics, Nordics
Auditor: EY (IFRS)	

About company

- Founded in 1993, ELKO Group is one of the largest IT product and solutions distributors in Northern Europe and the CIS region, as well as the largest company in Latvia by turnover. The Group employs more than 950 employees across 11 countries and was founded by 4 Latvian citizens who still maintain the controlling stake (52%) of the Group.
- ELKO Group has more than 10 000 clients in 29 countries with retailers and internet shops being among the largest contributors. Other clients include household IT retailers in Latvia.
- Proven track record with international private equity investors. East Capital and Amber Trust jointly acquired 25.5% stake in ELKO Group in 2005 and both firms successfully exited their investments by selling to current shareholders in 2013 and 2020.
- Since the beginning of the war in Ukraine, ELKO Group has stopped supplying goods to the Russian market and divested Russian division at the end of April 2022.
- ELKO Group had a significant exposure to the CIS region at the time of the bond issue on January 2021 – 60% of the Group's revenue was generated from sales to Russia and Ukraine, indicating the importance of this region in the Group's business.

Financial highlights

- The divestment of Russian businesses in April 2022 had a negative impact on the Group's revenue during 6M 2023. As a result, the Group's revenue fell by 24% year on year to EUR 534.5m. The overall business activity was also hampered by a significant slowdown in main volume drivers in the IT industry. Additionally, increasing international pressure on sanctioned subjects to exhaust sensitive technology availability led to a significant increase in the Group's investment in compliance capabilities and a reduction in business to assure complete compliance with current regulations. Further, the Group anticipates that the second part of the year will remain challenging.
- While the Group's operating expenses during 6M 2023 decreased by 33%, the Group's revenue decreased even more, resulting in a considerable decrease in the Group's EBITDA. The Group's EBITDA during 6M 2023 decreased to EUR 11.9m, compared to EUR 30.3m during 6M 2022, while EBITDA margin fell by half to 2%.
- The above factors also had a negative impact on the Group's net profit, which fell to EUR 5.9m during 6M 2023, down from EUR 16.8m in 6M 2022 (-65% Y/Y). The Group's net profit margin also fell by half during 6M 2023, reaching 1%.
- The total assets of the Group stood at EUR 347.3m (-14% Y/Y) at the end of 6M 2023, a decline of 14% Y/Y, explained by weaker business activity throughout the period.
- The Equity ratio for ELKO has grown further reaching 47% as of end 6M 2023 – the increase is attributable to a reduction in assets from the divestment and increase in loans from shareholders.
- The Group meets all of the bond financial covenants at the end of 6M 2023.

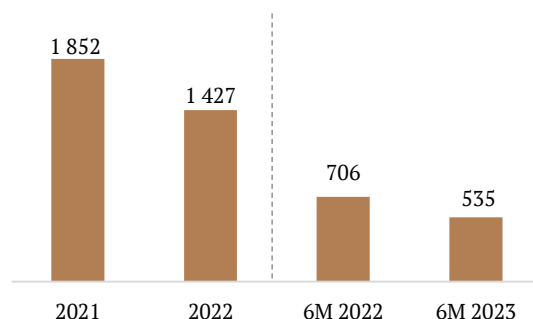
Financial highlights, EUR m

	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	1 852.1	1 427.5	-23%	706.0	534.5	-24%
Gross margin	7%	9%	+2pp	10%	7%	-3pp
EBITDA	65.4	59.9	-8%	30.3	11.9	-61%
Net profit	37.5	38.0	+1%	16.8	5.9	-65%
Total assets	678.1	430.8	-36%	404.5	347.3	-14%
Inventory	282.1	133.2	-53%	145.8	126.0	-14%
Cash	35.4	23.3	-34%	20.6	14.9	-28%
Adjusted Equity¹	143.0	171.3	+20%	166.5	162.1	-3%
Total borrowings	236.5	109.0	-54%	113.2	91.9	-19%
Equity ratio² (min 16%)	21%	40%	+19pp	41%	47%	+6pp
EBIT / Interest expense (min 1.5x)	4.9x	4.9x	n/a	4.9x	4.5x	n/a
Net Debt / EBITDA	3.1x	1.4x	n/a	1.2x	1.9x	n/a

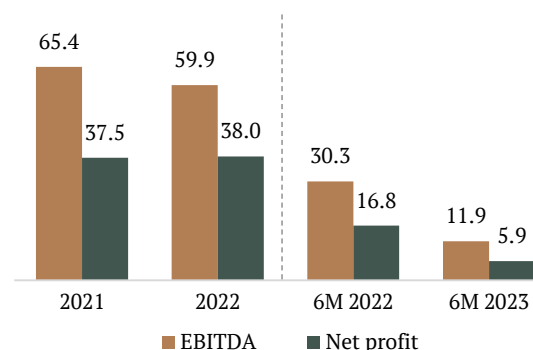
¹ Shareholder's Equity + Subordinated debt

² (Shareholder's Equity + Subordinated debt) / Assets

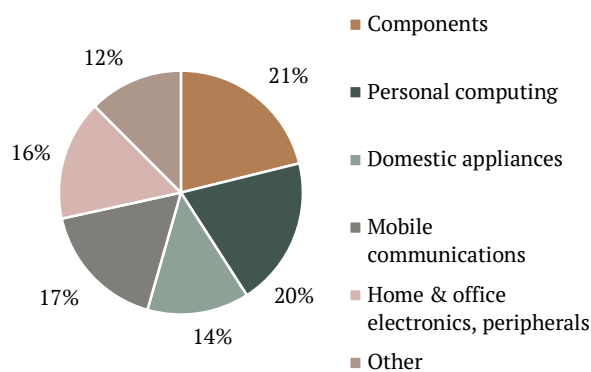
Revenue, EUR m



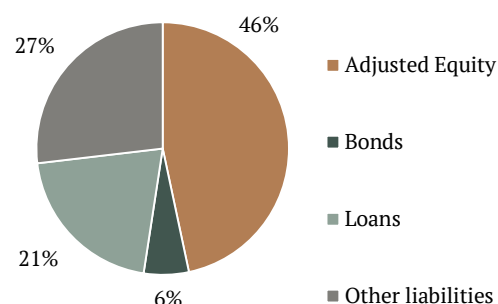
EBITDA and Net profit, EUR m



Revenue split by product type (FY 2022)



Funding structure (6M 2023)



6M 2023 CleanR Grupa



Key parameters

Founded: 1944	Bonds outstanding: EUR 15m
Headquarters: Riga, Latvia	Industry: Environmental services
Employees: 1 500+	Key markets: Latvia
Auditor: Potapoviča un Andersone (LV GAAP)	

About company

- With its history dating back as far as to 1944, CleanR Grupa is the market leader in Latvia, mainly providing waste management and sorting services.
- CleanR Grupa has around 50 000 customers and its main segments are: waste management (household, industrial and commercial sector), building and maintenance of roads, cleaning territories and premises as well as property management.
- Since 2014 CleanR Grupa has acquired and integrated eight entities involved in the Group's key business segments, strengthening its position in the market and expanding its services.
- The Group is the largest operator offering a wide range of waste management services in Latvia, with an estimated 28% market share. Waste management being the main Group's service, the Group also operates the largest household waste sorting center in the region. In 2020 the Group gained the right to provide waste management services for the next 7 years in 2 areas of Riga, covering 53% of Riga municipality, thus, Riga is the Group's largest market.
- CleanR Grupa is owned by its Chairman of the Council Guntars Kokorevičs, former CEO of Riga Stock Exchange and Dalkia Latvia (part of Veolia Group), who in 2014 acquired the business from Finnish waste management Group L&T.

Financial highlights

- During 6M 2023 the Group expanded geographically by beginning to manage municipal waste in numerous additional towns, as well as opening the most modern plastic recycling plant in the Baltics, which will allow for the recycling of plastics that could not previously be recycled in Latvia. In addition to above mentioned developments, the Group acquired SIA KOM-Auto, a street cleaning firm, during Q2 2023, which is now represents the Group's operations in Vidzeme region.
- The Group managed to increase its revenue by 39% Y/Y during 6M 2023 to EUR 45.5m, as increase in the state waste disposal tariff, which is automatically fully passed on to the Group's customers, positively affected the revenue.
- While the Group's revenue increased, it also managed to improve its gross margin, largely due to lower energy costs and past investments in modern and automated waste sorting technologies. The Group's gross margin during 6M 2023 reached 20%, showing a five percentage point increase compared to 6M 2022.
- The above mentioned developments translated also into the Group's EBITDA, which during 6M 2023 reached EUR 10.9m, more than double that during 6M 2022.
- The Group maintains a strong equity base with Equity ratio of 54% as of end 6M 2023 - over the years most of the Group's earnings have been reinvested into the Group's development, demonstrating strong shareholder support. During 6M 2023 the Group paid out dividends in the total amount of EUR 1.4m.
- The Group meets all of the bond financial covenants and exceeds them by a large margin at the end of 6M 2023.

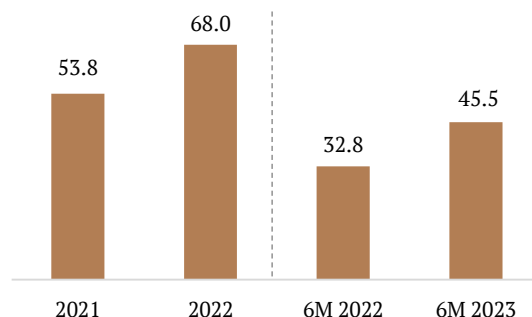
Financial highlights, EUR m

	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	53.8	68.0	+26%	32.8	45.5	+39%
Gross margin	18%	15%	-3pp	15%	20%	+5pp
EBITDA	10.1	10.9	+7%	5.0	10.9	+120%
Net profit	5.9	4.9	-18%	2.3	4.8	+109%
Total assets	57.0	78.0	+37%	60.4	77.9	+29%
PPE	21.8	27.7	+27%	23.4	27.7	+18%
Cash	7.5	18.2	+143%	4.6	16.3	+251%
Adjusted Equity¹	37.3	39.1	+5%	39.1	42.5	+8%
Total borrowings	6.1	18.8	+207%	5.5	18.4	+233%
Equity ratio² (min 30%)	66%	50%	-15pp	65%	54%	-10pp
EBITDA / Interest expense (min 3.0x)	60x	47x	n/a	48x	18x	n/a
Net Debt / EBITDA (max 3.5x)	-0.1x	0.1x	n/a	0.1x	0.1x	n/a

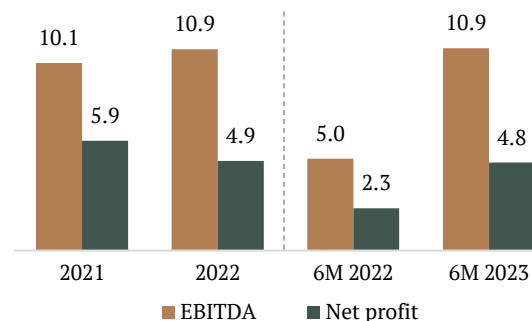
¹ Shareholder's Equity + Subordinated debt

² (Shareholder's Equity + Subordinated debt) / Assets

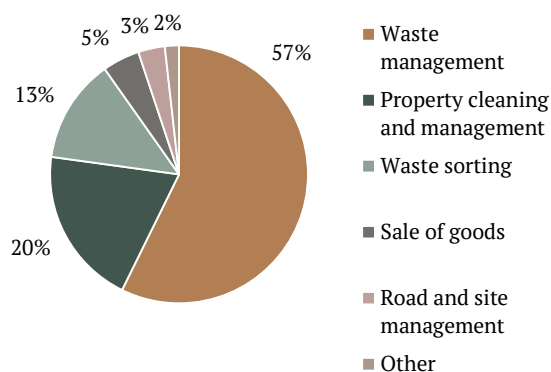
Revenue, EUR m



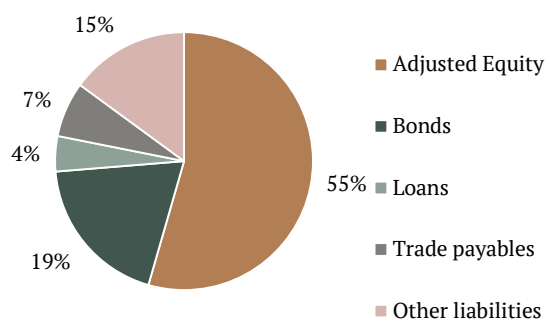
EBITDA and Net profit, EUR m



Revenue split by segment (FY 2022)



Funding structure (6M 2023)



6M 2023 Coffee Address Holding



**COFFEE
ADDRESS**

Key parameters

Founded: 1993	Bonds outstanding: EUR 5m
Headquarters: Riga, Latvia	Industry: Coffee and convenience food
Employees: 300+	Key markets: Latvia, Estonia, Lithuania
Auditor: Deloitte (IFRS)	

About company

- With its history dating back to 1993, Coffee Address is the market leader in the Baltics, providing self-service premium coffee and convenience food solutions. Coffee Address has around 5 000 clients and operates in three main segments: vending (under the brand names Coffee Address and Lavazza), retail and convenience, and office solutions.
- Coffee Address holds #1 position in relevant segments in all 3 countries, with 49% market share in Lithuania, 42% in Latvia, and 30% in Estonia. The Group operates with more than 13 000 coffee machines in the market and serve over 250 000 cups of coffee a day.
- Since 2017 Coffee Address has been 100% owned by BaltCap, the leading private equity manager in the Baltics. Under BaltCap ownership Coffee Address has transformed from 3 independent Selecta subsidiaries to one pan-Baltic operation and has grown both organically, as well as through acquisitions.
- Since 2017 Coffee Address has acquired and integrated 7 entities, consolidating the market, and built a dense presence and strategic network of locations across the Baltics.
- The Group cooperates with global leading suppliers of coffee and vending machines and coffee and snack producers. Its top 3 coffee suppliers are Pelican Rouge, Schirmer Kaffee and Lavazza.

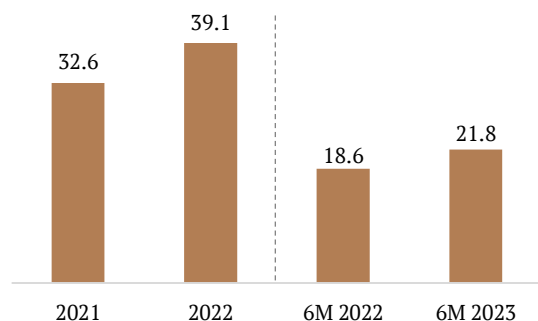
Financial highlights

- During 6M 2023, the Group generated revenue of EUR 21.8m (+17% Y/Y), with sales picking up the pace especially in Q2 2023, posting a 9% increase on quarterly basis. While the Group's revenue grew, it's gross margin declined somewhat as the cost of good sold increased due to inflationary environment – gross margin during 6M 2023 decreased to 45%, a decrease of three percentage points compared to 6M 2022.
- The Group's EBITDA also showed improvements during 6M 2023 and increased by 6% Y/Y, reaching EUR 3.6m.
- During 6M 2023, the Group's net profit increased significantly and came positive to EUR 0.2m, compared to a net loss of EUR 0.5m in 6M 2022. The loss during 6M 2022 was largely explained by elevated level of depreciation charges, which decreased during 6M 2023 due to softened depreciation policy, as previously the Group's assets were aggressively depreciated (actual lifetime significantly exceeded the lifetime factored into the previous depreciation schedules).
- The Equity ratio, which includes subordinated loans from BaltCap, was at 36% level as of end 6M 2023, showing an increase of two percentage points compared to 6M 2022. The increase in Equity ratio can be attributed to improvements in the Group's overall profitability during the period.
- The bond financial covenant ratios are maintained at the end of 6M 2023, with reasonable margin over the minimal levels.
- In May the Group announced its intent to fully refinance its Luminor Bank and VIVA fund liabilities by obtaining a long-term loan and overdraft facility from SEB Bank. Refinancing was completed successfully, and as a result the Group's funding structure has been simplified.

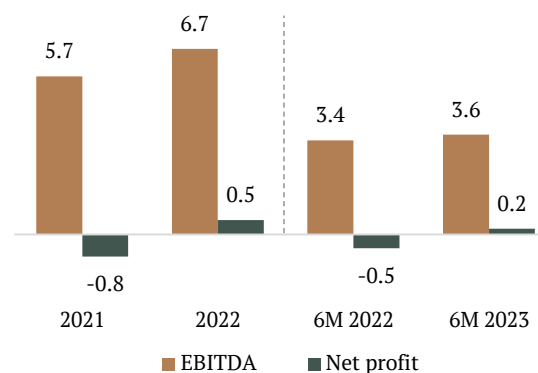
Financial highlights, EUR m

	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	32.6	39.1	+20%	18.6	21.8	+17%
Gross margin	47%	48%	+1pp	48%	45%	-3pp
EBITDA	5.7	6.7	+17%	3.4	3.6	+6%
Net profit¹	-0.8	0.5	n/a	-0.5	0.2	n/a
Total assets	49.7	52.5	+6%	51.5	53.1	+3%
PPE	14.1	16.4	+16%	15.8	16.3	+3%
Cash	1.9	1.7	-9%	1.8	2.6	+46%
Adjusted Equity²	17.9	18.8	+5%	17.8	19.1	+7%
Net debt	22.1	18.0	-18%	16.8	17.1	+2%
Equity ratio³ (min 30%)	36%	36%	+0pp	34%	36%	+2pp
EBITDA / Interest expense	5.7x	4.7x	n/a	6.1x	4.0x	n/a
Net Debt / EBITDA (max 4x)	3.9x	2.7x	n/a	2.6x	2.7x	n/a

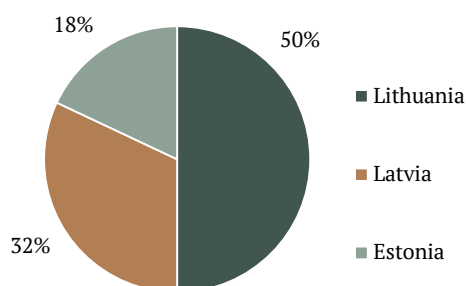
Revenue, EUR m



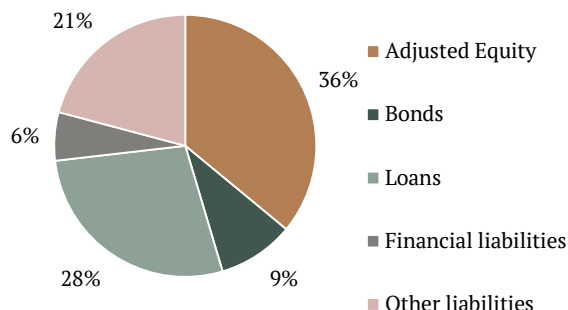
EBITDA and Net profit, EUR m



Revenue split by countries (FY 2022E)



Funding structure (6M 2023)



¹ Adjusted costs related to M&A acquisitions and other one-offs ² Shareholder's Equity + Subordinated debt ³ (Shareholder's Equity + Subordinated debt) / Assets

6M 2023 Longo Group



Key parameters

Founded: 2018	Bonds outstanding: EUR 7m
Headquarters: Riga, Latvia	Industry: Used cars
Employees: 130+	Key markets: Latvia, Estonia, Lithuania
Auditor: KPMG (IFRS)	

About company

- Established in 2018, Longo is the fastest growing and the largest used car retailer in Baltics present in Lithuania, Latvia and Estonia.
- The Group is fully vertically integrated from sourcing (Longo sources cars from the Netherlands, Belgium and Germany) to sales. Its data-driven approach and significant online presence has allowed it to build efficient operations spanning multiple geographies and jurisdictions.
- The Group is transforming the market and offers convenient and safe used car shopping experience end-to-end, both digital and on-site with the largest and widest competitively priced assortment of popular used car models in the Baltics.
- Longo transports all sourced cars to Panevėžys, Lithuania, where its inhouse end-to-end preparation center is located and all cars are serviced, repaired, cleaned and photographed. Current inhouse preparation center capacity is 120 cars per week with further mid-term increase to 150-180 cars per week achievable.
- Longo has launched a new concept in the market – opening of showrooms in shopping malls and similar locations where customers have the opportunity to interact with sales representatives and order cars to be delivered for test drives.

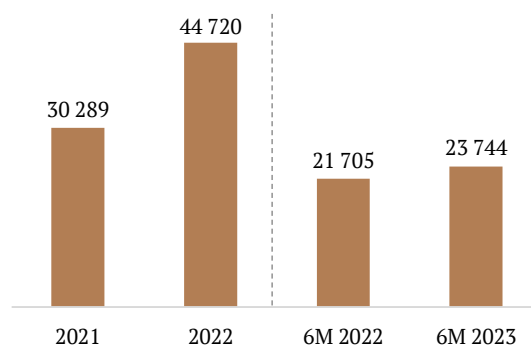
Financial highlights

- The Group has shown stable growth in car sales revenue, reaching EUR 23.7m (+9% Y/Y) during 6M 2023, while the gross profit amounted to EUR 2.2m (-12% Y/Y) during the period. The European used car market has seen a downwards trend in prices since July 2022 until the end of the year and currently has stabilized at those levels. The gross margin notably dropped during Q1 2023, as during this period Longo sold the inventory that was previously purchased at a higher cost. Majority of current Longo inventory comprises cars bought during last three months meaning that most of the problematic inventory has been sold and losses realized in Q1 2023.
- There has been a notable recovery in gross margin and thus profitability during Q2 2023 – each month of first half of the year has shown improvement in margins and the positive trend has continued in July 2023 as well.
- Longo generated net profit of EUR 251 th (+39% Y/Y) during Q2 2023, while the 6M 2023 results amounted to EUR -259 th due to the relatively weak Q1 2023, as previously explained.
- Car inventory has steadily grown and stood at EUR 13.9m (+27% Y/Y) as of 6M 2023 and the Group is expanding its inventory to support the expected increase in demand. The inventory is well diversified among different car brands.
- The Group's Equity ratio as of end 6M 2023 was 52%, a five percentage point decrease compared to 6M 2023. The Group comfortably meets the bond covenant of Equity ratio, however the EBITDA / Interest expense covenant is at the minimal level as of end 6M 2023.

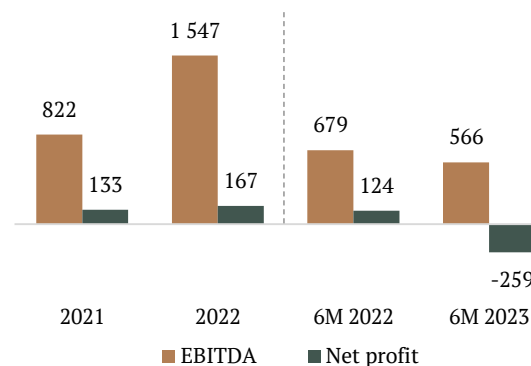
Financial highlights, EUR th

	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	30 289	44 720	+48%	21 705	23 744	+9%
Gross margin	12%	11%	-1pp	12%	9%	-3pp
EBITDA	822	1 547	+88%	679	566	-17%
Net profit	133	167	+25%	124	-259	n/a
Total assets	15 329	20 251	+32%	20 276	21 361	+5%
Inventory	8 229	13 176	+60%	10 994	13 984	+27%
Cash	2 891	1 425	-51%	3 027	504	-83%
Adjusted Equity¹	10 254	11 382	+11%	11 536	11 123	-4%
Total borrowings	2 455	5 620	+129%	5 123	6 781	+32%
Equity ratio² (min 30%)	67%	56%	-11pp	57%	52%	-5pp
EBITDA / Interest expense (min 2x)	4.0x	2.8x	n/a	5.0x	2.0x	n/a
Net Debt / EBITDA	-0.5x	2.7x	n/a	1.4x	4.4x	n/a

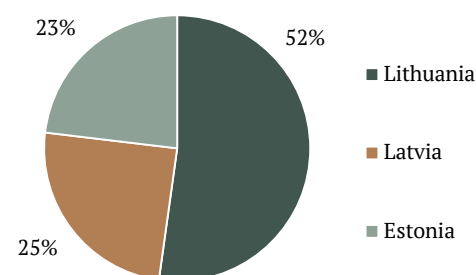
Revenue, EUR th



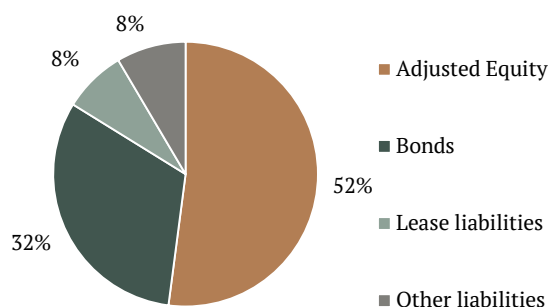
EBITDA and Net profit, EUR th



Revenue split by countries (FY 2022)



Funding structure (6M 2023)



¹ Shareholder's Equity + Subordinated debt

² (Shareholder's Equity + Subordinated debt) / Assets

6M 2023 GIVEN Jewellery



GIVEN

Key parameters

Founded: 2018	Bonds outstanding: EUR 7m
Headquarters: Riga, Latvia	Industry: Jewellery
Employees: 150+	Key markets: Latvia, Estonia, Lithuania
Auditor: Grant Thornton (IFRS)	

About company

- Established in 2018, GIVEN is the leading and fastest growing jewellery retailers in the Baltics with presence mostly in top shopping centers. The Group currently operates 46 shops in Latvia, 12 shops in Estonia and 11 shops in Lithuania. The Group has opened 5 shops during 6M 2023 and has become the jewellery market leader by the number of shops in the Baltics.
- The Group offers wide assortment of high quality jewellery at affordable prices and unique private brands, and additionally has a well developed e-commerce platform.
- The founder and largest shareholder of GIVEN Ainārs Sprīngis is a successful Latvian entrepreneur with 20+ years of experience in jewellery (as the founder of Grenardi) and retail industry.
- GIVEN operates both with physical shops and an online e-commerce platform. Online shop allows the Group to capitalize on the steady growth of online shopping and has provided crucial support during period(s) of Covid-19 restrictions, which restricted the operations of physical retail.

Financial highlights

- The revenue of the Group during 6M 2023 reached EUR 7.2m, showing a solid increase compared to the same period last year (+39% Y/Y). During the period the Group increased its market presence by opening five additional shops, and it currently has 46 shops in Latvia, 12 shops in Estonia and 11 shops in Lithuania. Two of those shops were opened in Tartu, the second largest city in Estonia, two more in Riga, and one in Klaipeda, Lithuania. While the Group is expanding its physical presence, its online store sales are also increasing – during 6M 2023 online turnover increased by 36% Y/Y.
- While the Group's revenue has grown notably, its gross margin has remained constant - in 6M 2023, the Group's gross margin was 57%, the same as in 6M 2022. Revenue increase and a stable gross margin led to the Group's EBITDA growth, which reached EUR 0.8m in 6M 2023, showing a double digit growth compared to the same period last year.
- Continuous expansion, followed by the opening of additional shops, has increased the Group's expenses and negatively impacted its profitability, while the recently opened stores have not yet realized their full sales potential. As a result, the Group's net profit during 6M 2023 was negative, amounting to a loss of EUR 0.6m compared to a loss of EUR 0.2m during the same period last year. It is worth mentioning that the Group's profitability is always stronger in the second half of the year, particularly around the Christmas season.
- The Group held inventory in the amount of EUR 10.6m (+40% Y/Y) at the end of 6M 2023, which has been increasing together with a growing number of shops and growth of activities in all three Baltic states. GIVEN's inventory is very liquid because it is primarily made up of gold (82% as of the end of 6M 2023).
- As at the end of 6M 2023, the Group's Equity ratio was 30%, which is the minimum bond covenant level. During 6M 2023, the Group's shareholders increased the equity by EUR 0.8m to strengthen the Group's capital base.

Financial highlights, EUR th

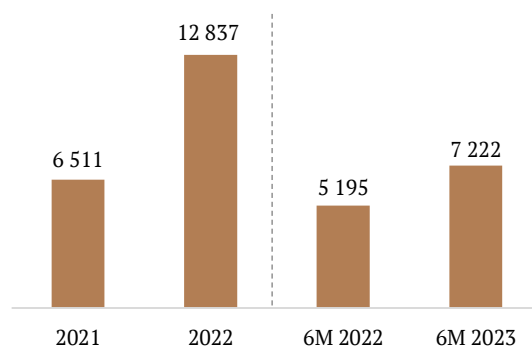
	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	6 511	12 837	+97%	5 195	7 222	+39%
Gross margin	54%	58%	+4pp	57%	57%	+0pp
EBITDA¹	1 701	2 198	+29%	742	838	+13%
Net profit¹	477	13	-97%	-153	-574	n/a
Total assets	12 346	17 976	+46%	14 662	19 126	+30%
Inventory	6 090	9 030	+48%	7 514	10 556	+40%
Cash	694	1 479	+113%	519	1 585	+205%
Adjusted Equity²	4 449	5 580	+25%	5 297	5 737	+8%
Total borrowings	3 036	5 169	+70%	3 033	6 859	+126%
Equity ratio³ (min 30%)	36%	31%	-5pp	36%	30%	-6pp
EBITDA / Interest expense (min 2x)	5.2x	3.3x	n/a	4.3x	2.7x	n/a
Net Debt / EBITDA	1.4x	1.7x	n/a	1.3x	2.3x	n/a

¹ Including Covid-19 related government grants for working capital in the amount of EUR 0.6m during FY 2021

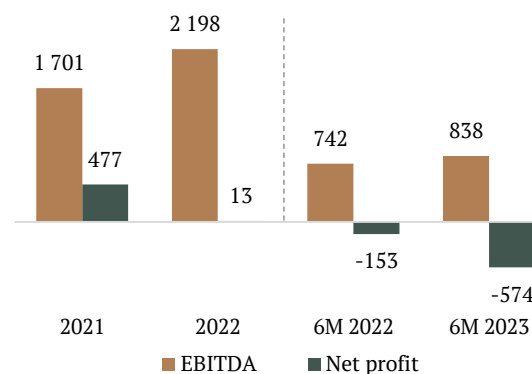
² Shareholder's Equity + Subordinated debt

³ (Shareholder's Equity + Subordinated debt) / Assets

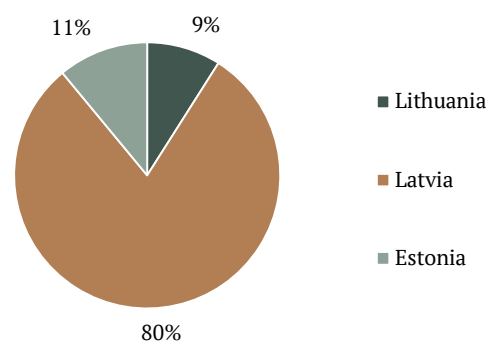
Revenue, EUR th



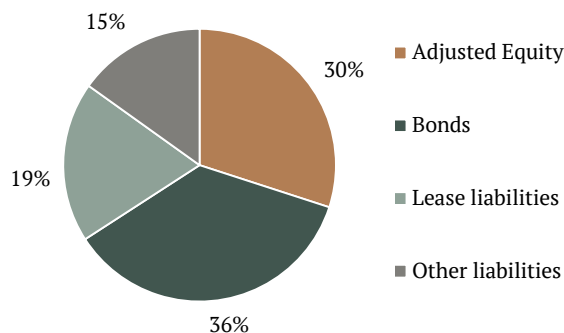
EBITDA and Net profit, EUR th



Revenue split by countries (Q2 2023)



Funding structure (6M 2023)



6M 2023 Banga Ltd



Key parameters

Founded: 1947	Bonds outstanding: EUR 2.5m
Headquarters: Roja, Latvia	Industry: Canned seafood
Employees: 140+	Key markets: Baltics, EU, USA, Asia-Pacific, Others
Auditor: Grant Thornton (from 2022)	

About company

- SIA Banga LTD is canned seafood production company located in north-western part of Latvia, in Roja with roots as far as to 1947.
- The Company exports its products to more than 30 countries across four continents with key markets being Ukraine, Latvia, USA, Japan and Germany.
- The Company offers wide assortment of high quality canned seafood both under its own brand (62% of sales) and private label (38% of sales).
- The Company is equally owned by brothers Ingus Veckāgans and Raivis Veckāgans. Ingus is CEO of the Company and Raivis is responsible for development and financing.
- Throughout the full production cycle the Company does fresh and frozen fish pre-treatment, insertion, packing and delivery.
- More than one third of raw materials such as herring is sourced locally with the rest secured from global leading suppliers, securing high quality of the Company's products.
- The Company produces more than 50 products, with products from sprats and sardines accounting for 37%, salmon 34%, cod liver 20%, mussels 3%, mackerel and herring 3% of 2022 revenue.

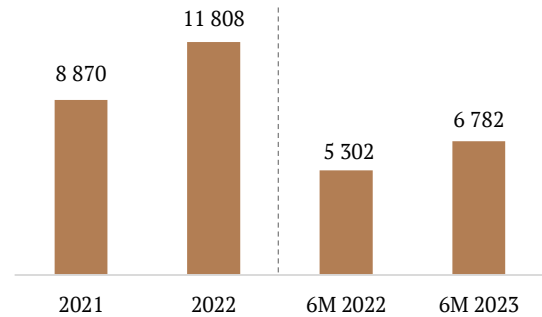
Financial highlights

- The revenue of Banga reached EUR 6.8m (+28% Y/Y) during 6M 2023. Despite the typical fall in market demand during the first months of the year, the Company showed the ability to increase sales. The possibility for increased sales was due to cooperation with new partners in Estonia, Poland, the United Kingdom, and Asia.
- Along with growing sales, the Company managed to raise its gross margin, which during 6M 2023 increased to 13% (+2pp Y/Y). During the period, raw material and energy costs stabilized, and the Company's flexible pricing policy, as well as a diverse client base across multiple regions, contributed in achieving improved margins.
- The above mentioned favorable developments, also positively impacted the Group's EBITDA, which during 6M 2023 reached EUR 0.8m (+84% Y/Y). The Company's EBITDA margin also increased and during 6M 2023 reached 12%, compared to 8% for 6M 2022.
- The Company's net profit during 6M 2023 increased significantly and reached EUR 0.9m (+207% Y/Y). Net profit was positively impacted by one-off gain received under the European Maritime, Fisheries and Aquaculture Fund in the amount of EUR 328 th. Nonetheless, eliminating this one-off gain, the Company's net profit would be EUR 0.5m, representing a 109% increase Y/Y.
- Banga had a healthy Equity ratio of 37% as of end 6M 2023, which has increased by eight percentage points compared to end of 6M 2022, due to the Company's solid net profit developments.
- Banga exceeds all of the bond financial covenants at the end of 6M 2023 with an adequate reserve.

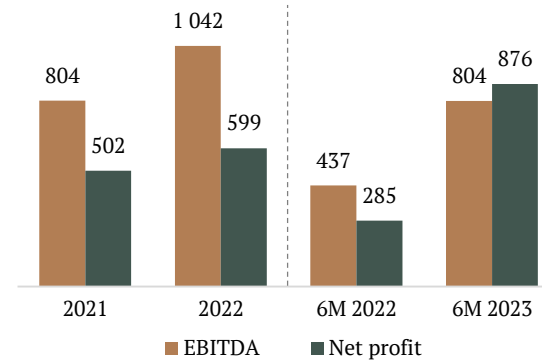
Financial highlights, EUR th

	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	8 870	11 808	+33%	5 302	6 782	+28%
Gross margin	10%	10%	+0pp	11%	13%	+2%
EBITDA	804	1 042	+30%	437	804	+84%
Net profit	502	599	+19%	285	876	+207%
Total assets	4 448	7 050	+58%	6 551	8 743	+33%
Inventory	1 441	2 519	+75%	2 168	3 432	+58%
Cash	27	432	n/a	1 154	609	-47%
Adjusted Equity¹	1 797	2 544	+30%	2 031	3 221	+59%
Total borrowings	842	2 823	+235%	2 832	3 070	+8%
Equity ratio² (min 30%)	40%	33%	-7pp	31%	37%	+8pp
EBITDA / Interest expense (min 3x)	17.7x	7.5x	n/a	9.4x	7.3x	n/a
Net Debt / EBITDA (max 4x)	1.01x	2.3x	n/a	2.5x	1.9x	n/a

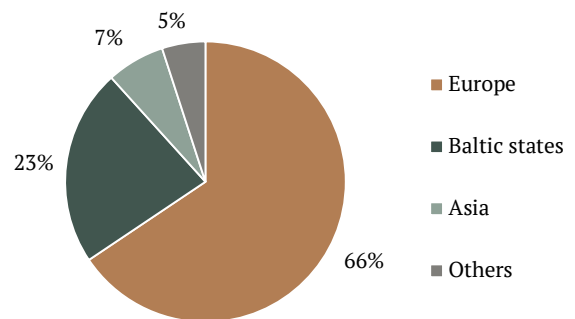
Revenue, EUR th



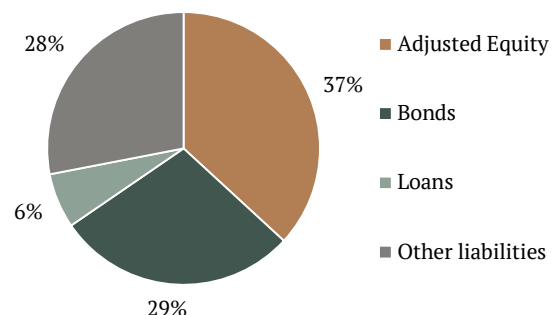
EBITDA and Net profit, EUR th



Revenue split by region (FY 2022)



Funding structure (6M 2023)



¹ Shareholder's Equity + Subordinated debt ² (Shareholder's Equity + Subordinated debt) / Assets

6M 2023 L. J. LINEN



Key parameters

Founded: 1994	Bonds outstanding: EUR 2m
Headquarters: Riga, Latvia	Industry: Agro-products trading
Employees: 35+	Key markets: Europe, Asia, Africa
Auditor: EY	

About company

- With its origins dating back to 1994, SIA L. J. LINEN is a family owned B2B agro-products trading company with presence in 4 continents and 46 countries, and with approximately 160 suppliers and 175 clients worldwide.
- The Group trades animal origin products and grains that have wide application in animal feeds, organic fertilizers, pet food, aquafeed, biodiesel, and cosmetics. L.J. LINEN provides door-to-door delivery service by offering sourcing, quality management, logistics, warehousing, customs clearance, supply chain financing to customers around the world.
- Over the years, L. J. LINEN has become one the leading players in the segment and has established a wide network of suppliers and customers with presence in both Europe and Asia.
- The Company has a solid supplier base in Europe and the top supplier countries are Germany, Denmark, Poland, and UK, with key suppliers - Saria and Darling Ingredients, which are two of the largest producers of animal proteins and fats in the world.
- By connecting animal by-products recyclers with animal food and other goods producers the Group facilitates circular economy and reduces dependency on fossil fuels – the Group is operating with an environmentally sustainable model.
- L. J. LINEN is a family owned business and the shareholders are in the management board of the Group and have more than 20 years of experience in the field.

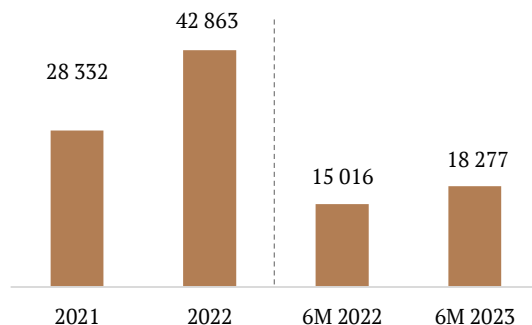
Financial highlights

- The Group during 6M 2023 showed a notable increase in operations, as its revenue reached EUR 18.3m, a 22% increase compared to the same period last year. The growth is supported by the fact that LINEN is continuing to work on diversifying its product range and is actively seeking opportunities for cross-continent trade by importing and exporting goods from its markets. To open up new possibilities, the Group has effectively begun ramping up its operations using sustainable fuels and is developing strategic collaborations with even more international corporations.
- While the Group's revenue showed a notable increase, its gross margin declined, which is explained mainly by the decrease in the prices of commodities used in animal feeds. Gross margin for 6M 2023 decreased to 7%, a four percentage point drop compared to the same period last year.
- The Group's EBITDA during 6M 2023 reached EUR 1.3m (+61% Y/Y), however its was positively impacted by one-off gain from dividend income in the amount of EUR 1.1m. Excluding this dividend income, the Group's EBITDA during 6M 2023 would be EUR 0.2m, showing a decrease of 81% Y/Y.
- LINEN exceeds all of the bond financial covenants at the end of 6M 2023 with an adequate reserve. The Group had a solid Equity ratio of 60% at the end of 6M 2023 and low leverage level reflected in a Net Debt / EBITDA ratio of 0.6x.

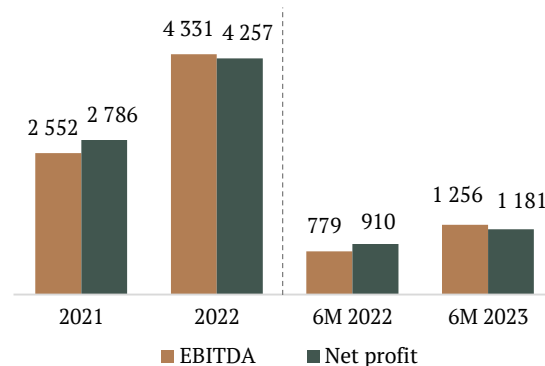
Financial highlights, EUR th

	FY 2021	FY 2022		6M 2022	6M 2023	
Revenue	28 332	42 863	+51%	15 016	18 277	+22%
Gross margin	13%	16%	+3pp	11%	7%	-4pp
EBITDA	2 552	4 331	+70%	779	1 256	+61%
Net profit	2 786	4 257	+53%	910	1 181	+30%
Total assets	7 277	18 318	+152%	9 235	17 402	+88%
Trade receivables	6 800	17 677	+160%	8 756	16 722	+91%
Cash	15	35	+114%	8	221	+2628%
Adjusted Equity¹	5 314	9 451	+78%	6 164	10 451	+69%
Total borrowings	270	3 000	+1012%	520	3 000	+477%
Equity ratio² (min 40%)	73%	52%	-21pp	67%	60%	-7pp
EBITDA / Interest expense (min 3x)	256x	99x	n/a	121x	30x	n/a
Net Debt / EBITDA (max 2x)	0.1x	0.7x	n/a	0.2x	0.6x	n/a

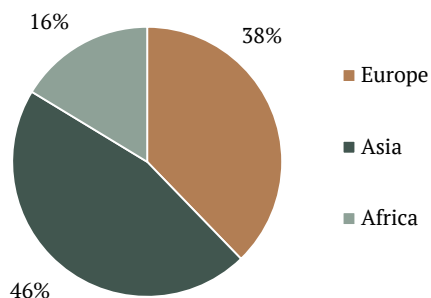
Revenue, EUR th



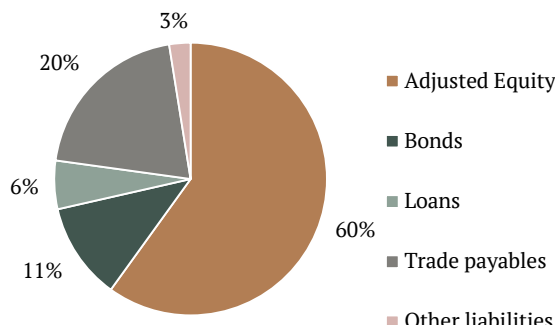
EBITDA and Net profit, EUR th



Revenue split by region (FY 2022)



Funding structure (6M 2023)



¹ Shareholder's Equity + Subordinated debt ² (Shareholder's Equity + Subordinated debt) / Assets

Bond issues included in the review

	Issuer	ISIN	Maturity	Coupon	Issue size	YTM	Call option	Collateral	Listing
	Amber Beverage Group Holding (Luxembourg)	LV0000870137	31.03.2027	7.5% +3M EURIBOR	EUR 30 000 000	10.4%	Yes	Secured	Frankfurt Open Market
	AS ELKO GRUPA (Latvia)	LV0000870079	12.02.2026	6.00%	EUR 20 000 000	9.0%	Yes	Unsecured	Nasdaq Baltic First North
	AS CleanR Grupa (Latvia)	LV0000802676	09.12.2025	6.5% +3M EURIBOR	EUR 15 000 000	8.8%	Yes	Secured	Nasdaq Baltic First North
	SIA Coffee Address Holding (Latvia)	LV0000802585	30.06.2025	9.00%	EUR 5 000 000	9.6%	Yes	Unsecured	Nasdaq Baltic First North
	AS Longo Group (Latvia)	LV0000860062	30.11.2024	6.00%	EUR 3 000 000	9.9% ¹	Yes	Secured	Nasdaq Baltic First North
		LV0000860096	30.06.2025	6% + 3M EURIBOR	EUR 5 000 000	9.9%	Yes	Secured	-
	AS GIVEN Jewellery (Latvia)	LV0000860054	30.04.2024	6.00%	EUR 3 000 000	9.4% ¹	Yes	Secured	Nasdaq Baltic First North
		LV0000860104	31.07.2025	6% + 3M EURIBOR	EUR 4 000 000	9.4%	Yes	Secured	-
	SIA L. J. LINEN (Latvia)	LV0000850071	16.12.2024	10% + 3M EURIBOR	EUR 2 000 000	14.9%	Yes	Secured	Nasdaq Baltic First North
	SIA Banga Ltd (Latvia)	LV0000860088	09.05.2025	6.00%	EUR 2 500 000	9.4%	Yes	Secured	Nasdaq Baltic First North

Baltic government bonds

	Issuer	ISIN	Maturity	Coupon	Issue size	YTM	Call option	Collateral	Listing
	Republic of Latvia	XS2576364371	17.01.2028	3.50%	EUR 945 000 000	3.8%	No	Unsecured	-
	Republic of Latvia	XS1501554874	07.10.2026	0.375%	EUR 2 020 000 000	3.9%	No	Unsecured	-
	Republic of Lithuania	XS2487342649	01.06.2032	2.125%	EUR 1 085 000 000	4.2%	No	Unsecured	-
	Republic of Lithuania	XS1020300288	22.01.2024	3.375%	EUR 700 000 000	3.1%	No	Unsecured	-
	Republic of Estonia	XS2181347183	10.06.2030	0.125%	EUR 1 500 000 000	3.9%	No	Unsecured	-

Baltic benchmark bonds

	Issuer	ISIN	Maturity	Coupon	Issue size	YTM	Call option	Collateral	Listing
	Attīstības finanšu institūcija Altum AS	LV0000880037	07.03.2025	1.30%	EUR 45 000 000	4.2%	No	Unsecured	Nasdaq Baltic Regulated Market
	Latvenergo AS	LV0000870129	05.05.2027	2.42%	EUR 100 000 000	5.4%	Yes	Unsecured	Nasdaq Baltic Regulated Market
	Augstsprieguma tīkls AS	LV0000802528	20.01.2027	0.50%	EUR 100 000 000	4.7%	Yes	Unsecured	Nasdaq Baltic Regulated Market
	Air Baltic Corporation AS	XS1843432821	30.07.2024	6.75%	EUR 200 000 000	8.7%	Yes	Unsecured	Euronext Dublin stock exchange
	Ignitis Grupe AB	XS2177349912	21.05.2030	2.00%	EUR 300 000 000	5.0%	Yes	Unsecured	Nasdaq Baltic Regulated Market
	Maxima Grupe UAB	XS2485155464	12.07.2027	6.25%	EUR 240 000 000	6.6%	Yes	Unsecured	Nasdaq Baltic Regulated Market
	Akropolis Group UAB	XS2346869097	02.06.2026	2.875%	EUR 300 000 000	7.8%	Yes	Unsecured	Nasdaq Baltic Regulated Market

¹Based on the current YTM of the new bond issues by Longo and GIVEN

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