

Financial and other conditions stipulated in the loan agreement with the bank

An extract - we can provide the original documents containing these terms upon request

4. Financial and Other Conditions

4.1. The Borrower undertakes to ensure the timely provision of information* to SEB Bank in accordance with the following procedure:

* The financial statements shall be prepared in accordance with the laws and regulations of the Republic of Latvia and accounting practices, applying the Law on Annual Reports and Consolidated Annual Reports or another applicable law or regulation.

4.1.1. The Borrower's balance sheet, profit and loss statement and cash flow statement shall be submitted once every calendar quarter for the preceding quarter. The submission deadline shall be no later than 45 (forty-five) calendar days after the end of each calendar quarter.

4.1.2. The Borrower's annual report, accompanied by the opinion of a sworn auditor, shall be submitted once a year, no later than 28 February.

4.2. The Borrower undertakes to provide SEB Bank with the opportunity to inspect, including on site, the Borrower's assets and accounting, financial and other documents, and to obtain from the Borrower copies of all requested documents, information and data describing the Borrower's financial and asset position and its ability to fulfil the obligations assumed under the Agreement. The Borrower does not object to the auditor, sworn auditor or audit firm that conducted the audit providing SEB Bank, during the term of the Agreement, with information and explanations concerning the Borrower's financial position and the results of the audit.

4.3. Without the prior written consent of SEB Bank, the Borrower may not:

4.3.1. pledge its property or otherwise encumber it in favour of other legal or natural persons;

4.3.2. make investments in the share capital of other commercial companies, including establishing subsidiaries, acquire shares or equity interests in other commercial companies, or become a member of a partnership;

4.3.3. take out loans or credit, except for loans from a shareholder of the Borrower, enter into leasing and/or factoring transactions, receive third-party sureties or guarantees for the fulfilment of the Borrower's obligations, or assume other financial obligations within the meaning of the "Cash flows from financing activities" section of the cash flow statement, where the amount of each individual transaction or the aggregate amount of all such transactions during a year exceeds EUR 100,000 (one hundred thousand euros);

4.3.4. grant loans or credit or provide sureties;

4.3.5. make investments in fixed assets, except for investments in the immovable property located at 8 Daugavgrīvas Street, Riga, where the aggregate amount of such investments, together with the amounts specified in decisions adopted during the year concerning the payment of dividends and/or the amount of dividends paid and the amount of repaid claims subordinated in favour of SEB Bank's claims, exceeds EUR 400,000 (four hundred thousand euros) during the year and/or the provisions of this Agreement, including but not limited to the financial ratios specified in the Agreement, are breached before and/or after the investments are made;

4.3.6. dispose of or lease its assets where the total book value of such assets exceeds EUR 50,000 (fifty thousand euros) during the year, except where the assets are disposed of or leased in the ordinary course of the Borrower's business.

4.4. The Borrower undertakes to ensure that no material changes are made to the nature of the Borrower's business activities.

4.5. The Borrower undertakes to ensure that the payment obligations assumed by the Borrower under the Agreement rank at least *pari passu* with the Borrower's other obligations.

4.6. The Borrower undertakes to maintain the following financial ratios:

4.6.1. Positive equity.

4.6.2. An Adjusted Equity Ratio of no less than 40% (forty per cent). The Adjusted Equity Ratio is the ratio of adjusted equity to total balance sheet assets, expressed as a percentage. Adjusted equity means equity minus loans granted to the company's owners, management and other related parties, both natural and legal persons, minus intangible assets and goodwill, minus the revaluation reserve for non-current investments, plus subordinated loans in respect of which subordination agreements have been concluded with SEB Bank. The ratio shall be measured at the end of each calendar quarter on the basis of the balance sheet data for the preceding quarter submitted to SEB Bank.

4.6.3. A Debt Service Coverage Ratio of no less than 1.2 (one point two). DSCR (Debt Service Coverage Ratio) is EBITDA divided by the aggregate principal and interest payments on loans, leases (finance and operating), factoring, sureties, letters of credit and other interest-bearing obligations payable during the DSCR calculation period in accordance with the concluded agreements. EBITDA is operating income before interest, tax, depreciation of non-current assets, amortisation of intangible assets and operating lease payments. DSCR shall be determined at the end of each calendar quarter on the basis of the figures for the preceding twelve months. (Example of the use of interim quarterly results: upon receipt of the first-quarter results, the calculation shall use the financial results for the period from and including the second quarter of the previous year to and including the first quarter of the relevant year. Upon receipt of the second-quarter results, the calculation shall use the financial results for the period from and including the third quarter of the previous year to and including the second quarter of the relevant year. Upon receipt of the third-quarter results, the calculation shall use the financial results for the period from and including the fourth quarter of the previous year to and including the third quarter of the relevant year.)

4.6.4. Net Debt/EBITDA of no more than 3 (three). Net debt means all interest-bearing liabilities, including loans, leases (finance and operating) and issued sureties, minus cash. EBITDA is operating

income before interest, tax, depreciation of non-current assets, amortisation of intangible assets and operating lease payments. The net debt figure shall be measured at the end of each calendar quarter on the basis of the balance sheet data for the preceding quarter submitted to SEB Bank. EBITDA shall be determined at the end of each calendar quarter on the basis of the figures for the preceding twelve months. (Example of the use of interim quarterly results: upon receipt of the first-quarter results, the calculation shall use the financial results for the period from and including the second quarter of the previous year to and including the first quarter of the relevant year. Upon receipt of the second-quarter results, the calculation shall use the financial results for the period from and including the third quarter of the previous year to and including the second quarter of the relevant year. Upon receipt of the third-quarter results, the calculation shall use the financial results for the period from and including the fourth quarter of the previous year to and including the third quarter of the relevant year.)

Prepared by: Egita Kalēja, Financial Director