SORAINEN

Report for 2024

(from 1 January 2024 to 31 December 2024)

Sorainen ZAB SIA
Reg. no. 50203349641
Kr. Valdemāra 21-11, Riga,
LV-1010, Latvija

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Information about the company

Company name		**Sorainen ZAB SIA**
Legal status of the company		**Limited liability company (Sabiedrība ar ierobežotu atbildību)**
Registration number, place and date		**50203349641**
Registered office		**Kr. Valdemāra 21-11, Riga, Latvia, LV-1010**
NACE code		**69.10 Legal services**
Shareholders	**Category A 2500 shares**	**Jointly owned by: Eva Berlaus, Jānis Taukačs, Rūdolfs Eņģelis, Lelde Laviņa, Ieva Andersone, Andris Tauriņš, Valts Nerets, Nauris Grigals, Jorens Jaunozols, Jānis Līkops, Ramona Miglāne, Linda Sarāne-Reneslāce**
	Category B 500 shares	**Jointly owned by: Eva Berlaus, Jānis Taukačs, Rūdolfs Eņģelis, Lelde Laviņa, Ieva Andersone, Andris Tauriņš, Valts Nerets, Nauris Grigals, Jorens Jaunozols, Violeta Zeppa-Priedīte, Renāte Purvinska, Andis Burkevics, Santa Rubīna, Inese Heinacka, Natālija Grāvele, Andris Vilisons, Māris Simulis, Zanda Frišfelde, Jānis Līkops, Ramona Miglāne, Linda Sarāne-Reneslāce, Reinis Papulis, Jānis Dobelnieks, Agneta Rumpa, Katrīne Pļaviņa-Mika, Līva Aleksejeva**

Composition of the Management Board

From 29 September 2021 to 5 February 2024

Eva Berlaus	**Chair of the Management Board**
Jānis Taukačs	**Member of the Management Board**
Rūdolfs Eņģelis	**Member of the Management Board**
Lelde Laviņa	**Member of the Management Board**
Ieva Andersone	**Member of the Management Board**
Valts Nerets	**Member of the Management Board**
Andris Tauriņš	**Member of the Management Board**
Nauris Grigals	**Member of the Management Board**
Jorens Jaunozols	**Member of the Management Board**

Composition of the Management Board

From 6 February 2024 to 6 June 2024

Ieva Andersone	**Chair of the Management Board**
Eva Berlaus	**Member of the Management Board**
Jānis Taukačs	**Member of the Management Board**
Rūdolfs Eņģelis	**Member of the Management Board**
Lelde Laviņa	**Member of the Management Board**
Valts Nerets	**Member of the Management Board**
Andris Tauriņš	**Member of the Management Board**
Nauris Grigals	**Member of the Management Board**
Jorens Jaunozols	**Member of the Management Board**

From 7 June 2024 to 24 March 2025

Ieva Andersone	**Chair of the Management Board**
Eva Berlaus	**Member of the Management Board**
Jānis Taukačs	**Member of the Management Board**
Rūdolfs Eņģelis	**Member of the Management Board**
Lelde Laviņa	**Member of the Management Board**
Valts Nerets	**Member of the Management Board**
Andris Tauriņš	**Member of the Management Board**
Nauris Grigals	**Member of the Management Board**
Jorens Jaunozols	**Member of the Management Board**
Jānis Līkops	**Member of the Management Board**
Ramona Miglāne	**Member of the Management Board**

From 25 March 2025

Ieva Andersone	**Chair of the Management Board**
Eva Berlaus	**Member of the Management Board**
Jānis Taukačs	**Member of the Management Board**
Rūdolfs Eņģelis	**Member of the Management Board**
Lelde Laviņa	**Member of the Management Board**
Valts Nerets	**Member of the Management Board**
Andris Tauriņš	**Member of the Management Board**
Nauris Grigals	**Member of the Management Board**
Jorens Jaunozols	**Member of the Management Board**
Jānis Līkops	**Member of the Management Board**
Ramona Miglāne	**Member of the Management Board**
Linda Sarāne-Reneslāce	**Member of the Management Board**

Reporting period

1 January 2024 – 31 December 2024

Name and address of the auditor

Kristīne Graudiņa
Responsible certified auditor
Certicate no. 223

„Merhels Revidenti Konsultanti" SIA
Certified auditors commercial company, licence no. 1
Republikas laukums 3-124, Riga, LV - 1010, Latvia

Management report

Activities of the company during the reporting period

A united team working together to achieve your goals

We are part of an international law firm, fully integrated and working towards a common goal: our clients' success.

15,000+ clients, one approach

Combining legal skills with business knowledge, we are an exemplary partner for local and international companies. Sorainen Latvia was established in 1997 and advises clients on important international and local transactions.

Key events in the growth of the office

On 1 January 2024, Ieva Andersone became the country managing partner of Sorainen Latvia, and she also heads the Competition & Regulated practice group at the Latvian office.

In 2024, partner Jānis Līkops and his team, as well as partner Ramona Miglāne and tax expert Aija Lasmane, joined the office as partners. In 2024, a team of 12 partners and over 111 people were supporting clients with all legal and tax matters related to their business, and this team continues to grow (the average number of employees in

Ieva Andersone, country managing partner at Sorainen Latvia

2024 was 69, and the number of practising sworn attorneys and sworn attorneys' assistants was 31).

In total, 26 new colleagues joined the Sorainen Latvia office in 2024, 18 of them lawyers and tax specialists. Our team is not only growing numerically by attracting new talent, but also boasts loyalty from long-standing colleagues. Last year, we celebrated three colleagues' 20th anniversaries of joining the firm, one colleague's 15th anniversary, and four colleagues' 10th anniversaries, while four colleagues reached five years with Sorainen.

In May, Sorainen launched our first employer brand analysis project to better understand what kind of employer we are. Based on the findings, a strategy will be developed in collaboration with experts from our partner ERDA to help Sorainen attract suitable team members in the future and become an even better employer.

Annual turnover dynamics

When compared with all the 2023 annual reports published for Latvian law firms, Sorainen shows the highest annual turnover for the reporting period of 2023.

The profit of the Sorainen Latvia office for the 2023 report was EUR 9.41 million, which increased to EUR 11.95 million in 2024, showing a 26% increase compared to the previous period.

Focus for 2024: client experiences

Our top-quality client service and experience build trust; clients feel valued and understood, fostering long-term relationships and client loyalty. In 2024, we worked on several initiatives to improve client service and experiences so that our clients receive not only the highest quality legal and tax support but also excellent client service.

Client experience guidelines

To continue providing a top-class experience client for clients, along with strategic legal and tax advice that considers the client's business interests, in 2024 we developed Sorainen client service standards and guidelines. It summarises best practices, values and examples of high-quality client service, which serve as guidelines for all of our offices in the Baltics.

Client satisfaction survey

To understand exactly what our clients expect from us and how we can develop and improve, we implemented an automated client satisfaction survey in 2024, which we use to collect feedback

on our services every month. This helps us identify key reasons of satisfaction (or dissatisfaction) and act accordingly.

Results in 2024 show that 80% of Sorainen clients are ambassadors for us and would gladly recommend our services to others. The key client experience indicator "Net Promoter Score" reached 78 at the end of 2024, which is the highest level of performance in the legal industry in the Baltics.

Prospera market research

The latest Prospera client satisfaction market survey, conducted annually by TNS Kantar, also shows positive results. Based on the results of the research, Sorainen's legal competencies are rated as the best on the market at the Baltic level. Moreover, this is the fourth consecutive year that Baltic clients have rated our legal expertise higher than our competitors'.

The firm's personal approach and digitisation projects were recognised as the best in the country within the legal sector. Sorainen's reputation and work on large projects received a positive rating (above 4.75 points). The firm has improved its position in several areas: consulting, offering competitive rates, and the professional skills of our lawyers. Our tax, IT, telecommunications, and media law practice groups maintained their leading market position in 2024

Insight in the most significant client cases

- Sorainen advised Avia Solutions Group, a world-leading aviation group, on a USD 300 million senior unsecured bond issuance. This issue included the refinancing of previous bond issues, the balance of which amounted to USD 180 million.
- We advised one of Europe's oldest private banks, Berenberg, on the provision of EUR 26 million in financing to the renewable energy company Green Genius for the construction of a new solar park. The total planned investment will exceed EUR 100 million.
- Sorainen also assisted the Northern European green energy company Gren in its acquisition of the sustainable energy company Rīgas Enerģija.
- Sorainen assisted Patria, a company joint owned by the Finnish and Norwegian states, in opening a new production facility for armoured vehicles in Valmiera, Latvia.

- Norwegian non-life insurance company Gjensidige Forsikring received advice from us on the sale of its Baltic business to Ergo International.
- Clients Booking Group and Chemispec were assisted in the

acquisition of a 10,500 m2 office building, which is the current headquarters of SEB bank in Valdlauči.

- The office advised our client Niam Infrastructure on a significant investment in the renewable energy sector in Latvia and the Baltic States: a partnership with Evecon to develop 11 solar energy projects in Latvia. This cooperation is a significant investment in the region's renewable energy sector, highlighting the strong growth potential of the Latvian market.
- We acted as a collateral agent for the largest used car retailer in the Baltic region, Longo Group, on a EUR-10-million public secured bond issue.
- We advised the BADideas.fund syndicate in connection with their EUR 1 million investment in a platform that enables entrepreneurs, digital content creators and online businesses to create and sell their own branded consumer packaged goods without the need for an inventory or upfront costs.

- We assisted real estate developer Vastint Latvia to conclude a lease agreement with the IT company Atea Global Services for the lease of all available office space in the office building still under construction at Antonijas Street 17, located in Magdelēnas kvartāls in Riga. This was the largest office lease deal in Latvia in 2024.

The most significant achievements

- According to the legal directory International Financial Law Review (IFLR), Sorainen was the only firm in the Baltics in 2024 to be rated as a top-tier firm in all practice areas. This recognition demonstrates our commitment to ensuring excellence in the provision of legal services.

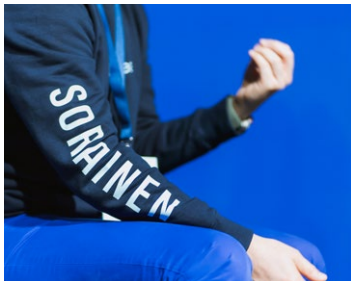
- The International Tax Review (ITR), which is a leading publication for tax professionals, recognised Sorainen as the "Baltic Tax Company of the Year". This is the 11th time our Tax team has received this recognition since 2010, when ITR established a Baltic category as part of the European awards.
- In the ranking Chambers 2023 High Net Worth, published in 2024, Sorainen was highlighted as the strongest law firm in the Baltics and received the highest Level 1 rating in the entire region in the field of private client consulting. This confirms that the Sorainen Private Client team offers the greatest experience and has received the most recognition of any within the regional market.
- The legal directory The Legal 500 recognised Sorainen as the strongest law firm in the Baltic States, with the highest rating in the entire region in its 2024 rankings.

- In September, The Financial Times included Sorainen in its list of Europe's most innovative law firms: Sorainen was ranked 28th in the Top 30 firms that have significantly impacted the transformation of their clients' operations.
- In February 2024, The Legal 500 EMEA Green Guide was published, in which X was recognised for the second time as a firm focused on ESG. This certification highlights our leading ESG practices in the Baltics and underscores our commitment to sustainability.

Corporate social responsibility activities

- In Latvia and the other Baltic States, Sorainen pays great attention to sustainable and responsible business, publishing its third Sorainen Sustainability Report in September.
- Sorainen successfully completed the QMS ISO 9001 recertification process and the office environmental management system was certified according to ISO 14001 requirements. Sorainen also received recognition for the second time in The Legal 500 EMEA Green Guide for its work in the area of ESG (environmental, social and governance).

- Sorainen Latvia continued to reduce its carbon footprint by implementing energy-saving solutions, reducing paper use, and switching to digital document processing.
- In the area of sustainability, support was also provided to Sorainen clients by providing them with legal advice on renewable energy and environmental protection projects.
- ESG issues are generally given a lot of attention, helping the firm's clients adapt to changing regulatory and sustainability requirements in Latvia and the EU.



- Sorainen continues to actively participate in several pro bono projects, helping to address issues of importance to society. The office has provided legal support to NGOs working in the fields of environmental and human rights protection, and participated in public education initiatives promoting sustainable development and social equality.
- For the fourth year in a row, we held a Christmas auction for charity at the office, proving that with imagination, excitement, jokes and generosity, you can increase the amount of good in the world! We dedicated the funds raised at the auction to the Children's Hospital Foundation, Dod Pieci 2024, the mental health support fund ESI!, and Entrepreneurs for Peace projects.
- The public procurement team provided pro bono assistance to the Children's Palliative Care Association in preparing documents for an open tender entitled

'Purchase of Light Passenger Vehicles for the Needs of the Children's Palliative Care Association". Our assistance included preparing the procurement regulations and their annexes, as well as consultations on the application of motor vehicle procurement requirements.

- For the fifth year in a row, as part of the Shared Mission programme, which this year is focusing on defence and national security issues, the office has selected nine projects to receive free legal and tax advice. These include companies and startups developing technologies for military and civilian use, manufacturers of military protective equipment and personal hygiene products for military personnel, and NGOs involved in the neutralisation of war materials. We continue to regularly support the startup sector and, as part of the Legal Clinic programme, we also provided free legal consultations to Latvian startups in 2024.

Our innovations and development

- We will continue to develop and implement innovative legal technology solutions to enhance the quality, efficiency and transparency of our services and work processes. We consistently use tools such as Green Meadow Document Drafter, Definitely, Foxit, xLaw, Nuix, Visio, Grammarly and TiqTime to support us in our daily document drafting, analysis and editing tasks.
- In the summer of 2024 the artificial intelligence tool AiVar, developed by Sorainen specialists, was successfully implemented, helping to significantly optimise the management of legal processes and improve the efficiency of our client service. From automating daily tasks to improving content creation and

supporting strategic planning, AiVar offers versatile solutions to any challenge. AiVar Sorainen was presented to employees this autumn, and it has already proven to be very effective in its first month of use. Integrating it into our daily workflow has saved us a significant amount of time, boosted productivity, and ensured that everything runs smoothly and consistently across the company.

- To increase the efficiency of our lawyers, we have continued to automate document forms using the Green Meadow Document Drafter, which helps speed up the creation of repetitive documents and ensures greater consistency and quality.
- In 2024, we expanded our range of tools by adding DeepL Pro, an AI-based translation platform developed using official EU documents and offering the highest standards of translation accuracy and quality. DeepL Pro allows secure handling of client data and confidential information, providing reliable support for multilingual communication and the translation of legal texts.
- In April 2024, the InSide 2.0 internal information and content exchange platform was launched, aiming to improve the daily experience of employees and provide modernised, user-tailored content.

Technology strategy

- With the vision of becoming the undisputed market leader in our region, driven by technological innovation, we have developed a structured Sorainen Technology Strategy 2024–2028, encompassing the entire Sorainen organisation.
- The implementation of the strategy will focus on our own developed generative artificial intelligence tool, training lawyers to use artificial intelligence, and integrating new solutions into everyday legal practice Our goal is not only to implement technology but also to integrate it seamlessly and at a high level, transforming work processes in an innovation-driven way.
- As a result, Sorainen is a pioneer in the field of artificial intelligence-based legal transformation, particularly in the Baltic States.

Financial results for the reporting year

The reporting period has concluded successfully. The turnover increased by 26% compared to the previous year and amounts to EUR 11.95 million. The office's profits total EUR 3.2 million, the distribution of which will be decided by the company at a later date.
The company's investments in long-term assets increased by 52%, i.e. EUR 136,000, during the year. The company's net assets increased by 19% or EUR 433,000 during the year.

Future prospects and further development

The office plans to continue providing legal services to both Latvian and foreign clients, and will also continue to specialise in various market niches in order to provide advice to our clients as best as possible.

Financial risk management

a) Foreign exchange risk:
The Company's foreign currency risk is assessed as insignificant. Accordingly, the Company does not need to use foreign currency hedging instruments.

(b) Liquidity risk:
Liquidity risk describes the possibility that obligations will not be met in a timely and efficient manner. As part of prudent liquidity-risk management, the Company maintains adequate cash in its current accounts with banks. The company controls its liquidity risk by planning repayment terms for loans received and supplier debts.

(c) Credit risk:
Credit risk is the risk of loss in the event that the Company's counterparty is unable or refuses to fulfil its obligations to the Company. The Company is exposed to credit risk related to cash and trade receivables. The management of the Company controls its credit risk by constantly evaluating clients' debt repayment history and monitoring accounts receivable balances.

Events after the last day of the reporting year

In the time period between the last day of the reporting period and the day when the management board approved the annual report of the Company, Sorainen Latvia has experienced several important events:

- The Sorainen partner team continues to grow – as of 1 January, attorney-at-law Linda Sarāne-Reneslāce will become a partner at Sorainen. Together with the managing partner of the Latvian office, sworn attorney Ieva Andersone, Linda will lead the Competition & Regulatory practice group in Latvia, focusing on intellectual property, and information and communication technology law issues, as well as data protection.

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Ieva Andersone
Chair of the Management Board

/electronically signed/

Jānis Taukačs
Member of the Management Board

/electronically signed/

Lelde Laviņa
Member of the Management Board

/electronically signed/

Andris Tauriņš
Member of the Management Board

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Nauris Grigals
Member of the Management Board

/electronically signed/

Jānis Līkops
Member of the Management Board

/electronically signed/

Ramona Miglāne
Member of the Management Board

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Linda Sarāne - Reneslāce
Member of the Management Board

In Riga, on 9 May 2025

Profit or loss statement

	Notes	**2024** **EUR**	2023 EUR
Net turnover[1]		**11,951,734**	9,412,692
Other operating income	2	**50,535**	26,773
		12,002,269	9,439,465
Personnel costs	3	**(2,818,968)**	(2,442,347)
Depreciation and amortisation costs of fixed assets and intangible assets	5, 6	**(69,179)**	(71,692)
Other operating expenses	4	**(5,242,369)**	(4,350,219)
Other interest and similar income		**17 774**	272
Profit before corporate income tax		**3,889,527**	2,575,479
Corporate income tax for the reporting period		**(673,791)**	(435,533)
Profit for the reporting year after corporate income tax		**3,215,736**	2,139,946
Extraordinary dividends		**(506,513)**	-
Profit for the reporting year		**2,709,223**	2,139,946

The Notes on pages 18 to 25 are an integral part of this financial report.

[1] Net turnover from operating activities other than agricultural activity

Balance sheet

	Notes	31.12.2024 EUR	31.12.2023 EUR
Assets			
Long-term investments			
Intangible assets	5	**18,962**	2,750
Fixed assets			
Other fixed assets	6	**91,497**	86,369
Advance payments for tangible assets		**25,272**	-
		135,731	89,119
Current assets			
Debtors			
Trade receivables	7	**2,677,844**	2,532,845
Other receivables	8	**20,708**	15,713
Deferred expenses		**71,478**	68,692
Accrued income	9	**115,650**	74,896
		2,885,680	2,692,146
Cash	10	**1,737,579**	752,244
		4,623,259	3,444,390
Total asset		**4,758,990**	3,533,509
Liabilities			
Equity capital			
Equity capital	11	**3,000**	3,000
Retained earnings			
a) retained earnings of previous years		**-**	135,998
b) profit for the reporting year		**2,709,223**	2,139,946
		2,712,223	2,278,944
Short-term creditors			
Advance payments received from customers		**38,026**	50,495
Payables to suppliers and contractors		**466,929**	570,647
Taxes and social insurance contributions	12	**422,836**	231,787
Other creditors		**3,793**	3,181
Unpaid dividends		**573,200**	15,957
Accrued liabilities	13	**541,983**	382,498
		2,046,767	1,254,565
Total liabilities		**4,758,990**	3,533,509

The Notes on pages 18 to 25 are an integral part of this financial report.

Cash flow statement

	Notes	2024	2023
		EUR	EUR
Cash flows from operating activities			
Profit or loss before corporate income tax		**3,889,527**	2,575,479
Depreciation charges	5,6	**69,179**	71,692
Interest income		**(17,774)**	(272)
(Profit)/loss from disposal of fixed assets		**(1,028)**	(1,077)
Profit before adjustments for changes in current assets and short-term payables		**3,939,904**	2,645,822
Changes in debtors		**(198,466)**	(658,188)
Changes in creditors		**70,455**	67,988
Gross operating cash flow		**3,811,893**	2,055,622
Expenses for corporate income tax payments		**(504,356)**	(498,582)
Net cash flow from the operating activities		**3,307,537**	1,557,040
Cash flow from investment activity			
Proceeds from the sale of fixed assets		**20,717**	1,077
Purchase of fixed assets and intangible investments		**(135,479)**	(34,337)
Interest received		**17 774**	272
		(96,988)	(32,988)
Cash flow from financing activity			
Dividends paid		**(2,225,214)**	(1,854,603)
		(2,225,214)	(1,854,603)
Net increase/(decrease) in cash and cash equivalents		**985,335**	(330,551)
Cash and cash equivalents at the beginning of the reporting year	10	**752,244**	1,082,795
Cash and cash equivalents at the end of the reporting year	10	**1,737,579**	752,244

The Notes on pages 18 to 25 are an integral part of this financial report.

Statement of changes in equity

	Equity capital	Retained profit EUR	Total EUR
Balance 01.01.2023	3,000	1,990,601	1,993,601
Result for the reporting period	-	2,139,946	2,139,946
Dividends	-	(1,854,603)	(1,854,603)
Balance on 31.12.2023	**3,000**	**2,275,944**	**2,278,944**
Result for the reporting period	-	3,215,736	3,215,736
Dividends	-	(2,782,457)	(2,782,457)
Balance on 31.12.2024	**3,000**	**2,709,223**	**2,712,223**

The Notes on pages 18 to 25 are an integral part of this financial report.

Notes

1. Summary of the most important accounting principles

General principles

The financial statements have been prepared in accordance with the Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia, and the Regulations of the Cabinet of Ministers of the Republic of Latviaon Application of the Law on Annual Statements and Consolidated Annual Statements. In the preparation of the financial report, the requirements and guidelines that apply to medium-sized companies within the meaning of the Law on Annual Statements and Consolidated Annual Statements have been observed. The company's annual report has been prepared in accordance with the going concern principle.

Use of estimates

When preparing the financial statements, the management makes certain estimates and assumptions that affect the reported amounts of certain balancesheet and income statement items and the amounts of contingent liabilities. Futureevents may affect the assumptions on the basis of which the relevant estimateshave been made. The effect of any change in estimates is reflected in the financial statements at the time they are determined.

Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled in a transaction between well-informed, interested parties who are notfinancially related.

Transactions in foreign currencies

The accounting of the Company is carried out in the national currency of Latvia – the euro (EUR). Transactions in foreign currencies are recognised in the Company'sfunctional currency in accordance with the euro reference rate published by theEuropean Central Bank effective at the beginning of the day of the transaction.Monetary assets and liabilities in foreign currencies at the end of the reporting year are converted into euros at the euro reference rate published by the EuropeanCentral Bank at the end of the last day of the reporting year. Gains or losses resulting from fluctuations in foreign exchange rates are reflected in the profit or loss statement for the relevant period.

Recognition of income and expenses

Revenue from legal consultancy services: revenues from consultations are recognised according to the amount of services provided in the reporting period.

Revenues relating to the reporting year, but for which invoices have not yet been issued, are reflected in the accrued revenue.

Expenses: Expenses are recognised on accruals basis when expenses incurrednot when money rendered.

Net turnover

Net turnover is generated from the provision of legal consultancies, less value added tax and discounts directly linked to sales.

Intangible investments

The intangible investments include only those intangible investments that havebeen acquired for a fee. They are valued by deducting amortisation from the original value. Amortisation is calculated using the straight-line method over theestimated useful life of the relevant intangible assets, using the following ratesdetermined by management:

	%
Intangible investments	**35**

Fixed assets

Purchases worth more than EUR 1,000, whose estimated useful life exceeds one year, are capitalised in fixed assets.

Fixed assets are recorded at their acquisition value, less depreciation and accumulated impairment, if any. Depreciation is calculated according to the straight-line method, using the following rates determined by management:

	%
Furniture	**20**
Computer equipment and other IT equipment	**35**
Other fixed assets	**20**

Fixed asset maintenance costs are included in the income statement of the periodin which they are incurred. Expenses that extend the economic useful life of the fixed asset and/or increase its economic potential are capitalised.

Profit or loss on disposal of fixed assets is calculated as a balance between thebalance sheet value of the asset and the income from sale and included in theincome statement for the period incurred.

The remaining value and useful life of fixed assets are reviewed and, if necessary,changed at the end of each reporting year.

Loans

Issued loans are recognised as financial assets when cash is dispensed to borrowers. They are derecognised when the rights to receive cash flows from the financial assets have expired or the Company has transferred substantially all risks and rewards of ownership.

Loans are initially recognised at the amount of cash disbursed. Subsequently loans are carried at amortised cost using the effective interest rate method.

Trade receivables

Receivables are recognised at a net amount due, which is calculated by deducting provisions for doubtful trade receivable from the book value. Provisions are valued at the amount, which is unlikely to be received. The Company recognises provisions based on an individual assessment of the recoverability of each receivable.

Borrowings

Initially borrowings are recognised at an amount of funds received less net of transaction costs incurred. Interest charges and commissions related to the borrowings are recognized as costs, and they are included in the profit and lossstatement in the period in which they were incurred.

Provisions

Provisions are recognised at the moment when past events have caused contractual or otherwise irrevocable liabilities to the Company, and the amount of these liabilities can be credibly estimated.

Recording of creditors

Amounts of liabilities are recognised in the balance sheet as long-term creditors or short-term creditors, depending on the debt payment or liability coverage deadline, which respectively falls later than 12 months after the end of the relevantreporting year or within 12 months of the end of the reporting year.

Tax

- The object of corporate income tax is distributed (for example, dividends) and conditionally distributed (for example, costs not related to economic activity)profit;
- The tax rate is 20% of the tax base, calculated by dividing the value of thetax object by 0.8 (or in other words, the tax rate is 25% of the value of the taxobject);
- Expenses of the corporate income tax are recognised in the period when the tax object is created. Corporate income tax expenses on dividends are recognised at the time of distribution.

Accrued liabilities

Accrued liabilities consist of clearly known amounts of liabilities to suppliers andcontractors for goods or services received in the reporting year, for which at thebalance sheet date an invoice has not yet been received, and estimated amounts of liabilities to employees for unused vacation days accumulated in the reporting year, as well as estimated amounts of liabilities to employees for bonuses on the performance results for the reporting year.

The remuneration to be paid to employees for unused vacation is calculated based on the number of unused vacation days of employees at the end of thereporting year, which is multiplied by the average earnings of employees for the last 6 months spent at work.

Related parties

The Company's members, members of the Company's management board, their close family members and companies in which the mentioned persons have control or significant influence are considered related parties.

	2024 EUR	2023 EUR
2. Other operating income		
Release of bad and doubtful provisions	**43,390**	25,004
Gain on disposal of computer equipment, net	**1,028**	1,077
Late payment fees from customers regarding delayed payments	**3,373**	-
Other income	**2,744**	692
	26,773	26,773

3. Personnel costs

Remuneration for work	**2,282,103**	1,972,477
State social insurance contributions	**536,529**	469,568
Other personnel expenses	**336**	302
	2,818,968	2,442,347

4. Other operating expenses

Legal services from attorneys practising at the office and other law firms	**1,908,126**	1,854,240
Services received from other Sorainen international group Offices	**1,544,766**	1,112,723
Premises rent, utilities and maintenance costs	**522,375**	484,764
Marketing and membership fees	**367,297**	171,231
Costs of staff sustainability, costs of ensuring working conditions	**142,753**	70,563
Personnel development, professional membership fees	**108,463**	124,590
Insurance expenses	**92,012**	88,330
Allowances for doubtful accounts and write-offs for bad debts	**81,261**	47,488
Donations	**63,330**	44,525
Other expenses	**411,986**	351,765
	5,242,369	4,350,219

5. Intangible assets

EUR	Other intangible assets
Gross book value	
01.01.2024	68,132
Additions in the reporting period	21,467
Disposals in the reporting period	(4,570)
31.12.2024	85,029
Amortisation	
01.01.2024	65,382
Calculated for the reporting period	5,255
For excluded	(4,570)
31.12.2024	66,067
Net book value 31.12.2023	2,750
Net book value 31.12.2024	**18,962**

6. Fixed assets

Gross book value 01.01.2024	
	296,417
Additions in the reporting period	88,740
Disposals in the reporting period	(70,598)
31.12.2024	314,559
Depreciation	
01.01.2024	210,048
Calculated for the reporting period	63,924
For excluded	(50,910)
31.12.2024	223,062
Net book value	
31.12.2023	86,369
Net book value	
31.12.2024	**91,497**

7. Trade receivables

	31.12.2024 EUR	31.12.2023 EUR
Trade and other receivables, gross	**2,806,728**	2,627,875
Special provisions for bad and doubtful debts	**(128,884)**	(95,030)
	2,677,844	2,532,845

8. Other debtors

Tax overpayment	**2,033**	7,282
Other debtors	**18,675**	8,431
	20,708	15,713

9. Accrued income

Accrued revenue for legal services rendered	**115,650**	74,896
	115,650	74,896

10. Cash

Cash in banks*	**1,737,579**	752,244

* The company's bank account inter-alia includes client money of EUR 2,601 (31.12.2022.- 940,016 EUR), separate from the firm's own funds, which may only be used for client purposes.

11. Equity capital

The registered and fully paid share capital consists of 3,000 shares with a nominal value of EUR 1 each.
Share capital consists of:

- 2,500 (two thousand five hundred) A category shares with a nominal value of EUR 1 each (one euro);

- 500 (five hundred) B category shares with a nominal value of EUR 1 each (one euro).

12. Taxes and social insurance contributions

	31.12.2024	31.12.2023
	EUR	EUR
Corporate income tax	**164,505**	-
Value added tax	**162,754**	135,610
State social insurance contributions	**61,783**	61,975
Personal income tax	**33,767**	34,176
Business risk duty	**26**	26
	422,836	231,787

13. Accrued liabilities

Accrued liabilities for unused vacations	**213,187**	197,340
Accumulated liabilities for services received during the reporting period	**61,810**	18,124
Other accrued liabilities	**266,986**	167,034
	541,983	382,498

14. Information about personnel

(a) Average number of the employed personnel

	2024	2023
Members of the Board	**11**	9
The other employees	**76**	69
Average number of persons employed at the Company	**87**	78

(b) Remuneration of the Members of Board

Members of board perform duties without remuneration.

15. Trademark (brand) agreement

On 29 September 2021, the Company took over the open-ended contract for the exclusive right to use the Sorainen trademark (brand). The agreement provides for a licence fee of a percentage of the Company's turnover. The licence fee is reviewed at the beginning of each year.

16. Events subsequent to the balance sheet date

No subsequent events have occurred in the period from the reporting date to the date of approval of these financial statements that would require adjustments to be made to these financial statements and disclosures added to the notes thereto.

Approval of the annual statement

The Management Board of the Company has approved the financial statement reflected on pages 5 to 25 on 9 May 2025.

/ electronically signed/	/ electronically signed/	/ electronically signed/
Eva Berlaus Member of the Management Board	Jānis Taukačs Member of the Management Board	Lelde Laviņa Member of the Management Board
/ electronically signed/	/ electronically signed/	/ electronically signed/
Andris Tauriņš Member of the Management Board	Rūdolfs Eņģelis Member of the Management Board	Ieva Andersone Chair of the Management Board
/ electronically signed/	/ electronically signed/	/ electronically signed/
Jorens Jaunozols Member of the Management Board	Valts Nerets Member of the Management Board	Nauris Grigals Member of the Management Board
/ electronically signed/	/ electronically signed/	
Janis Likops Member of the Management Board	Linda Sarāne-Reneslāce Member of the Management Board	

The annual report 2024 was prepared by the company's chief accountant Gunta Pāla.

/ electronically signed/

Gunta Pāla
Chief Accountant