



**AS LATVIJAS BALZAMS
REMUNERATION REPORT FOR YEAR 2021**

AS Latvijas balzams
Remuneration report for the year 2021

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Introduction

The remuneration report of the members of the Board and the Council of AS Latvijas balzams (hereinafter - the Company) for 2021 has been prepared in accordance with the remuneration policy for the members of the Board, approved by the decision of the Company's shareholders on meeting at 7 July 2020, and the remuneration policy of the members of the Council from 27 June 2019, prepared according to Directive (EU) 2017/828 of the European Parliament and of the Council on the promotion of long-term shareholder involvement and Article 59.3 of the Financial Instruments Market Law of the Republic of Latvia.

The remuneration report has been prepared by the Board of the Company and revised by the Council of the Company.

The remuneration report is verified by a sworn auditor and it is reviewed and approved at the Shareholders' meeting together with other components of the annual report. The remuneration report is published simultaneously in Latvian and English languages together with the audited annual report of the Company as a separate component of the annual report on the [Company's website](#), section '[For investors](#)', as well as on the stock exchange [Nasdaq Riga website](#).

The audited net profit for the reporting period is EUR 8.7 million, which is 6.4 % less than in the respective period in the year 2020, because, although the net turnover has increased for the reporting year, the decrease in net profit was influenced by changes in the share of production, i.e., a higher share of production of third-party brands; as well as an increase in costs related to marketing activities of AS Latvijas balzams brands.

In the year 2021, there were no significant events as well as no significant risks that the Company could face, and that could affect its financial capabilities and financial performance of future operations.

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Remuneration for the Board members

Name, surname	Position	Remuneration for year, EUR	Additional payments	Regular part, %	Variable part, %
Intars Geidāns	Chairman of the Board	138 536	n/a	81%	19%
Guntars Betlers	Member of the Board	73 505	n/a	84%	16%
Total		212 041		82%	18%

The Remuneration - a sum, which is paid to each Member of the Management Board consisting of the reward for the performance of his Management Board member duties (hereinafter also - the Consideration), salary, and other payments and it is stipulated by Supervisory Board decision, taking into account the terms of the employment agreement, if any. The variable part of the Consideration is not determined. The right to reclaim or defer Consideration is not provided. In case the member of the Management Board has an employment or other civil relationship with the Company, the Remuneration includes salary and other payments or benefits to the Board members. The part of Remuneration arising from employment or other civil law relationship could vary.

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Remuneration for the Council members

Name, surname	Position	Remuneration for year, EUR	Additional payments	Regular part, %	Variable part, %
Rolands Gulbis	Chairman of the Council	24 000	nav	100%	0%
Valizhan Abidov	Vice Chairman of the Council	24 000	nav	100%	0%
Petr Aven*	Member of the Council	18 000	nav	100%	0%
Velga Celmiņa	Member of the Council	24 000	nav	100%	0%
Jānis Buks*	Member of the Council	18 000	nav	100%	0%
Boriss Nešatajevs **	Member of the Council	6 000	nav	100%	0%
Guntars Reidzāns **	Member of the Council	6 000	nav	100%	0%
Total		120 000		100%	0%

* For the time period from 1 January 2021 till 30 September 2021.

** For the time period from 30 September 2020 till 31 December 2021.

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Remuneration for the Board and Council

	2021	2020
Net turnover, EUR 000	78 052	68 577
Remuneration for the Members of the Board for year, EUR 000 (regular part)*	175	86
Remuneration for the Members of the Council for year, EUR 000 (regular part)	120	132
Average remuneration for full - time employees from equivalent units, EUR 000 (regular part)	61	53

* Remuneration information for the year is reported starting from the adoption of the policy for the remuneration of the Board on 7 July 2020.

Remunerations of the Board and the Council Board are in accordance with policies.

Impact on the performance of the Company by Remunerations of the Board is not intended.

Impact on the performance of the Company by Remunerations of the Council is not intended.

Please see the other results of the Company's performance in the Annual Report, Report of the management, section Performance of the Company during the financial year.

No additional payments, including those related to the termination of the contract, were not made.

The company belongs to the concern within the meaning of the Law on Annual Accounts and Consolidated Annual Accounts. The members of the Board and the Council have not received any remuneration from other Group companies

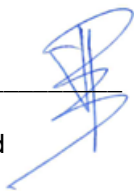
No shares or share options were granted or offered to the members of the Board and the Council.

Variable part for of the Consideration has not been claimed.

There were no exceptional cases of temporary derogations from the remuneration policy.

On the behalf of Company:

Intars Geidāns
Chairman of the Board



Riga, 28 April 2022