

Company AS BALTIKA
Type Company Release
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Title BALTIKA AS's comment regarding the decision of the Listing and Surveillance Committee

Baltika AS (hereinafter Baltika) has taken note of the views expressed in the decision of the Nasdaq Tallinn Stock Exchange's Listing and Surveillance Committee (hereinafter the Committee) regarding violation of the regulations and will take them into account to avoid further mistakes.

On September 20, 2022, the Committee announced a decision based on which Baltika was fined 3,000 euros for violating the rules and regulations chapter Requirements for Issuers clauses 1.2.1, 2.4.1, 6.1, 6.2 and 7.9.

Baltika explains that Baltika's mistake in interpreting the provisions of the obligation to disclose information, which was the basis of the Committee's decision, was due to the fact that on 10.04.2022 Baltika published information about the concluded loan agreement on page 4 of its interim report for the first quarter, with which Baltika deemed the obligation to disclose information stipulated in the regulations fulfilled, but not as a separate stock exchange announcement.

The information that was not published as a stock exchange announcement was a new loan agreement signed with KJK Fund Sicav-SIF, the main shareholder of Baltika Group, in April 2022, on the basis of which KJK Fund Sicav-SIF granted Baltika an interest-free loan with a principal amount of 700 thousand euros with a repayment deadline of December 2024.

Baltika's mistake in clause 7.9.5 of the regulation, which was the basis of the Committee's decision, which deals with presenting a significant related party transaction to the general meeting of shareholders for approval, was related to the fact that since Baltika's main shareholder, KJK Fund Sicav-SIF, has been providing loans to Baltika for years under the same conditions and in amounts of the same magnitude, Baltika was on the opinion that in the form of granting the loan, it was a usual similar transaction under usual conditions, therefore, according to clause 7.9.6.3 of the regulation, the restriction did not apply.

Baltika confirms that the mistakes have not been intentional, but due to



different practice and understanding in fulfilling the requirements of the regulation. Since these are annual regular loan transactions on essentially the same terms, which have a long-term practice, but also depending on the significance of the quarterly reports as stock exchange announcements, Baltika has so far been based on inaccurate understandings and takes the Committee's instructions seriously.

Baltika considers openness and transparency important, and the information and observations received from the Committee during the supervision procedure will be an important guide in the future when publishing stock exchange announcements. The employees of Baltika who are responsible for communication with the stock exchange are currently and continuously familiarizing themselves with the requirements for disclosure of information on the stock exchange and will regularly participate in trainings in the future.

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(https://www.globenewswire.com/Tracker?data=80NYccWcck_bU3-pkcnXakbOq44MOlKJgFOIp9-Vl8-dsDmC2T6P-hmuvXFaeySD3hwpq3qPTKIObqLMzrAxw9Og-oi-YGDdDqK4xlTK50FMWMvpPtYMQoU0y_1eOhRi)

