

NOTICE OF THE MANAGEMENT BOARD

The JSC Ditton pievadkēžu rūpnīca completed the year 2021 with profit in amount of 130,734 thousand euros. Figures of the first three months of the year 2022 also points to positive assessments.

On the 2 March 2022 the JSC Ditton pievadkēžu rūpnīca disclosed initial information on the possible negative impact of changes in the issuer's operating markets as a result of economic and political processes on the issuer, namely due to the unpredictable increase in the prices of raw materials and supplies and the decrease in the competitiveness of the issuer's products due to the increase in its cost, taking into account the increase in production costs, the issuer's economic activity in its traditional markets is reduced by up to 50 percent. Still neither the issuer's partners nor the issuer's products are included in the sanctions lists.

The JSC Ditton pievadkēžu rūpnīca has additionally disclosed the information of this impact in the documents of the Annual report for the year 2021 on 28 April 2022.

In both cases the JSC Ditton pievadkēžu rūpnīca indicated that it will be able to assess the real results and forecasts of the issuer's operations basing on real indicators and processes after some time has elapsed since the signs of crisis intensified.

The JSC Ditton pievadkēžu rūpnīca is forced to inform its shareholders, investors and other participants of the financial instruments market about the deterioration of the issuer's economic situation due to the sharp decline in the volume of orders for the issuer's products caused by all of the above reasons.

Besides, the JSC Ditton pievadkēžu rūpnīca notes that these processes are not related to the issuer's operations, the deterioration of its product quality or customer dissatisfaction, but are arised due to external causes which the issuer is unable to resolve in the short term with reasonable and available means.

Considering that the economic situation of the JSC Ditton pievadkēžu rūpnīca significantly restricts the issuer's solvency and the issuer will not be able to satisfy the claims of all creditors, basing on the Article 271 of the Commercial Law of the Republic of Latvia and the report of the issuer's Council, the Management Board includes an additional issue on the agenda of the convening regular shareholders' meeting Economic situation in the JSC Ditton pievadkēžu rūpnīca and future going on perspectives of the JSC Ditton pievadkēžu rūpnīca, without changes in planned meeting date (27 June 2022).

Due to the mentioned above the Management Board of the JSC Ditton pievadkēžu rūpnīca informs interested persons that those new additions of the Notice of convening of the ordinary shareholders' meeting of JSC Ditton pievadkēžu rūpnīca and Shareholders' voting task are published, including the above mentioned additional issue in the agenda of the ordinary shareholders' meeting.