This document serves as a general overview, and it should be noted that requirements may vary significantly depending on individual circumstances (e.g., tax residence status, ability to prove it, etc.). Its content is subject to change. This document summarises information on Latvian statutory provisions and requirements applicable as of 15 July 2026.

According to the Law On Personal Income Tax ("**PIT Law**"), interest and interest equivalent income from notes that are not publicly circulated[1] and received by an individual who is a Latvian tax non-resident are subject to taxation in Latvia. Generally, the applicable personal income tax ("**PIT**") rate is 25.5%. The Latvian company paying out such income is required to withhold PIT at the source, unless a reduced tax rate or exemption applies under the PIT Law or an applicable Double Tax Treaty.

Application of Reduced PIT Rate to Interest and Interest Equivalent Income from the Notes Received by an Individual Being a Tax Resident of Another EU or EEA State

According to the PIT Law, interest income and interest equivalent income from the notes for individuals who are not tax residents of the Republic of Latvia is subject to a 5% tax withheld by the Company at the time of disbursement if (i) the individual receiving such income is a resident of a European Union member state or European Economic Zone state and is not an economic operator; (ii) the notes are not publicly traded; (iii) payment is made via the investment service provider including the central securities depository; and (iv) the issue of the notes is organised by an investment service provider supervised by a competent authority overseeing financial markets and their participants.

In this case, the tax residence status will be determined based on the information received by the Company from the respective investment service provider or central securities depository. This information should be provided to the Company before the respective income is payable by the Company. The Company reserves the right to request additional information to verify the tax status of the noteholder.

Application of Reduced PIT Rate to Interest and Interest Equivalent Income under the Notes Received by a Tax Non-Resident of Latvia on the basis of the Double Tax Treaty

A reduced PIT rate or even exemption may result from the Double Tax Treaty ("**DTT**") valid between Latvia and the tax residence of the noteholder.

Therefore, if the individual being a Latvian tax non-resident, wants to benefit from a more favourable tax treatment available under the DTT, the noteholder must provide the Company with one of the following documents:

(i) A completed *Resident's Certificate-Application for Tax Relief* (available here: https://likumi.lv/ta/id/14132#piel1) (Clause 3 of the Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001 ("**Tax Convention Regulations**")); OR

(ii) Sections I, II, III, and IV of the *Resident's Certificate-Application for Tax Relief* completed, along with a tax residence certificate issued by the competent authority of the noteholder's state of residence (Clause 9[1] of the Tax Convention Regulations).

[1] According to the Financial Instruments Market Law ("**FIML**") "public circulation" means "entering into transactions with financial instruments admitted to trading on a regulated market", and "regulated market" means "a multilateral system which is operated or managed by a regulated market operator and which, according to the rules of a multilateral system in conformity with equivalent conditions, brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in a way that results in entering into a transaction in respect of the financial instruments admitted to trading under the rules of a multilateral system, and which is authorised and functions regularly in accordance with Division D, Chapter I of FIML". According to AS Nasdaq Riga "Alternative Market First North Rules" ("**First North Rules**") First North is a multilateral trading facility developed and operated by AS Nasdaq Riga, but which is not a regulated market for the purposes of the FIML and other legal acts. As a result, the financial instruments admitted to trading on First North would not be considered to be in public circulation within the meaning of the FIML and First North Rules.

If the income to be paid to one noteholder does not exceed EUR 5,000 in a taxable year, then it is sufficient for a noteholder to provide the Company with the tax residence certificate issued by the noteholder's state of residence.

The tax residence certificate should be in English or Latvian (or with a certified translation) and include (i) the name, surname, and personal identity number of the noteholder; (ii) confirmation from the competent authority of the noteholder's state of residence that the noteholder is a resident of the relevant state in accordance with the DTT between the Republic of Latvia and the relevant state and is entitled to use the requested tax relief; (iii) the taxation year (period) to which the confirmation applies.

The original of the Resident's Certificate-Application for Tax Relief, as set out above under (i) or (ii), should be prepared, confirmed, and provided to the Company for each calendar year separately before the respective income is payable by the Company.

How to complete the Resident's Certificate-Application for Tax Relief:

- The preamble of the form should indicate the name of the country of the noteholder's tax residence.
- Sections I-III should be completed by either the Company or the noteholder.
- Section II should indicate the registration number of the Company: 40203501772, and its name: Kaita LV Living SIA;
- Under Section III, in the box "Income", it should be indicated that the interest equivalent income on notes will be received.
- Section IV should only indicate the name, surname of the noteholder, his/her signature, and the date and place of signing.
- Section V should be completed and confirmed by the tax residence country's Tax Authority (by the representative's signature, stamp). If the Tax Authorities do not confirm such forms, a tax residence certificate from the residence country's Tax Authority should be enclosed.

The document described above may be submitted with a secure electronic signature by email to info@kaitagroup.com or by posting the original documents to the address below:

Attn. Mr. Jonas Kėžys,
Member of the Management Board at Kaita LV Living SIA
Krišjāņa Barona iela 14 - 9F
Riga, LV-1050
Latvia

Only after the Company has received the above-described documents from a specific noteholder and the confirmation from the Tax Authority to withhold PIT at a reduced rate (in cases where income exceeds EUR 5,000 in a taxable year), the Company will be able to withhold a PIT at a reduced rate or to apply an exemption as provided under the respective DTT.

Claiming for PIT Refund in Latvia, if PIT Has Been Withheld

If the standard PIT rate has been withheld at source, it is possible to claim a tax refund by applying the reduced PIT rate or exemption provided in the respective DTT. The following documents are required:

(i) A completed Resident's Certificate-Application for Tax Refund (available: https://likumi.lv/ta/id/14132#piel2) (Clause 10 of the Tax Convention Regulations); OR

(ii) Sections I, II, III, and IV of the Resident's Certificate-Application for Tax Refund completed, along with a tax residence certificate issued by the competent authority of the noteholder's state of residence (Clause 14 of the Tax Convention Regulations).

The documents should be in English or Latvian (or with a certified translation).

A tax residence certificate should include (i) the name, surname, and personal identity number of the noteholder; (ii) confirmation from the competent authority of the noteholder's state of residence that the noteholder is a resident of the relevant state and is entitled to use the requested tax relief; (iii) the taxation year (period) to which the confirmation applies.

Two originals of the Resident's Certificate-Application for Tax Refund, as set out above under (i) or (ii), should be completed, i.e., one should be provided to the Latvian Tax Authority and the other should remain for the individual's records.

The PIT refund may be claimed starting from 1 March of the year following the calendar year of the receipt of income. The refund may be claimed within three calendar years following the year of receipt of income.

The Resident's Certificate-Application for Tax Refund should be completed as follows:
The preamble of the form should indicate the name of the country of the noteholder's tax residence.

- Section I should be completed by the noteholder. PIT overpayment is refunded to the bank account indicated in Section I of the request, and payments can be transferred to bank accounts opened either in Latvia or in a foreign country.
- Section II should indicate the name: Kaita LV Living SIA; registration number: 40203501772; address: Krišjāņa Barona iela 14 - 9F, Riga, LV-1050, Latvia.
- Section III should be completed by the noteholder, if necessary, the noteholder may communicate with the Company, and the Company will provide the noteholder with the necessary information to be filled in Section III.
- Section IV should only indicate the name, surname of the noteholder, the noteholder's signature, date, and place of signing.
- Section V should be completed and confirmed by the noteholder's country's Tax Authority (by the representative's signature, stamp). If the Tax Authorities do not confirm such forms, a tax residence certificate from the noteholder's country's Tax Authorities should be enclosed.

The original of the Resident's Certificate-Application for Tax Refund, as set out above, should be submitted (e.g., mailed) to the Latvian Tax Authority at the below-indicated address or e-mail address, if signed with a qualified e-signature, containing a time-stamp, along with a signed copy of the individual's personal document (passport or ID card):

Valsts ieņēmumu dienests (State Revenue Service)
Talejas iela 1
Riga, LV-1978, Latvia
vid@vid.gov.lv

The Latvian Tax Authority decides on the PIT refund within one month from the day of receipt of the documents. The actual money transfer, in case of a positive decision, should be made within 15 days after the decision.