

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

SIA "APF Trading"

ANNUAL REPORT

for the 12 months period ended 31 December 2024

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

CONTENTS

General Information	3
Report of the Management	4
Financial statements	
Income statement	5
Balance sheet	6 - 7
Notes to the financial statements	8 - 16
Independent Auditor's Report	17 - 19

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

INFORMATION ON THE COMPANY

Name of the company	APF Trading
Legal status of the company	Limited liability company
Number, place and date of registration	Commercial register Nr. 50203051041 Rīgā, 2017. gada 16. februārī
Address	4 Maldugunu Street Marupe, Marupe Municipality, LV-2167 Latvia info@apf.lv
Type of operations	Hen Egg wholesale
General partnership's members	AS "APF Holdings" – 100%
Members of the Board	Dovgijs Hermanis – board member
Financial year	1 January 2024 – 31 December 2024
Auditor's name and address:	Baker Tilly Baltics SIA License No. 80 Kronvalda boulevard 10 Riga, LV-1010 Latvia Certified auditor in charge Ēriks Bahirs Certificate No.136

REPORT OF THE MANAGEMENT

Type of operations

The principal activity of the limited liability company "APF Trading" (hereinafter – the Company) is the wholesale trade of hen eggs.

Performance of the Company during the financial year

In 2024, SIA "APF Trading" continued to strengthen its position in the Baltic retail segment, placing strategic emphasis on brand development, product innovation, and adaptability to evolving market conditions. The year was marked by an active product launch strategy, with nine new products introduced to the market. Among them was the new brand EGGJOY, created to appeal to both domestic and international audiences. Sales campaigns for EGGJOY were launched in Rimi and Lidl stores across all three Baltic countries. In the second half of the year, the product range was expanded with individually packaged M and L size eggs. Additionally, a new 18-egg pack branded "O, lielā paka!" (The Big Pack) was introduced to meet growing demand for larger, more economical product solutions.

The reporting year also marked the Company's entry into the sports and health nutrition segment. With the launch of the e-commerce platform Fiteg2.com, SIA "APF Trading" introduced a new brand – Fiteg² – offering high-quality egg-based protein products including powders, bars, and collagen capsules, all derived from barn-laid eggs. Fiteg² strengthens the Company's digital presence and ensures direct access to health-conscious consumers.

Despite high market uncertainty in the first half of the year – driven by unregulated imports of low-quality eggs from Ukraine and seasonally weak demand for premium eggs – SIA "APF Trading" opted to maintain moderate egg pricing at acceptable levels. Market conditions significantly improved in the second half of 2024. After the EU introduced import duties and overall egg supply in Europe declined, prices began to recover, reaching historically high levels by year-end. The Company closed the year with a net profit of EUR 234 thousand.

The retail segment grew to 78% of total sales in 2024, up from 68% the previous year, while the processing segment share decreased to 22%. This growth was supported by the expansion of cooperation with leading Baltic retail chains – Maxima, Lidl, Prizma, Sky, and Rimi. At the same time, the share of private label (PL) eggs grew significantly – from 15% in 2023 to 31% in 2024 – reflecting retailers' increasing demand for welfare-compliant products that help offset the impact of rising prices.

Export volumes also saw substantial growth – increasing from 32% to 43% of total sales – particularly in Lithuania, where demand for cage-free eggs expanded considerably. Lithuania's share in total egg sales tripled – from 10% to 30%.

Financial risk management

The policy of financial risk management of the Company is described in the financial report's Notes 29

Subsequent events

No events have occurred between the end of the reporting period and the date of signing of the financial statements that would materially affect the Company's financial position as at 31 December 2024.

Future prospects

In the next reporting period, the Company plans to increase its sales volumes, expand its product portfolio and client base, improve customer service quality, and strengthen its market share in Latvia.

Hermanis Dovgijs
board member

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

INCOME STATEMENT

	Notes	2024	2023
		EUR	EUR
Revenue	(2)	12 113 573	12 748 559
Costs of goods sold or services provided	(3)	(10 344 168)	(10 793 386)
Gross profit or losses		1 769 405	1 955 173
Distribution expenses	(4)	(1 247 454)	(1 443 398)
Administrative expenses	(5)	(277 015)	(195 985)
Other operating income	(6)	24 006	27 352
Other operating expenses	(7)	(22 469)	(21 712)
Interest and similar income	(8)	-	11 137
Interest and similar expenses	(9)	(1 167)	(1 933)
Profit or losses before corporate income tax		245 306	330 634
Corporate income tax for the financial year	(10)	(11 313)	(34 447)
Profit or losses for the financial year		233 993	296 187

Notes on pages 8 to 16 are an integral part of these financial statements.

Hermanis Dovgijs
board member

Mihails Keziks
responsible for financial statement
preparation

The document has been signed with a secure electronic signature and contains a timestamp.

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

BALANCE SHEET

		31.12.2024. EUR	31.12.2023. EUR
	Notes		
<u>ASSETS</u>			
Non-current assets			
Intangible assets			
Development costs		2 333	-
Other intangible assets	(11)	61 307	-
Total intangible assets:		63 640	-
Fixed assets:			
Other fixed assets	(11)	1 055	2 016
Total fixed assets:		1 055	2 016
Non-current financial investments:			
Receivables from group companies	(16)	-	509 272
Other loans and non-current receivables	(13)	63 938	90 606
Total non-current financial investments:		63 938	599 878
Total non-current assets:		128 633	601 894
Current assets			
Inventories:			
Raw materials and consumables		5 384	1 368
Finished goods and goods for sale	(14)	202 725	39 045
Advances for inventories		10 065	-
Total inventories:		218 174	40 413
Account receivable:			
Trade receivables	(15)	1 442 007	658 679
Receivables from group companies	(16)	17 419	-
Other receivables		1 555	72
Deferred expenses	(17)	41 849	38 018
Total receivables:		1 502 830	696 769
Cash and bank:	(18)	36 153	5 480
Total current assets:		1 757 157	742 662
<u>Total assets</u>		<u>1 885 790</u>	<u>1 344 556</u>

Notes on pages 8 to 16 are an integral part of these financial statements.

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

BALANCE SHEET

	Notes	31.12.2024. EUR	31.12.2023. EUR
<u>EQUITY, PROVISIONS AND LIABILITIES</u>			
Equity			
Share capital	(19)	2 800	2 800
Retained earnings or uncovered losses brought forward from previous years		857 175	560 988
Current year profit or losses		233 993	296 187
Total equity:		<u>1 093 968</u>	<u>859 975</u>
Liabilities:			
Current liabilities:			
Trade payables		153 354	146 095
Payables to group companies	(21)	575 484	86 142
Taxes and state social insurance payments	(22)	45 797	234 448
Other creditors	(23)	6 793	7 546
Accrued liabilities	(24)	10 394	10 350
Total current liabilities:		<u>791 822</u>	<u>484 581</u>
Total liabilities:		<u>791 822</u>	<u>484 581</u>
<u>Total equity, provisions and liabilities</u>		<u>1 885 790</u>	<u>1 344 556</u>

Notes on pages 8 to 16 are an integral part of these financial statements.

Hermanis Dovgijs
board member

Mihails Keziks
responsible for financial statement
preparation

The document has been signed with a secure electronic signature and contains a timestamp.

NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of accounting policies

General principles

The annual report has been prepared in accordance with the Accounting Law of the Republic of Latvia and the Law on Annual Financial Statements and Consolidated Financial Statements (the "Law").

The Company is classified as a small-sized entity. The financial statements include all information required by the Law, as well as any additional information necessary to present a true and fair view.

The financial statements have been prepared in accordance with the historical cost accounting principle. The income statement has been prepared using the function of expense method.

General accounting principles

The items of the financial statements have been measured in accordance with the following accounting principles:

- a) It is assumed that the Company will continue as a going concern;
- b) Unless stated otherwise, the same valuation methods as in the previous year have been applied;
- c) Valuation has been performed with sufficient prudence, including:
Only profit earned by the end of the reporting year is recognised;
All known and foreseeable liabilities or losses incurred by the end of the reporting year have been considered, even if they became known during the period between the year-end and the date of preparation of the financial statements;
All impairment and depreciation amounts of assets have been calculated and taken into account, regardless of whether the reporting year ends with a profit or a loss;
- d) Unless stated otherwise, revenues and expenses are recognised on an accrual basis, i.e., taking into account the period in which they were incurred, regardless of the payment date or the date of issue or receipt of the invoice. Expenses are matched with revenues in the reporting year;
- e) Components of assets and liabilities are measured and presented separately. Revenues and expenses are presented separately, except for the net presentation of gains or losses from the disposal of non-current assets and similar transactions (e.g., foreign exchange gains or losses from currency purchase and sale transactions);
- f) Transactions are recorded in the financial statements based on their economic substance and nature rather than their legal form.

Foreign currency conversion in euro

This financial statement has been prepared in euros (EUR), which is the functional currency of the Company and the official currency of the Republic of Latvia.

All transactions during the reporting year denominated in foreign currencies are translated into euros using the official exchange rate of the European Central Bank (ECB) on the transaction date. Monetary assets and liabilities in foreign currencies are retranslated into euros at the ECB official exchange rate prevailing on the last day of the reporting year.

Any gains or losses resulting from foreign exchange rate fluctuations are recognised in the profit or loss statement for the respective period on a net basis.

Income recognition and revenue

Revenue contains the total value of goods and services sold during the year excluding discounts and value added tax.

Income is recognized according to the following principles:

- Sales of goods - after significant ownership risk and rewards have been passed to the buyer;
- Rendering of services - under the percentage of completion method;
- Income from fines and penalties - at the moment of receiving the payments;
- Interest income - on an accrual basis;

Intangible investments and fixed assets

Intangible assets and property, plant and equipment are initially measured at acquisition cost. The acquisition cost includes expenses directly attributable to the acquisition of the intangible asset or property, plant and equipment. In the financial statements, intangible assets and property, plant and equipment are presented at acquisition cost less accumulated depreciation.

Depreciation is calculated using the straight-line method, applying the depreciation rates for intangible assets and property, plant and equipment as determined by management, based on the estimated useful lives of the respective assets:

	Depreciation % per annum
Intangible assets	2–10
Other machinery and equipment, transport vehicles	3–10

The Company capitalises fixed assets with a value exceeding EUR 100 and a useful life of more than one year. Depreciation of improvements and other equipment with a value not exceeding EUR 100 is calculated at 100% upon commissioning.

Where there is sufficient evidence that repair or reconstruction work on fixed assets will generate future economic benefits exceeding the originally expected return, such costs are capitalised as an addition to the carrying amount of the fixed assets. When spare parts are capitalised, the remaining carrying amount of the parts replaced is written off through the profit or loss statement. All other ongoing repair and maintenance costs are recognised in the profit or loss of the period in which they are incurred.

The net gain or loss on disposal of fixed assets is calculated as the difference between the carrying amount of the asset (adjusted for any related revaluation reserve) and the income received from its disposal. This result is recognised in the profit or loss statement for the period in which the disposal occurs.

If there is any indication that the carrying amount of property, plant and equipment or intangible assets may exceed their recoverable amount, the value of such assets is reduced to their recoverable amount. The recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value in use.

Inventories

Inventories are measured at the lower of net realisable value and acquisition or production cost. Acquisition cost comprises the purchase price and any directly attributable costs incurred in bringing the inventories to their current location and condition. Inventory balances are determined using the FIFO (first-in, first-out) method. If the net realisable value of inventories is lower than their cost, the difference is recognised as a write-down through an allowance for inventory impairment.

Account receivable

Trade receivables are recognised at their original invoice amounts. Receivables are presented in the balance sheet at net value, less allowances for doubtful debts. Provisions for doubtful receivables are made when, in the opinion of the Company's management, the recovery of the receivables is considered uncertain.

Borrowings

Loans are recognised at the amount of funds received, net of transaction costs incurred in connection with the borrowing.

Provisions, contingent liabilities and assets

Provisions are liabilities related to events that occurred in the current or prior periods, and at the time of preparing the financial statements it is highly probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligations.

Contingent liabilities are not recognised. They are recognised as liabilities only when the probability of an outflow of resources becomes sufficiently certain. Similarly, contingent assets are not recognised; they are recognised as assets only when it becomes sufficiently certain that the economic benefits associated with the transaction will flow to the Company.

Accrued liabilities for unused annual leave

Accrued unused vacation expenses are calculated by multiplying the employees' average daily wage for the last six months of the reporting year by the number of unused vacation days accrued as at the end of the reporting year.

Lease without redemption rights (operating lease) - the Company is the lessee

In cases where assets are leased under operating lease terms (i.e., without a purchase option), lease payments and prepayments are recognised in the profit or loss statement on a straight-line basis over the lease term.

Corporate income tax

Starting from 2018, corporate income tax is no longer calculated on the profit earned during the reporting year but only at the time of dividend distribution or deemed profit distribution. The tax rate is 20% on gross distributions, which corresponds to 20/80 of the net amount distributed. The Corporate Income Tax Law provides for transitional provisions, including:

Profit earned up to 31 December 2017 is not subject to additional 20% tax upon dividend distribution;

Accumulated tax losses may be utilised over a period of five years, but not exceeding 50% of the annual tax payable on dividend distributions.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, balances in current bank accounts, and other short-term liquid financial assets with maturities of up to 90 days.

Group companies

Subsidiaries of the Group, the parent company of the Group, other subsidiaries of the same Group, or subsidiaries of such subsidiaries shall be considered related parties.

Related parties

Related parties include affiliated companies, members of the Management Board and Supervisory Board, their close family members, and companies over which these individuals or entities have control or significant influence.

(2) Revenue	2024	2023
	EUR	EUR
a) By operating activities		
Income from sales of egg realization	12 027 532	12 704 987
Income from sales of egg products	73 724	31 200
Other income	12 317	12 372
	<u>12 113 573</u>	<u>12 748 559</u>
b) By location		
Income from sales of goods/services in Latvia	6 885 890	8 657 177
Income from sales of goods/services to European Union	5 220 771	4 067 414
Income from sales of goods/services in other countries	6 912	23 968
	<u>12 113 573</u>	<u>12 748 559</u>
(3) Costs of goods sold or services provided	2024	2023
	EUR	EUR
Purchase costs of goods sold	10 343 028	10 787 670
Changes in value of stock	-	(2 366)
Subcontractors' services, outsourced works and services	55	-
Other production costs	1 085	8 082

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

10 344 168

10 793 386

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

(4) Distribution expenses	2024	2023
	EUR	EUR
Transportation costs	614 057	642 768
Trademark royalty payments	446 924	575 733
Salary expenses	18 571	14 515
Advertising expenses	9 292	6 750
State mandatory social insurance contributions	4 381	3 431
Rent expenses	3 210	4 070
Consulting fees	-	10 520
Other selling costs	151 019	185 611
	<u>1 247 454</u>	<u>1 443 398</u>
(5) Administrative expenses	2024	2023
	EUR	EUR
Transportation costs	112 083	75 244
Professional service costs	85 200	68 690
Salary expenses	49 127	29 495
State mandatory social insurance contributions	11 555	6 924
Business trips costs	10 317	5 811
Depreciation of fixed assets and amortisation of intangible assets	1 752	-
Research expenses	293	-
Office expenses	36	-
Other administrative expenses	6 652	9 821
	<u>277 015</u>	<u>195 985</u>
(6) Other operating income	2024	2023
	EUR	EUR
<i>Income from disposal of intangible and fixed assets</i>	-	55 785
<i>Net carrying value of intangible and fixed assets at the moment of disposal</i>	-	(47 625)
Net gain from disposal of fixed and intangible assets	-	8 160
Income from the lease of fixed assets	24 000	16 419
Other income	6	2 773
	<u>24 006</u>	<u>27 352</u>
(7) Other operating expenses	2024	2023
	EUR	EUR
Net gain from disposal of fixed and intangible assets	502	-
Penalties paid	20 039	17 724
Provisions for doubtful and bad receivables	-	3 060
Other costs	1 928	928
	<u>22 469</u>	<u>21 712</u>
(8) Interest and similar income	2024	2023
	EUR	EUR
a) from related companies		
Other interest income	-	11 137
	<u>-</u>	<u>11 137</u>
(9) Interest and similar expenses	2024	2023
	EUR	EUR
b) from other parties		
Interest charge	1 167	1 933
	<u>1 167</u>	<u>1 933</u>

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

(10)	2024 EUR	2023 EUR
Corporate income tax for the financial year	11 313	34 447
	11 313	34 447

(11) Intangible assets	Developme nt costs	Other fixed assets	Fixed assets under development and construction in progress	Advances for fixed assets	Total
	EUR	EUR	EUR	EUR	EUR
Cost/revaluation					
31.12.2023.	-	4 000	-	-	4 000
Purchase	-	-	58 138	7 321	65 459
Reclassification between fixed assets	2 400	63 059	(58 138)	(7 321)	-
31.12.2024.	2 400	67 059	-	-	69 459
Depreciation					
31.12.2023.	-	4 000	-	-	(4 000)
Calculated	(67)	(1 752)	-	-	(1 819)
31.12.2024.	-	5 752	-	-	(5 819)
Net carrying amount	-	-	-	-	-
Net carrying amount	2 333	61 307	-	-	63 640

During the reporting year, the Company pledged all its assets as a pool of assets in favour of the CVI funds (see also Note 27) as collateral for the parent company's bond financing agreement with a total amount of EUR 7,000,000. The financing agreement is valid until 2028. The commercial pledge remains in effect until full settlement of the parent company's obligations.

(12) Fixed assets	Other fixed assets	Total
	EUR	EUR
Cost/revaluation		
31.12.2023.	4 001	4 001
31.12.2024.	4 001	4 001
Depreciation		
31.12.2023.	(1 985)	(1 985)
Calculated	(961)	(961)
31.12.2024.	(2 946)	(2 946)
Net carrying amount 31.12.2023	2 016	2 016
Net carrying amount 31.12.2024	1 055	1 055

During the reporting year, the Company pledged all of its assets as a pool of assets in favour of the CVI funds (see also Note 27) as collateral for the parent company's bond financing agreement in the total amount of EUR 7,000,000. The financing agreement is valid until 2028. The commercial pledge remains in effect until full settlement of the parent company's obligations.

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

(13) Other loans and non-current receivables	31.12.2024.	31.12.2023.
	EUR	EUR
Initial lease payments – non-current portion (up to 5 years)	63 938	90 606
	<u>63 938</u>	<u>90 606</u>
(14) Raw materials and consumables	31.12.2024.	31.12.2023.
	EUR	EUR
Hen eggs	90 318	34 663
Egg products	7 679	4 382
Other goods for resale	104 728	-
	<u>202 725</u>	<u>39 045</u>
(15) Trade receivables	31.12.2024.	31.12.2023.
	EUR	EUR
Book value of trade receivables	1 445 067	661 739
(Provisions for bad and doubtful debts)	(3 060)	(3 060)
	<u>1 442 007</u>	<u>658 679</u>
Provisions for bad and doubtful debts have been made 100 % of their book value.		
(16) Receivables from group companies	31.12.2024.	31.12.2023.
	EUR	EUR
Non-current		
Receivables for advances paid SIA Alūksnes putnu ferma	-	509 272
	<u>-</u>	<u>509 272</u>
Current		
Receivables from APF Holdings SIA	17 419	-
	<u>17 419</u>	<u>-</u>
*In 2023, the Company made advance payments to SIA "Alūksnes putnu ferma" for the purchase of table eggs. In accordance with the agreement, the use of the advance was initially postponed until at least 30 December 2025. However, in 2024, SIA "Alūksnes putnu ferma" and the Company agreed on the early settlement of the advance.		
(17) Deferred expenses	31.12.2024.	31.12.2023.
	EUR	EUR
Short-term portion of initial payments under operating lease agreement	26 668	27 064
Insurance payments	46	-
Other expenses	15 135	10 954
	<u>41 849</u>	<u>38 018</u>
(18) Cash and bank	31.12.2024.	31.12.2023.
	EUR	EUR
Cash at bank on current accounts	36 025	5 480
Cash and cash equivalents in other accounts	128	-
	<u>36 153</u>	<u>5 480</u>

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

(19) Share capital

As of 31 December 2024, the registered and fully paid share capital amounts to EUR 2,800, consisting of 28 ordinary shares with a nominal value of EUR 100 each.

(20) Loans from banks

	31.12.2024.	31.12.2023.
	EUR	EUR
Current		
AS "Citadele banka" overdraft	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

In 2018, the Company was granted a credit line of EUR 20,000 by AS "Citadele banka". The loan is repayable by September 2025, with the term subject to annual renewal. As collateral for any claims arising under the credit line agreement, the Company has pledged all its funds held in settlement accounts with AS "Citadele banka"—both those existing at the time of signing and those to be opened during the term of the agreement. As of the end of the reporting year, the Company had not utilised the granted credit line.

(21) Payables to group companies

	31.12.2024.	31.12.2023.
	EUR	EUR
Payables due to SIA Alūksnes putnu ferma	470 951	-
Payables due to SIA APF Holdings	95 762	77 823
Payables due to SIA Preiļu putni	8 584	6 074
Payables due to SIA APF Energy	-	2 001
Payables due to SIA Oluksne	186	244
	<u>575 484</u>	<u>86 142</u>

(22) Taxes and social insurance payments

	EUR	EUR
Value added tax	41 507	226 961
Personal income tax	4 290	7 487
	<u>45 797</u>	<u>234 448</u>

(23) Other creditors

	31.12.2024.	31.12.2023.
	EUR	EUR
Salaries	3 783	7 546
Other liabilities	3 010	-
	<u>6 793</u>	<u>7 546</u>

(24) Accrued liabilities

	31.12.2024.	31.12.2023.
	EUR	EUR
Accrued unused annual leave expenses	5 030	3 695
Other accrued liabilities	5 364	6 655
	<u>10 394</u>	<u>10 350</u>

(25) Average number of employees

	2024	2023
Average number of employees during the financial year	<u>4</u>	<u>4</u>

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

(26) Transactions with related parties

The main shareholder of the Company, who owns 100% of shares of the Company, is SIA APF Holdings (Latvia).

During the financial year, the Company had a transactions of business type with the following companies that are directly or indirectly subsidiaries of SIA APF Holdings - SIA Alūksnes putnu ferma, SIA Oluksne. The Company had also transactions with SIA APF Holdings itself and its member of the Board

a) claims and liabilities

	Notes	31.12.2024.		31.12.2023.	
		Receivables EUR	Payables EUR	Receivables EUR	Payables EUR
Group companies					
SIA Alūksnes putnu ferma	1)	-	470 951	509 272	-
SIA APF Holdings	2)	17 419	95 762	-	77 823
SIA Oluksne	3)	-	186	-	244
SIA Preiļu putni	4)	-	8 584	-	6 074
SIA APF Energy	5)	-	-	-	2 001
		<u>17 419</u>	<u>575 483</u>	<u>509 272</u>	<u>86 142</u>

b) transactions

	Notes	Sales to related parties		Purchases from related parties	
		2024 EUR	2023 EUR	2024 EUR	2023 EUR
Group companies					
Goods for sale, loan proceeds	1)	-	233 868	10 363 430	10 789 754
Lease and others	1)	-	-	2 400	2 400
Trade mark royalty	1)	-	-	446 924	575 733
Management consulting services	2)	-	-	80 500	64 670
Office and vehicle lease services	2)	24 000	16 419	-	-
		<u>24 000</u>	<u>250 287</u>	<u>10 893 254</u>	<u>11 432 557</u>

1) The Company has entered into a goods purchase agreement with its related party SIA "Alūksnes putnu ferma". For the storage of goods, the Company has used warehouse premises leased from SIA "Alūksnes putnu ferma". The Company has also leased a trademark from SIA "Alūksnes putnu ferma" and AS "APF Holdings", and has sold certain goods.

2) AS "APF Holdings" has provided the Company with consulting and office lease services. The Company has also leased vehicles from AS "APF Holdings".

(27) Guaranties issued

As of 31 December 2023, the Company had three active guarantees issued in favour of AS "Development Finance Institution Altum" and AS "Baltic International Bank". These guarantees served as collateral for the credit line and loan agreements of the related party SIA "Alūksnes putnu ferma", with a total exposure of EUR 3,925,901. The credit line was due to mature in August 2025, and the loan agreements by the end of 2025. The guarantees remain valid until the full settlement of SIA "Alūksnes putnu ferma" obligations. All aforementioned agreements were repaid early in February 2024.

During the reporting year, the Company pledged all of its assets as a commercial pledge, as well as its share capital, in favour of the CVI funds as collateral for the bond financing agreement of the parent company, with a total nominal amount of EUR 7,000,000. The financing agreement is valid until 2028. The commercial pledge remains in effect until full settlement of the parent company's obligations.

SIA "APF Trading"
GADA PĀRSKATS
par periodu līdz 2024. gada 31. decembrim

(28) Financial commitments

The Company uses vehicles under operating lease agreements. Lease expenses recognized in the profit or loss statement for the reporting year amounted to EUR 47,339 (2023 – EUR 30,700). The lease agreements are valid until 2028.

The Company has the following non-cancellable lease liabilities:

	31.12.2024.	31.12.2023.
	EUR	EUR
Payable within 1 year	43 985	47 339
Payable from 2 to 5 years	105 044	149 029
	<u>149 029</u>	<u>196 368</u>

(29) Financial risk management

The main financial risks related to the Company's financial instruments are market risk, liquidity risk, and credit risk. The Company's management seeks to minimize the potential negative impact of financial risks on the Company's financial position. The Company does not use derivative financial instruments for financial risk management purposes.

Market risk - Foreign currency risks

The Company is not exposed to foreign currency risk. As at the end of the reporting year, the Company had no significant open foreign currency positions.

Credit risk

The Company is exposed to credit risk in relation to its trade receivables, receivables from related parties, and cash and cash equivalents. The Company manages its credit risk by continuously assessing the repayment history of its customers and setting individual credit terms for each client. Additionally, the Company monitors outstanding receivable balances on an ongoing basis to minimize the risk of uncollectible debts.

Liquidity risk

The Company manages its liquidity risk by maintaining an adequate level of cash and cash equivalents.

(30) Subsequent events

No events have occurred between the end of the reporting period and the date of signing of the financial statements that would materially affect the Company's financial position as at 31 December 2024.

Hermanis Dovgijs
board member

Mihails Keziks
responsible for financial
statement preparation

The document has been signed with a secure electronic signature and contains a timestamp.