

SIA "Preiļu Putni"  
GADA PĀRSKATS  
par periodu līdz 2024. gada 31. decembrim

**SIA "Preiļu putni"**

**ANNUAL REPORT**

**for the 12 months period ended 31 December 2025**

SIA "Preiļu Putni"  
GADA PĀRSKATS  
par periodu līdz 2024. gada 31. decembrim

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**INFORMATION ON THE COMPANY**

Name of the company	SIA "Preiļu putni"
Legal status of the company	Limited liability company
Number, place and date of registration	Commercial register No 40203289853 Riga, 2 February 2021
Address	Malduguņu street 4, Marupe Municipality, Marupe, LV-2167 Latvia
E-mail Address	info@apf.lv
Type of operations	Poultry farming.
Members of the Board	Hermanis Dovgijis – Board Member (since 02.02.2021)
Financial year	1 January 2024 – 31 December 2024

## **REPORT OF THE MANAGEMENT**

### **Type of operations**

The main activity of the limited liability company "Preiļu putni" (hereinafter – the Company) is the rearing of pullets, from one-day-old chicks to 14–20-week-old birds, in the Preiļi municipality.

### **Performance of the Company during the financial year**

During the reporting year, the Company continued the development of its investment project – the launch of pullet rearing and production facilities in the Preiļi municipality, utilizing buildings under long-term lease as well as constructing new facilities with the goal of reaching an average annual production of 750 thousand pullets.

In 2022, the Company acquired the rights through a public auction to lease a second production building from the Preiļi municipality for a term of 15 years. The leased real estate is planned to be adapted to meet the Company's production needs. During the reporting year, the Environmental Impact Assessment procedure was continued in order to obtain the necessary permits for the Company's business operations in the Preiļi municipality.

### **Financial risk management**

The policy of financial risk management of the Company is described in the financial report's Notes 12

### **Subsequent events**

Except the above mentioned facts, there are no subsequent events since the last date of the financial year until the date of signing of financial statements, which would have a significant effect on the financial position of the Company as at 31 December 2024.

### **Future prospects**

In the next reporting period, the Company plans to complete the Environmental Impact Assessment procedure, acquire production equipment, and commence installation works.

Hermanis Dovgijs  
Board Member

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**INCOME STATEMENT**

	Notes	2024 EUR	2023 EUR
Costs of goods sold or services provided	(2)	(40 302)	(24 927)
<b>Gross profit or losses</b>		<b>(40 302)</b>	<b>(24 927)</b>
Administrative expenses	(3)	(994)	(346)
Other operating income	(4)	-	476
Other operating expenses	(5)	(1 195)	(226)
Interest and similar expenses	(6)	(3 128)	(1 492)
<b>Profit or losses before corporate income tax</b>		<b>(45 619)</b>	<b>(26 515)</b>
Corporate income tax for the financial year		(50)	(50)
<b>Profit or losses after corporate income tax</b>		<b>(45 669)</b>	<b>(26 565)</b>

Notes on pages 7 to 12 are an integral part of these financial statements.

Hermanis Dovgijs

Board Member

Mihails Keziks  
Person responsible for the  
preparation of the financial  
statements

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**BALANCE SHEET**

	Notes	31.12.2024. EUR	31.12.2023. EUR
<b><u>ASSETS</u></b>			
<b>Fixed assets:</b>			
Other fixed assets	(7)	1 027	-
Fixed assets under development and construction in progress	(7)	19 860	1 500
<b>Total fixed assets:</b>		<u>20 887</u>	<u>1 500</u>
<b>Total non-current assets:</b>		<u>20 887</u>	<u>1 500</u>
<b>Current assets</b>			
<b>Account receivable:</b>			
Receivables from group companies		8 584	6 074
Other receivables	(8)	13 778	13 779
<b>Total receivables:</b>		<u>22 362</u>	<u>19 853</u>
<b>Cash and bank:</b>			
		<u>275</u>	<u>78</u>
<b>Total current assets:</b>		<u>22 637</u>	<u>19 931</u>
<b><u>Total assets</u></b>		<u><u>43 524</u></u>	<u><u>21 431</u></u>
 <b><u>EQUITY, PROVISIONS AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	(9)	2 800	2 800
Retained earnings or uncovered losses brought forward from previous years		(54 096)	(27 531)
Current year profit or losses		(45 669)	(26 565)
<b>Total equity:</b>		<u>(96 965)</u>	<u>(51 296)</u>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Payables to group companies	(10)	139 311	66 083
<b>Total non-current liabilities:</b>		<u>139 311</u>	<u>66 083</u>
<b>Current liabilities:</b>			
Trade payables		-	5 881
Payables to group companies	(10)	860	420
Taxes and state social insurance payments		50	50
Accrued liabilities	(11)	268	293
<b>Total current liabilities:</b>		<u>1 178</u>	<u>6 644</u>
<b>Total liabilities:</b>		<u>140 489</u>	<u>72 727</u>
<b><u>Total equity, provisions and liabilities</u></b>		<u><u>43 524</u></u>	<u><u>21 431</u></u>

Notes on pages 7 to 12 are an integral part of these financial statements.

Hermanis Dovgijs

Board Member

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **(1) Summary of accounting policies**

#### **General principles**

Financial statements are prepared in accordance with the Laws of the Republic of Latvia "On Accounting" and "On the Annual Report and Consolidated Annual Report" (the Law).

Based on the financial indicators of the past two years, the Company is classified as a micro company. The financial statements include all information required by the Law, as well as additional information necessary to provide a true and fair view.

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

#### **General accounting principles**

Financial statement items are valued according to the following accounting principles:

- a) it is assumed that the Company will continue its activities;
- b) unless specified separately, the same valuation methods are used as in the previous year;
- c) valuation is made with sufficient care, including:
  - profit is recognized only if earned before the end of financial year;
  - all known and foreseeable liabilities and losses incurred by the end of the financial year shall be considered, including when they were revealed during the period between the end of the financial year and the day of preparation of the financial statement;
  - all asset impairment losses and depreciation are considered, regardless of whether the financial year is closed with profit or loss.
- d) unless specified separately, revenues and expenses are recognized according to accruals method, that is, considering the moment of occurrence regardless of the day of payment and day of invoice issue or receipt. Expenses are reconciled with the revenues in the financial year.
- e) The sections of the items of Assets and Equity, Provisions and Liabilities are measured and classified separately. Income and expenses are classified and disclosed separately except the gains or losses from sale of non-current assets and from similar transactions (e.g., the result of currency exchange rate fluctuation or the result of sale or purchase of foreign currency), which are offsetted.
- f) Transactions are reflected with account of their economic intention and matter and not with account of their legal form.

#### **Intangible investments and fixed assets**

Intangible investments and fixed assets are initially recognized at the purchase cost. Purchase cost includes costs, directly related to the acquisition of intangible and fixed assets. In financial statements the intangible and fixed assets are recognized at purchase cost or revalued amount less depreciation.

The Company capitalizes its fixed assets valued over 100 EUR with useful life exceeding 1 year. Depreciation for improvements and other low costs items with the value less than 100 EUR is recognized by 100 % after commissioning.

If sufficient evidence is acquired that the future economic benefit associated with subsequent repair or reconstruction costs will flow to the Company, which exceeds the return set previously, costs are capitalized as additional costs to the fixed asset. Capitalizing the cost of replaced parts, the carrying amount of the part replaced is derecognized and charged to the income statement. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Net gains or losses from disposal of fixed assets is calculated as the difference between the carrying amount of the fixed asset, write-off of related assets revaluation reserve (if any) and proceeds from sale, and recognized in the income statements during the period when disposal are incurred.

#### **Capitalization of borrowing and other costs**

The initial cost of assets under construction is increased by borrowing costs and other direct expenses incurred for the creation of the asset during the periods until the respective asset is ready for its intended use. The asset value is not increased by borrowing costs incurred during periods in which no active development work is carried out on the asset under construction.

#### **Account receivable**

Trade receivables are recognized at invoiced amounts. After the initial recognition account receivables are measured at net amount less provisions for doubtful debts. Provisions for doubtful receivables are recognized when the management of the Company considers that it is probable that the total amount of receivables will not be collected in full.

#### **Borrowings**

Borrowings are recognized at the proceeds, net of transaction costs incurred.

#### **Provisions, contingent liabilities and assets**

Provisions are liabilities related to current or previous years events and at the preparation of financial statements it is probable that an outflow of resources will be required to settle the obligation and its amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Contingent liabilities are not recognized. These could be classified as liabilities only when a probability of outflow of resources become probable (more likely than not). Similarly, contingent assets are not recognized, but classified as an assets only when the probability that the Company will gain economic benefits related to a transaction becomes virtually certain.

#### **Accrued liabilities for unused annual leave**

Amount of accumulated unused annual leave is determined by multiplying the average day rate of employees for the last six months of the financial year by the amount of accrued but unused annual leave 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 terms without a purchase option, lease payments and prepayments for the lease are recognized in the profit or loss statement as incurred.

#### **Corporate income tax**

The corporate income tax expense for the reporting year is included in the financial statements based on management's calculations in accordance with the tax legislation of the Republic of Latvia, applying a 20% tax rate.

According to the new Corporate Income Tax Law, significant changes have been made to the application of the tax. Starting from 2018, corporate income tax is no longer calculated on the profit earned during the reporting year, but only at the moment of dividend distribution or deemed profit distributions. The tax rate is 20% of the gross amount, or 20/80 of the net amount paid out.

The Corporate Income Tax Law includes transitional provisions, including:

- Profit earned up to 31 December 2017 will not be subject to the additional 20% tax upon dividend distribution (subject to certain restrictions);
- Accumulated tax losses may be utilized within 5 years, but not exceeding 50% of the annual calculated tax amount on dividend distributions.

#### **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, the balances of the current bank account and other current liquid financial assets with maturities up to 90 days.

#### **Current and Non-current Items**

Amounts are classified as non-current items if their receipt, payment, or write-off is expected to occur more than one year after the end of the reporting period. Amounts that are receivable, payable, or to be written off within one year are classified as current items. If, after the end of the reporting year but before the signing of the financial statements, the repayment terms of receivables or liabilities have been extended, such items are classified based on the new repayment terms.

#### **Group companies**

Subsidiaries of the group or the parent company of the group, or other subsidiaries of the group, or subsidiaries of the subsidiaries of the group are regarded as the group companies.

#### **Associates**

An associated company is an entity within a significant influence of other company, which is provided by holding no less than 20% and no more than 50% of the voting rights.

#### **Related parties**

Related parties are considered Group companies, Board and Council members, their close family members and entities, in which the previously mentioned persons or companies have significant influence or control.

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(2) <b>Costs of goods sold or services provided</b>	2024 EUR	2023 EUR
Subcontractors' services, outsourced works and services	3 279	3 240
Utility expenses	2 422	2 367
Depreciation of intangible and fixed assets	166	-
Transport services	115	-
Other production costs	34 320	19 320
	<u><b>40 302</b></u>	<u><b>24 927</b></u>
(3) <b>Administrative expenses</b>	2024 EUR	2023 EUR
Professional service costs	860	210
Other administrative expenses	134	136
	<u><b>994</b></u>	<u><b>346</b></u>
(4) <b>Other operating income</b>	2024 EUR	2023 EUR
Other income	-	476
	<u><b>-</b></u>	<u><b>476</b></u>
(5) <b>Other operating expenses</b>	2024 EUR	2023 EUR
Property tax expense	1 186	218
Fines and penalties	9	8
	<u><b>1 195</b></u>	<u><b>226</b></u>
(6) <b>Interest and similar expenses</b>	2024 EUR	2023 EUR
<b>a) from group companies</b>		
Interest charge	3 128	1 492
<b>Total interest and similar expenses</b>	<u><b>3 128</b></u>	<u><b>1 492</b></u>

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**(7) Fixed assets**

	Land plots, buildings and engineering structures EUR	Investment property / Leasehold improvements EUR	Technological equipment and machinery EUR	Other fixed assets EUR	Fixed assets under development and construction in EUR	Advances for fixed assets EUR	Total EUR
<b>Cost/revaluation</b>							
31.12.2023.	-	-	-	-	1 500	-	1 500
Purchase	-	-	-	-	19 553	-	19 553
Reclassification between other asset items	-	-	-	1 193	(1 193)	-	-
31.12.2024.	-	-	-	1 193	19 860	-	<b>21 053</b>
<b>Depreciation</b>							
31.12.2023.	-	-	-	-	-	-	-
Calculated	-	-	-	(166)	-	-	(166)
31.12.2024.	-	-	-	(166)	-	-	<b>(166)</b>
<b>Net carrying amount</b>							
31.12.2023.	-	-	-	-	1 500	-	1 500
31.12.2024.	-	-	-	1 027	19 860	-	<b>20 887</b>

**(8) Other receivables**

	31.12.2024. EUR	31.12.2023. EUR
Retention payment	527	527
Other receivables	13 251	13 251
	<b>13 778</b>	<b>13 778</b>

**(9) Share capital**

As of 31 December 2024, the Company's registered and fully paid share capital amounted to EUR 2,800 and consisted of 28 ordinary shares with a nominal value of EUR 100 each.

**(10) Payables to group companies**

	31.12.2024. EUR	31.12.2023. EUR
<b>Non-current</b>		
Loan payable to AS APF Holdings	139 311	66 083
	<b>139 311</b>	<b>66 083</b>
<b>Current</b>		
Trade payable to SIA APF Holdings	860	420
	<b>860</b>	<b>420</b>

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<b>(11) Accrued liabilities</b>	<b>31.12.2024.</b>	<b>31.12.2023.</b>
	<b>EUR</b>	<b>EUR</b>
Other accrued liabilities	268	293
	<u>268</u>	<u>293</u>

**(12) Financial risk management**

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

**Credit risk**

The Company is exposed to credit risk in relation to receivables from related parties as well as cash and cash equivalents. The Company manages its credit risk by continuously assessing the repayment history of customer receivables and establishing credit terms individually for each customer. In addition, the Company constantly monitors the outstanding balances of trade receivables to reduce the risk of non-recoverable debts.

**Liquidity risk**

The Company manages its liquidity risk, maintaining the appropriate amount of cash and cash equivalents.

**(13) Subsequent events**

Except the above mentioned facts, there are no subsequent events since the last date of the financial year until the date of signing of financial statements, which would have a significant effect on the financial position of the Company as at 31 December 2024.

Hermanis Dovgijs

Board Member

Mihails Keziks  
Person responsible for the  
preparation of the financial  
statements