

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

**SIA "APF Energy"**

**ANNUAL REPORT**

**for the 12 months period ended 31 December 2024**

SIA "APF Energy"  
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par periodu līdz 2024. gada 31. decembrim

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**INFORMATION ON THE COMPANY**

Name of the company	SIA "APF Energy"
Legal status of the company	Limited liability company
Number, place and date of registration	Commercial register No 40203352847 Riga, 12 October 2021
Address	Maldugunu street 4 Marupe Municipality, Marupe, LV - 2167, Latvia Latvia
E-mail Address	info@apf.lv
Type of operations	Production of gas
Members of the Board	Jurijs Adamovičs – Chairman of the Management Board (since 12 October 2021) Hermanis Dovgijs – Board Member (since 22.03.2018)
Financial year	1 January 2024 – 31 December 2024

## **REPORT OF THE MANAGEMENT**

### **Type of operations**

The core business activity of the limited liability company "APF Energy" (hereinafter – the Company) is the production of biogas and biomethane by processing poultry manure as well as other biowaste, and the production of organic fertilizer by processing digestate – a by-product of biogas production.

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

During the reporting year, the Company continued the development of its investment project – the construction of a biomethane and organic fertilizer production complex. Progress was made in the preparation of the local territorial plan, including the change of land use from agricultural and forest land to industrial construction for the property "Silakalns". Several proposals for the biomethane plant have been received, and further in-depth analysis of the project is ongoing. The Company received confirmation from the State Environmental Service that the "APF Energy" biogas and organic fertilizer production facility is not subject to an environmental impact assessment procedure but requires only a Category B permit for polluting activities, which significantly facilitates the project's future development.

### **Subsequent events**

During the period from the last day of the reporting year until the date of signing the financial statements, there have been no events that would materially affect the financial position of the Company as at 31 December 2024.

### **Future prospects**

In the next reporting period, the Company plans to complete the market research for biomethane and organic fertilizer, coordinate production technology details with potential partners, and commence the design works for the production facility.

Hermanis Dovgijs  
Board member

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**INCOME STATEMENT**

	<b>Notes</b>	<b>2024 EUR</b>	<b>2023 EUR</b>
Distribution expenses		(554)	(500)
Administrative expenses	(2)	(1 871)	(1 343)
Other operating expenses	(3)	(65)	(4 263)
Interest and similar expenses	(4)	(831)	(693)
<b>Profit or losses before corporate income tax</b>		<b>(3 321)</b>	<b>(6 799)</b>
Corporate income tax for the financial year		(50)	(50)
<b>Profit or losses after corporate income tax</b>		<b>(3 371)</b>	<b>(6 849)</b>

Notes on pages 7 to 11 are an integral part of these financial statements.

Hermanis Dovgijis  
Board member

Mihails Keziks  
Person responsible for the  
preparation of the financial  
statements

THE DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP

SIA "APF Energy"  
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**BALANCE SHEET**

		31.12.2024. EUR	31.12.2023. EUR
	<b>Notes</b>		
<b><u>ASSETS</u></b>			
<b>Fixed assets:</b>			
Immovable properties			
a) land plots, buildings and engineering structures	(5)	18 000	18 000
Fixed assets under development and construction in progress	(5)	8 299	8 299
<b>Total fixed assets:</b>		<u>26 299</u>	<u>26 299</u>
<b>Total non-current assets:</b>		<u>26 299</u>	<u>26 299</u>
<b>Current assets</b>			
<b>Account receivable:</b>			
Receivables from group companies	(6)	-	2 001
Other receivables		-	1
<b>Total receivables:</b>		<u>-</u>	<u>2 002</u>
<b>Cash and bank:</b>		<u>1 960</u>	<u>194</u>
<b>Total current assets:</b>		<u>1 960</u>	<u>2 196</u>
<b><u>Total assets</u></b>		<u><u>28 259</u></u>	<u><u>28 495</u></u>
 <b><u>EQUITY, PROVISIONS AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	(7)	2 800	2 800
Retained earnings or uncovered losses brought forward from previous years		(15 423)	(8 574)
Current year profit or losses		(3 371)	(6 849)
<b>Total equity:</b>		<u>(15 994)</u>	<u>(12 623)</u>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Other borrowings	(8)	15 000	15 000
Payables to group companies	(9)	25 499	24 418
<b>Total non-current liabilities:</b>		<u>40 499</u>	<u>39 418</u>
<b>Current liabilities:</b>			
Trade payables		554	250
Payables to group companies	(9)	3 130	1 380
Taxes and state social insurance payments		50	50
Accrued liabilities		20	20
<b>Total current liabilities:</b>		<u>3 754</u>	<u>1 700</u>
<b>Total liabilities:</b>		<u>44 253</u>	<u>41 118</u>
<b><u>Total equity, provisions and liabilities</u></b>		<u><u>28 259</u></u>	<u><u>28 495</u></u>

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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.

Depreciation is calculated on a straight-line basis applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets:

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.

#### **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 events of the reporting year or prior periods, where 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 estimated at the present value of the expenditures expected to be required to settle the obligation.

Contingent liabilities are not recognized. They are only recognized as liabilities when the probability of an outflow of resources becomes sufficiently substantiated. Similarly, contingent assets are not recognized. They are recognized as assets only when the probability of inflow of economic benefits to the Company becomes sufficiently substantiated.

#### **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.

### **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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<b>(2) Administrative expenses</b>		<b>2024</b>	<b>2023</b>
		EUR	EUR
Professional service costs		1 750	1 220
Transportation costs		121	123
		<u><b>1 871</b></u>	<u><b>1 343</b></u>
<b>(3) Other operating expenses</b>		<b>2024</b>	<b>2023</b>
		EUR	EUR
Property tax expense		62	62
Penalties paid		2	1
Other costs		1	4 200
		<u><b>65</b></u>	<u><b>4 263</b></u>
<b>(4) Interest and similar expenses</b>		<b>2024</b>	<b>2023</b>
		EUR	EUR
<b>a) from group companies</b>			
Interest charge		831	693
		<u><b>831</b></u>	<u><b>693</b></u>
<b>Total interest and similar expenses</b>		<u><b>831</b></u>	<u><b>693</b></u>

<b>(5) Fixed assets</b>		<b>2024</b>	<b>2023</b>
		EUR	EUR
<b>Cost/revaluation</b>			
31.12.2023.	-	18 000	-
31.12.2024.	-	18 000	-
<b>Net carrying amount</b>			
31.12.2023.	-	18 000	-
31.12.2024.	-	18 000	-

<b>(6) Receivables from group companies</b>		<b>31.12.2024.</b>	<b>31.12.2023.</b>
		EUR	EUR
<b>Current</b>			
Trade payables – SIA APF Tradings for services received		-	2 001
		<u><b>-</b></u>	<u><b>2 001</b></u>

**(7) Share capital**

As of 31 December 2024, the Company's registered and fully paid share capital amounted to EUR 2,800 and consisted of 2 800 ordinary shares with a nominal value of EUR 1 each.

<b>(8) Other borrowings</b>	<b>31.12.2024.</b>	<b>31.12.2023.</b>
	<b>EUR</b>	<b>EUR</b>
<b>Non-current</b>		
Loan payable to an individual	15 000	15 000
	<u><b>15 000</b></u>	<u><b>15 000</b></u>
<b>(9) Payables to group companies</b>	<b>31.12.2024.</b>	<b>31.12.2023.</b>
	<b>EUR</b>	<b>EUR</b>
<b>Non-current</b>		
Loan received from AS "APF Holdings"	25 499	24 418
	<u><b>25 499</b></u>	<u><b>24 418</b></u>
<b>Current</b>		
Trade payable to SIA "APF Holdings"	3 130	1 380
	<u><b>3 130</b></u>	<u><b>1 380</b></u>
<b>(10) Average number of employees</b>	<b>2024</b>	<b>2023</b>
Average number of employees during the financial year	<u><b>0</b></u>	<u><b>0</b></u>

**(11) 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 adverse 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 evaluating the repayment history of its customers and determining credit terms individually for each customer. In addition, the Company constantly monitors the outstanding balances of trade receivables in order to reduce the risk of bad debts.

**Liquidity risk**

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

**(12) Subsequent events**

During the period from the last day of the reporting year until the date of signing the financial statements, there have been no events that would materially affect the financial position of the Company as at 31 December 2024.

Hermanis Dovgijis  
Board member

Mihails Keziks  
Person responsible for the  
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