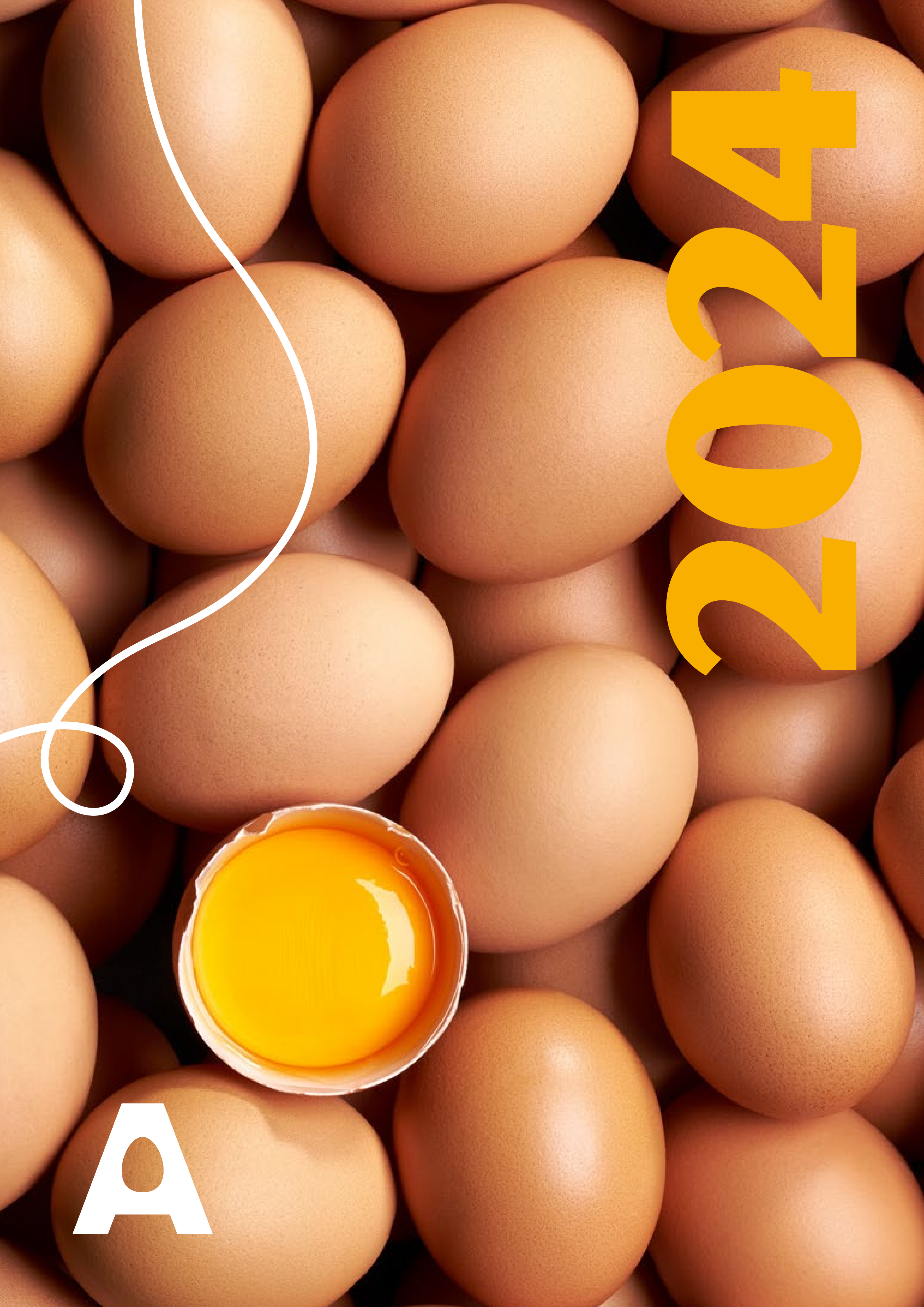
APF Holdings

2024 CONSOLIDATED AND STANDALONE ANNUAL REPORT AND INDEPENDENT AUDITORS' REPORT

APF Holdings


2024

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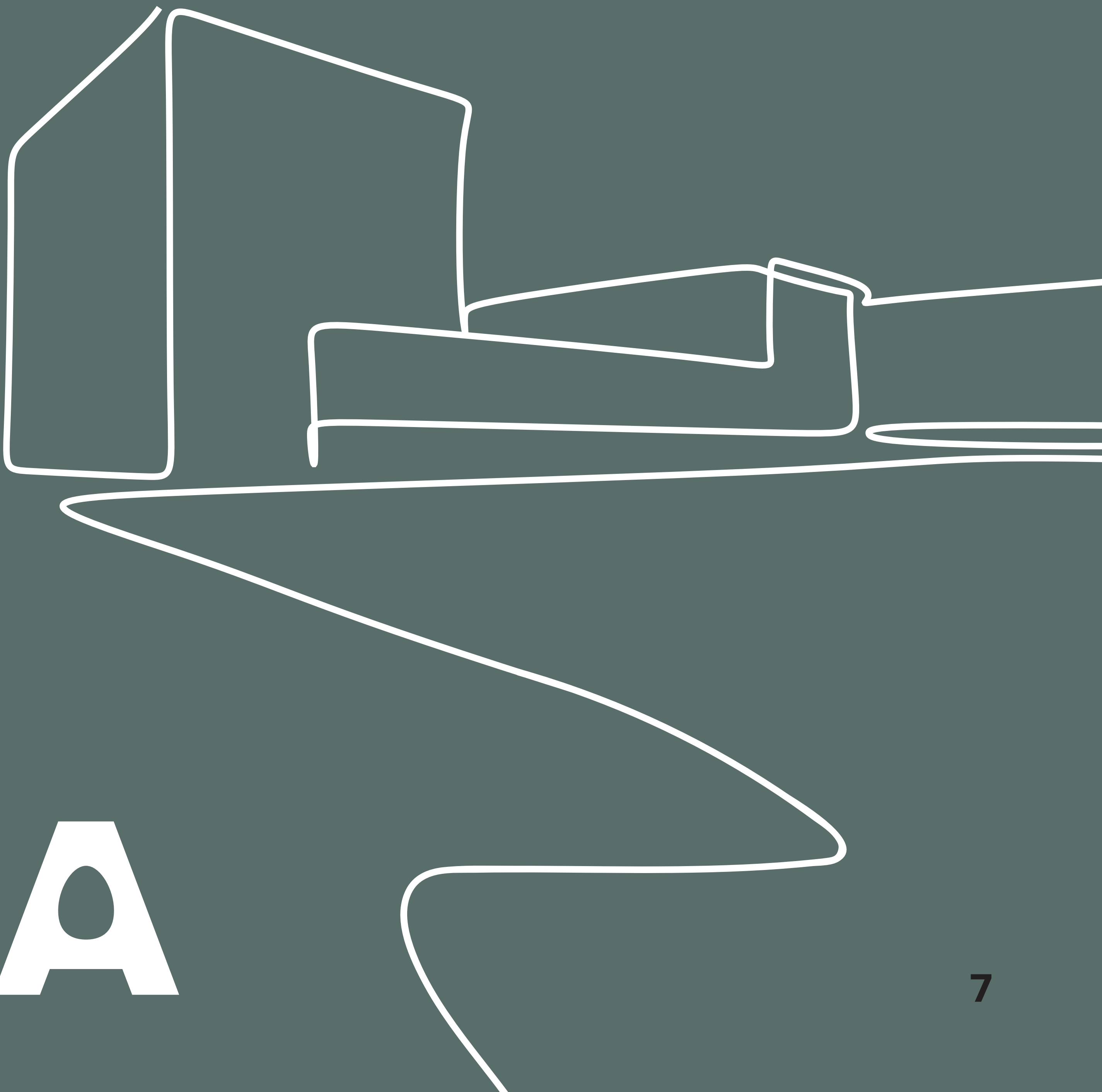
INFORMATION ABOUT APF GROUP



Name of the APF Group's parent company	APF Holdings
Legal status of the APF Group's parent company	Joint stock company (AS)
Number, place and date of registration of the APF Group's parent company	No. 50203047991 Riga, 3 February 2017
Address of the APF Group's parent company	Malduguņu Street 4, Mārupe Municipality, Mārupe, LV-2167, Latvia
APF Group's core business activities	The core activity of AS "APF Holdings" is the strategic and operational management of its subsidiaries, overseeing business development projects, and providing financial management across the entire group (hereinafter also referred to as APF Group or the Group). Since November 2023, the shares of AS "APF Holdings" have been listed on the Nasdaq Riga First North market (ISIN LV0000101921) under the symbol "EGG" (NASDAQ: EGG). Activities According to NACE Classification: NACE 2.1 64.2 – Activities of holding companies and financial conduit enterprises NACE 2.1 70.10 – Activities of head offices Subsidiary Activities: The subsidiaries are engaged in poultry farming, egg production, and the trade of eggs and egg protein-based products. Subsidiary Activities According to NACE Classification: NACE 2.1 01.47 – Poultry farming NACE 2.1 46.39 – Non-specialized wholesale of food, beverages, and tobacco NACE 2.1 46.33 – Wholesale of dairy products, eggs, and edible oils and fats

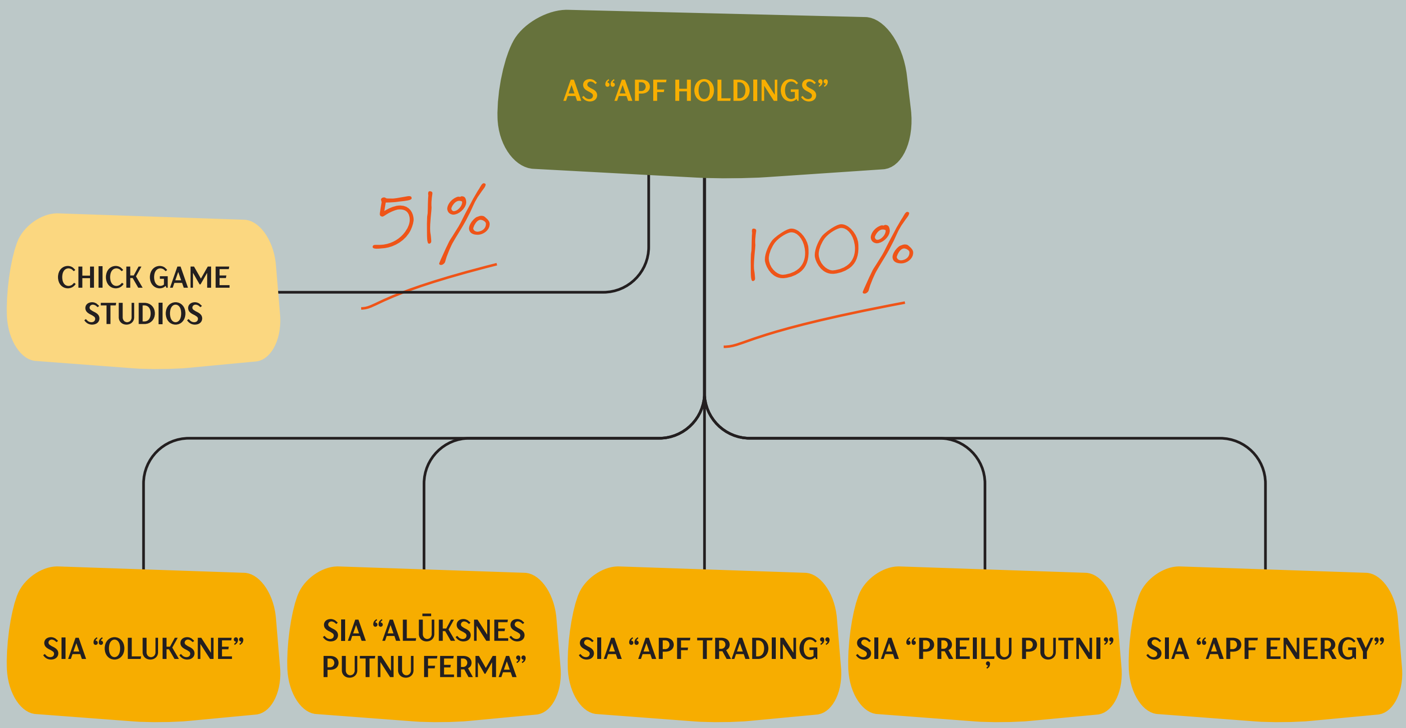
APF Group's Shareholders	70% – J.A. Investment Holdings 9% – Jurijs Adamovičs 6% – Omni Industries B.V. 15% – Minority shareholders
Names, Surnames, and Positions of the Executive Board Members of APF Group's Parent Company	Jurijs Adamovičs – Chairman of the Board Hermanis Dovgijs – Member of the Board Mihails Keziks – Member of the Board
Members of the Supervisory Council of the APF Group's parent company	From 17.08.2023: Uldis Iltners – Chairman of the Supervisory Council Eva Berlaus – Deputy Chairman of the Supervisory Council (till 08.08.2025) Aleksandrs Adamovičs – Member of the Supervisory Council Miguel Franco De Portugal Trigoso Jordao – Member of the Supervisory Council
Reporting Period	From 01.01.2024 until 31.12.2024
Previous Reporting Period	From 01.01.2023 until 31.12.2024
Subsidiaries of the APF Group	Alūksnes putnu ferma Ltd., Reg. No. 43203003333, 100% APF Trading Ltd., Reg. No. 50203051041, 100% Oluksne Ltd., Reg. No.50203050741, 100% Preiļu putni Ltd., Reg. No.40203289853, 100% APF Energy Ltd, Reg.No.40203352847, 100% The Chick Game Studios Ltd., Reg. No.14132948, 51%

ABOUT APF GROUP

APF Group is one of the leading poultry producers in the Baltic region, specializing in egg production and the commercial development of egg-based products across both wholesale and retail markets.

The Group's core revenue is generated from the sale of shell eggs and processed egg products, supported by strong partnerships in retail, HoReCa, and industry channels.

In parallel, APF is actively pursuing new growth avenues in manure-based fertilizers, biomass, and biogas – all currently in the project development phase, aligning with our long-term vision for sustainable, vertically integrated agriculture.



APF Group Companies

SIA "Alūksnes putnu ferma" (Registration No. 43203003333), address: "Putni," Ziemera Parish, Alūksne Municipality, LV-4301, Latvia, www.apf.lv, is the Group's strategically most important production company engaged in hen rearing and egg production. Established in 1996, it forms the backbone of APF Group's core business.

SIA "APF Trading", registration number 50203051041, address: Malduguņu iela 4, Mārupe, Mārupe Municipality, LV-2167, Latvia. The company manages egg wholesale operations, including distribution to the largest retail chains and B2B clients across the Baltics and the EU. The subsidiary also manages the online store www.fiteg2.com, offering high-quality egg-based products, such as egg white protein powders, protein bars, and pure collagen.

SIA "Oluksne", registration number 50203050741, address: "Putni," Ziemera Parish, Alūksne Municipality, LV-4301, Latvia. The company organizes and provides the technical personnel involved in production processes.

SIA "Preiļu putni", registration number 40203289853, address: Malduguņu iela 4, Mārupe, Mārupe Municipality, LV-2167, Latvia. The company is currently in the final phase of project implementation. Upon the start of operations, it will become an essential part of the integrated supply chain, ensuring stable, high-quality, and healthy laying hen supply to the Group's main production facility, SIA "Alūksnes putnu ferma," thus enhancing efficiency across the entire production process.

SIA "APF Energy", registration number 40203352847, address: Malduguņu iela 4, Mārupe, Mārupe Municipality, LV-2167, Latvia. The company is currently in the project phase, aiming to develop biomass processing, biomethane production, and biofertilizer solutions in the future, contributing to the Group's vision of a circular economy.

The Chick Game Studios Ltd., registered in the United Kingdom (No. 14132948), located at Cariocca Business Park, 2 Sawley Road, Manchester, England, M40 8BB, is the official developer and operator of The Chick Game platform (www.thechickgame.com), available on Google Play and the Apple Store. By combining interactive gameplay, engaging educational content, and exclusive product-linked rewards, The Chick Game Studios enhances brand loyalty, broadens market reach, and unlocks new, scalable digital revenue streams.

MANAGEMENT REPORT

DEAR

Shareholders, Investors, and Partners!

The past year has been both successful and strategically significant for APF Group. We have actively advanced our innovation agenda, marking a transformation from a traditional egg producer into a diversified food company. At the same time, we have taken decisive steps to expand our production, processing, and warehousing capabilities.

This progress reinforces our confidence that the vision of building APF Group into a forward-looking, regionally significant egg and food products company is being successfully realized. That is the most important message I want to share with all our customers, partners, employees, and, of course, our shareholders and investors.

In the pages that follow, you'll find a detailed account of our accomplishments — but allow me to briefly highlight a few key developments.

“This is an exciting time for APF Group, and I thank you for your continued trust and confidence as we build for the future.”

Over the reporting year, we made meaningful progress in executing the expansion plans presented during our initial public offering (IPO) in 2023. Namely, during the year we started the construction of the 4th and 5th laying hen houses and equipment installation for 4th barn began in November 2024 and for the 5th barn in January 2025. Both buildings launched operations in May 2025.

These new facilities, developed in partnership with Big Dutchman, a global leader in egg production equipment, are fully automated, animal-welfare-friendly systems. Both barns will increase APF Group’s production capacity by 73 million eggs annually, raising total output to 180 million eggs per year – a nearly 60% increase, and a strategically significant achievement.

In parallel, we completed and commissioned a new egg product manufacturing and warehouse complex in Alūksne, with a total investment exceeding EUR 2.9 million. As of January 2025, we have begun producing a range of egg-based products for business customers, including restaurants, hotels, food manufacturers, and other HoReCa clients.

Alongside capacity expansion, we introduced new products on an ongoing basis — in fact, nearly every month. Some innovations were simple yet impactful, such as the launch of our 18-egg retail pack, branded straightforwardly as “O, Lielā paka” (O, the Big Pack). We also rolled out Eggjoy, a new line of cage-free eggs in M and L sizes, and tripled sales of Fiteg^2 egg white smoothies, expanding their reach to more stores and fuel stations.

Perhaps the most important product development in the reporting year was our strategic entry into the sports and health nutrition market – a high-growth, high-value segment. Under the Fiteg^2 brand, we now offer a portfolio of egg protein-based products including egg white protein powders, protein bars, and eggshell membrane collagen in capsule form.

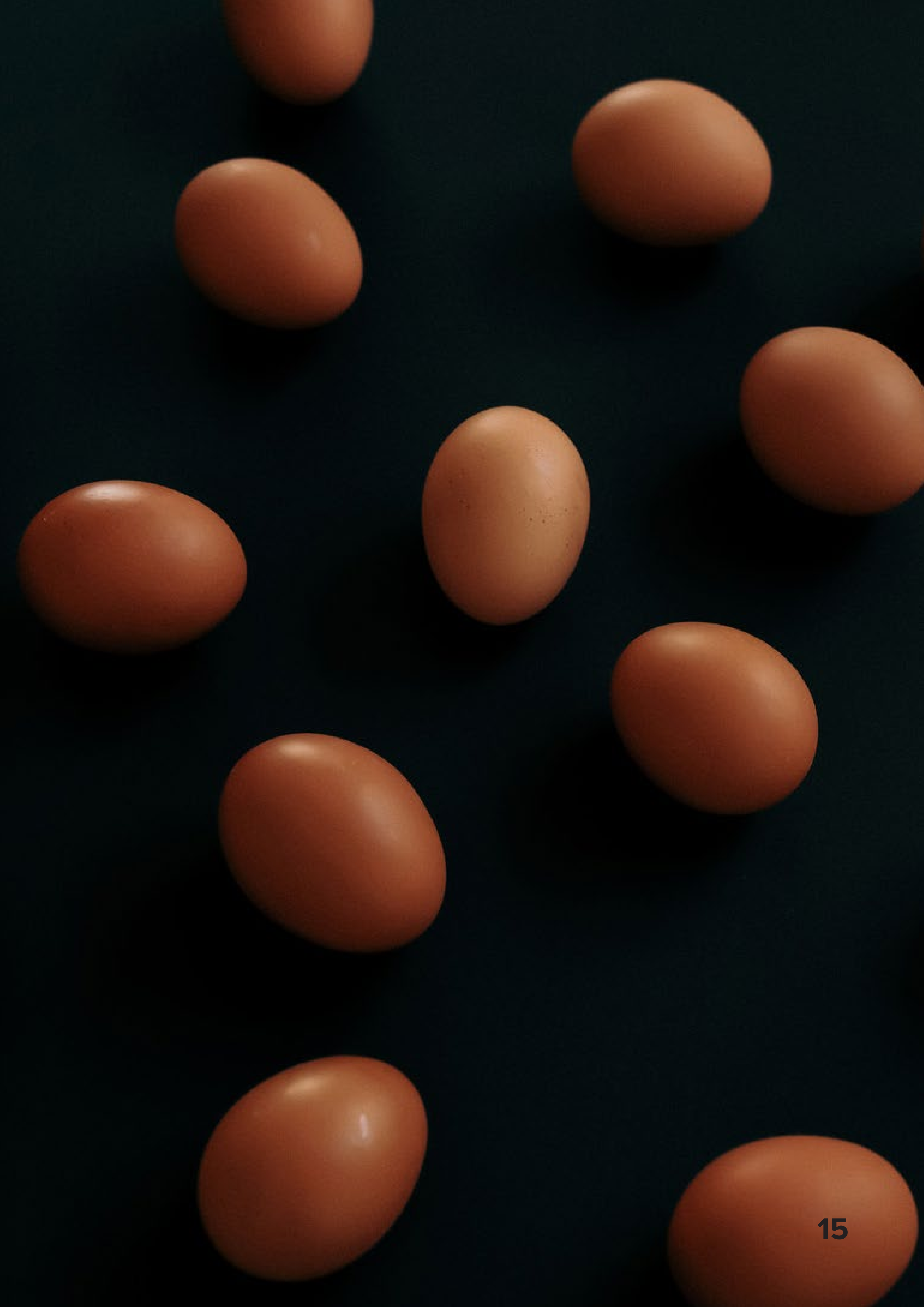
To support this, we launched a new e-commerce platform, Fiteg2.com, making our products available not only in the Baltics but also across Europe and other international markets. We invested in vibrant, modern packaging design, helping our products stand out both online and on physical shelves.

From a financial standpoint, 2024 was a stable year. We did not target rapid growth this year — rather, we laid the groundwork for accelerated performance in the years ahead. In 2025, we anticipate a substantial increase in revenue, EBITDA, and net profit, driven by the innovations and capacity expansions outlined above.

You will also find in this report an overview of the concrete steps we've taken toward sustainability – including a full transition to renewable electricity, part of which is now generated by our own solar park.

This is a highly exciting time for APF Group. I sincerely thank you for your trust and support. I am confident that the progress we are making will lead to many shared successes in the near future.

Sincerely yours,
Jurijs Adamovičs
Founder & Chairman of
the Management Board of
AS "APF Holdings"



CORPORATE GOVERNANCE

GENERAL MEETING OF SHAREHOLDERS

All shares of AS "APF Holdings" are dematerialized and carry equal rights to receive dividends, liquidation quotas, and voting rights at the shareholders' meeting.

The General Meeting of Shareholders is convened in accordance with the procedures and circumstances set out in the Commercial Law. Extraordinary meetings are convened when necessary.

The competence of the General Meeting of Shareholders of AS "APF Holdings" includes:

- Appointment and dismissal of Supervisory Board members;
- Determination of remuneration for Supervisory Board members;
- Approval of amendments to the Articles of Association;
- Decisions on reorganization;
- Decisions on share capital increases or decreases;
- Decisions on the issuance and conversion of securities;
- Approval of the Group's annual report and decisions regarding profit distribution;
- Appointment of the auditor for the annual financial audit.

APF Holdings Dividend Policy

approved in 2023 and publicly available on www.apf.lv, defines the strategy for the use of the Group's profit. It takes into account the Group's short-term and long-term objectives, financial position, the industry in which APF Group companies operate, market conditions, and investment plans. A decision not to pay out dividends can also be a strategic choice of the Group, which is then explained and presented to shareholders in line with the Dividend Policy.

Shareholders, as an important stakeholder group, can contact APF Group by writing to investors@apfholdings.lv. To ensure transparency and convenient access to information, the APF Group website allows any shareholder or interested party to subscribe to company updates. On a quarterly basis, all subscribers receive an informative email about the latest developments and progress within APF Group.

Webinars

To ensure clear and transparent communication with shareholders, APF Group regularly organizes webinars on the Nasdaq Riga platform. These webinars provide detailed insights into the Group's results, development strategy, and future plans. All interested parties have the opportunity to pre-register and join live presentations by the APF Group management team, ensuring an open dialogue and timely information for investors.

Events in 2024

In 2024, one regular General Meeting of Shareholders was held – on July 18, 2024. No extraordinary shareholders' meetings were convened. Together with the announcement of the meeting, shareholders were given the opportunity to familiarize themselves with the draft resolutions proposed for voting. Shareholders also had the option to submit questions regarding agenda items and draft resolutions prior to the meeting. Remote participation in the shareholders' meeting was made available.

In 2024, APF Group hosted four webinars (two in Latvian and two in English) covering the Group's financial results. The webinars were led by APF Group founder and Chairman of the Management Board, Jurijs Adamovičs, and Management Board Member (CFO), Mihails Keziks.

SUPERVISORY BOARD

The Supervisory Board consists of four (4) members and is elected for a term of five (5) years. Meetings are held at least once per quarter. Decisions are made by a simple majority vote. In the event of a tie, the Chairman of the Supervisory Board has the casting vote. Voting is conducted openly. Extraordinary meetings of the Supervisory Board are convened when necessary. The Supervisory Board does not have active committees. The work of the Supervisory Board is governed by the **Supervisory Board Regulations of AS "APF Holdings"**, which are publicly available at www.apf.lv for all interested parties.

Competence of the Supervisory Board of AS "APF Holdings"

- Approves the medium-term business strategy, monitors its implementation, and provides recommendations for operational improvements;
- Reviews matters that, according to the Management Board Regulations, require the prior approval of the Supervisory Board;
- Reviews the annual report, the Management Board's report, and the Management Board's proposals regarding profit distribution; prepares the Supervisory Board's report on these matters and submits it to the General Meeting of Shareholders;
- Approves planned financial indicators and projected performance results for the current year;
- Approves the annual budget and monitors its execution;
- Addresses issues related to conflict of interest prevention and management, including approval of transactions with Management Board members or the auditor;
- Reviews and provides opinions on the agenda items of the General Meeting of Shareholders;
- Monitors compliance with legal and regulatory requirements, the company's Articles of Association, shareholders' decisions, and the approved strategy;
- Appoints and dismisses Management Board members and determines their remuneration and other forms of compensation;
- Represents AS "APF Holdings" in legal proceedings and other legal matters involving Management Board members;
- Approves key policies on remuneration, risk management, conflicts of interest, anti-corruption measures, and corporate governance.

The Supervisory Board Members

Uldis Iltners
Chairman of the Supervisory Board

Uldis Iltners is an entrepreneur and co-founder of MADARA Cosmetics. He has over 20 years of successful experience in the beauty industry, leading one of the most modern manufacturing facilities in Northern Europe – AS "Madara Cosmetics."

A true strategist, Uldis Iltners continuously develops and expands his business in the highly dynamic beauty sector. He is eager to share his expertise with other entrepreneurs, and we highly value his professional contribution to the development of APF Group.

In addition to his leadership role at MADARA Cosmetics, Uldis Iltners is involved in various other business activities, expanding and diversifying his investment portfolio.

Uldis Iltners holds a bachelor's degree in business management and finance.

Aleksandrs Adamovičs
Member of the Supervisory Board

Aleksandrs Adamovičs is a professor and leading researcher at the Faculty of Agriculture of the Latvia University of Life Sciences and Technologies (LBTU LF). He holds a doctoral degree in agriculture (Dr. agr.).

In addition, Aleksandrs Adamovičs is a member of the Latvian Academy of Agricultural and Forestry Sciences, a member of the Latvian Council of Science, and the head of the doctoral study program "Agriculture."

He has accumulated extensive professional experience in the field of agrobiotechnology. His main areas of scientific activity include agriculture, agronomy, pedagogy, forage production, grassland management, crop production, animal nutrition, and bioenergy.

The Supervisory Board Members

Miguel Jordão
Member of the Supervisory Board

Miguel Jordão is a strategic and financial leader at Gardin – a venture capital-backed startup based in the United Kingdom. Gardin develops innovative phenotyping equipment powered by machine learning to optimize crop yield, crop composition, and food production quality.

Miguel Jordão has extensive experience in investment banking and financial services, having held various positions in the industry. Since 2017, he has been a member of the CFA Institute (Chartered Financial Analyst Institute).

Miguel is passionate about advancing two key areas: improving food systems and enhancing financial literacy. In 2020, together with other CFA members, he co-founded a financial literacy program aimed at educating young people about saving, budgeting, and the benefits of investing.

His current investment portfolio includes companies such as Extracellular, Cala, Allplants, THIS, and Heura in the FoodTech space, as well as Moneybox.

Miguel Jordão holds a Master's degree from London Business School, a Master's degree in Finance from Cass Business School, and a Bachelor's degree in Business Administration and Management from Nova School of Business and Economics.

Events in 2024

In 2024, APF Group held seven Supervisory Board meetings. The year was marked by changes in the composition of the Supervisory Board – Deputy Chair of the Supervisory Board, Eva Berlaus, ceased her duties as a board member as of August 8, 2024. The Supervisory Board continued to operate with three board members, maintaining decision-making capacity. As of December 31, 2024, the Supervisory Board consists of two independent board members.

MANAGEMENT BOARD

The Management Board of AS "APF Holdings" consists of three (3) members. Each member of the Management Board has clearly defined areas of responsibility and business operations. A Management Board member who is not the Chairman of the Board is authorized to represent the Company jointly with another Board member. Management Board meetings are organized as needed. Decisions of the Management Board are made by a simple majority vote of the members present. Voting is conducted openly. The work of the Management Board is governed by the **AS "APF Holdings" Management Board Regulations**, which are publicly available at www.apf.lv for all interested parties.

The competence of the Management Board of AS "APF Holdings" includes:

- Preparing and submitting the budget for the next calendar year to the Supervisory Board for approval, including annual goals;

- Preparing and submitting the annual report and profit distribution proposals to the General Meeting of Shareholders for approval;

- Once a year (at the regular General Meeting of Shareholders), presenting a report to the shareholders on its activities, reflecting business results, key performance indicators, activities carried out, and other significant aspects of operations;

- Submitting a written report to the Supervisory Board on a quarterly basis, reflecting business results, providing information on the execution of the current year's budget, key operational indicators of the company, progress in the implementation of the action plan, and other important business aspects, including market development, changes in market conditions, and competition;

- Participating in General Meetings of Shareholders and Supervisory Board meetings;

- In accordance with legislation and the company's Articles of Association, reviewing and making decisions on all other matters related to the company's commercial activity within its scope of competence.

The Management Board requires prior approval from the Supervisory Board in cases specified in the AS "APF Holdings" Management Board Regulations.

The Management Board Members

Jurijs Adamovičs
Founder of AS "APF Holdings" and Chairman of the Management Board

Jurijs Adamovičs is an entrepreneur, investor, and internationally recognized expert in banking restructuring and corporate development, with over 20 years of professional experience.

He sees strong potential in the industry, as global consumption of egg and poultry protein continues to grow faster than any other type of animal-based protein.

Jurijs Adamovičs believes that Latvia's competitive advantages in poultry farming should be leveraged to develop this market further. Currently, he holds positions as Chairman of the Management Board and Supervisory Board in several companies within his investment portfolio and serves as the non-executive Chairman of Industra Bank AS.

Jurijs Adamovičs holds a Master's degree in Finance from the prestigious London Business School, a Master's degree in Business Administration, and a Bachelor's degree in International Economic Relations from the University of Latvia. He has also completed the theoretical coursework for a Doctoral program in Economics.

As Chairman of the Management Board, Jurijs Adamovičs defines APF Group's long-term strategic direction, ensuring alignment with shareholder interests, the Group's growth ambitions, and its market positioning. He oversees the corporate governance framework, regulatory compliance, and the decision-making process for key strategic initiatives. In addition, he leads Management Board meetings, fosters collaboration between executive teams and the Supervisory Board, and maintains an active dialogue with key stakeholders, including investors, regulatory authorities, and industry partners.

Furthermore, the Chairman is responsible for overseeing risk assessment, monitoring sustainability initiatives, and driving the implementation of sustainability strategies to ensure responsible business practices and long-term resilience.

The Management Board Members

Hermanis Dovgijs
Member of the Management Board of AS "APF Holdings"

Hermanis Dovgijs also oversees the operations of all APF Group subsidiary companies. He brings extensive experience in corporate restructuring and the implementation of large-scale systemic transformation processes. He is firmly convinced that integrating sustainable solutions into production processes is a cornerstone of successful growth. In his view, investment in local communities and environmental protection is at least as important as investment in the expansion and modernization of production facilities.

Before joining the APF team, Hermanis Dovgijs built a successful career in banking and asset management across Scandinavia, Eastern Europe, and CIS countries. He holds a Master's degree in Business Administration from Daugavpils University.

As a **Management Board Member with Chief Executive functions**, he is responsible for improving operational efficiency across all subsidiaries, ensuring process optimization, regulatory compliance, and alignment of resources. He promotes innovation, oversees risk management, and implements crisis management strategies to ensure business continuity and the long-term resilience of APF Group.

The Management Board Members

Mihails Keziks
Chief Financial Officer (CFO)

Mihails Keziks is an experienced financial executive. Before joining the APF team, he worked as a project director and portfolio manager at major financial institutions. From an economic perspective, Mihails recognizes the financial appeal of agriculture and poultry farming – as long as people continue to consume food, eggs will remain in demand. He also sees additional value in the growth opportunities that comes with continuous improvement in animal welfare standards and the increasing integration of circular economy elements, which allow for innovative uses of by-products and waste from egg and egg product manufacturing.

Mihails holds a Master's degree in Finance and Banking from SGH Warsaw School of Economics.

As a **Management Board Member with CFO functions,** he is responsible for developing and executing the financial strategy for APF Group companies, overseeing budget planning, cost control, and capital management. He ensures financial reporting compliance with legal and international standards, optimizes investment portfolios, and manages financial risks to maintain the Group's stability and financial resilience.

Events in 2024

There were no changes in the composition of the Management Board in 2024.


64%
EGG
WHITE
PROTEIN
SMOOTHIE
MANGO
SOURCE OF PROTEIN
21g
GLUTEN FREE

KEY EVENTS AND ACHIEVEMENTS IN 2024

NEW PRODUCT LAUNCHES

The year 2024 was a time of growth and innovation for APF Group, during which we expanded our product portfolio with nine new products that meet both consumer needs and the demands of our retail partners.

Development and Expansion of the EGGJOY Product Line

During the reporting period, we developed and successfully launched a new product – EGGJOY cage-free eggs in M and L sizes.

The name EGGJOY was chosen to support brand recognition in international markets, providing clear and easily understandable information for a wide audience. To appeal to a younger and more dynamic consumer segment, special attention was given to creating a modern and eye-catching packaging design that ensures standout visibility on store shelves and aligns with trends for visually attractive products.

The first sales campaigns took place in early June 2024 in Rimi Latvia and Lidl across all three Baltic countries. In the second half of the year, the EGGJOY product line was expanded with individual M and L-sized packs, offering consumers broader choices. EGGJOY eggs are now available in Lidl stores.

New 18-Egg Pack "O, the Big Pack!" – Convenience and Quality for Higher Demand

Responding to requests from retail partners for larger egg packaging solutions, APF Group introduced a new 18-egg pack called "O, Lielā paka" (O, the Big Pack), featuring cage-free eggs. This product provides a convenient and economical solution for both families and small businesses in professional use, maintaining the highest quality standards.

To further enhance shelf appeal, we developed a new, colorful, and visually distinctive packaging design for L-sized eggs. The design not only highlights product quality but also makes customer choices more intuitive and shopping experiences more convenient.

Sales results from Rimi stores in Latvia and Lithuania in the second half of 2024 confirmed strong demand, further strengthening APF Group's market position and demonstrating the growing preference for larger, value-packed offerings.

Growth of Fiteg² Egg White Smoothies and Introduction of New Flavors

The year 2024 marked a significant growth phase for Fiteg² egg white smoothies. Product availability expanded across retail shelves in Latvia, including SKY stores and the “Virši” fuel station network, with increased purchase volumes from Rimi stores.
Additionally, in 2024 we successfully launched the new “Orange” flavor, expanding the product range and attracting new consumers.

APF Group continued to expand exports in Estonia, conducting in-out sales campaigns and product tastings in February and July at Rimi hypermarkets in Tallinn, Pärnu, and Tartu.

During the year, sales volumes reached 57,900 units, with revenue growing to EUR 68,488 – a threefold increase in both sales and revenue compared to 2023. These results confirm the growing popularity of Fiteg² egg white smoothies, especially in Latvia, where the products have established a solid market presence and loyal customer base.

Interesting fact:

We organized 60 egg white protein smoothie tastings in Latvia and 18 in Estonia, during which over 116,000 Fiteg² smoothie servings were sampled.

NEW MARKETS AND COLLABORATIONS

Strategic Partnerships and Market Expansion in the Baltics in 2024

In 2024, APF Group significantly expanded its presence in the Baltic market, reinforcing its commitment to sustainable development by forming new strategic partnerships. We successfully began cooperation with several key retailers, including “Sky,” “Maxima” (Latvia, Estonia, Lithuania), and “Lidl” (Lithuania). Additionally, in June 2024, we signed an agreement with “Prisma” (Estonia), which came into force on July 15, further expanding product availability in this market.

Fiteg^2 egg white smoothies also became more accessible to Latvian consumers and are now available at “Virši” fuel stations, offering convenient access to healthy protein beverages for a broader customer base.

In addition, APF Group began collaborations with well-known Latvian food producers such as “Lāči” and “Ezītis miglā” – a modern and popular HoReCa industry representative. Through these partnerships, our products are featured in their offerings, enhancing brand visibility and consumer trust.

Furthermore, following “Maxima Latvia’s” decision to transition from caged eggs to cage-free eggs offering, APF Group has begun working with the chain’s culinary department to supply sustainably and responsibly produced products. This initiative further reinforces our commitment to animal welfare and building a more sustainable food production environment in the Baltics.

APF Group Invests EUR 300,000 in Sports and Health Nutrition Product Development and E-Commerce Expansion

In 2024, APF Group took a strategic step by launching the Fiteg^2.com e-commerce platform on November 27. This move allows APF Group to diversify its operations, enter the rapidly growing sports nutrition segment, and offer scientifically backed, premium protein products. At the same time, it accelerates digital commerce development, providing direct access to consumers in various markets and convenient purchasing of functional nutrition products.

The Fiteg^2 product line includes egg white protein powder (available in chocolate and vanilla flavors), eggshell membrane collagen (in capsule form), and egg white protein bars (in blueberry, chocolate, and peanut butter flavors). Total investments in product development and digital commerce amounted to EUR 300,000, providing long-term growth potential for APF Group in this segment.

The development of the sports nutrition segment offers significant growth opportunities both globally and in the Baltics. According to Innomatrix market data, the global sports nutrition market grew by 14.1% in 2023, reaching USD 28 billion, and this growth trend is expected to continue. The sports protein powder market generated USD 12.9 billion in revenue, increasing by 14.4%, while the protein and energy bar segment grew by 9.5% to USD 7.6 billion.

In the Baltic states, demand for sports nutrition products continues to grow at a steady pace:

- In Latvia, market revenue reached EUR 6 million in 2023 with 16% growth, and a 5% annual growth rate is forecasted through 2028.
- In Estonia, the market was valued at EUR 9 million in 2023, growing by 16%, with a projected 9% annual growth in the coming years.
- In Lithuania, the market reached EUR 12 million in 2023, growing by 14%, with an expected annual growth rate of 5%.

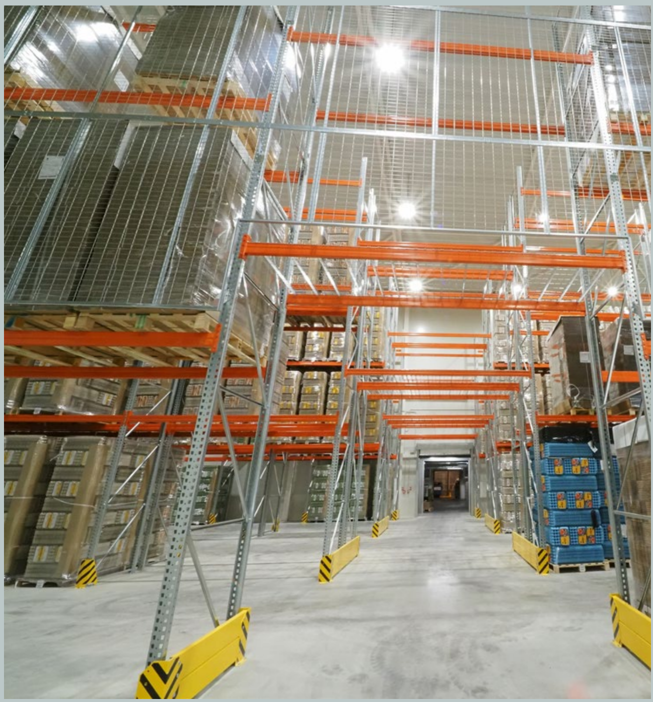
The introduction of Fiteg^2 products is a strategic step for APF Group, strengthening our presence in the healthy and functional nutrition segment and opening new markets and expansion opportunities. Initially, distribution of Fiteg^2 products is planned across the Baltic states, with future exports to other European and global markets utilizing the potential of e-commerce platforms.

To ensure the highest quality standards, all Fiteg^2 products are manufactured according to APF Group's proprietary formulations and strict quality control in collaboration with certified suppliers in Europe. Meanwhile, APF Group continues to expand egg and egg product production at its facility in Latvia, applying innovative and sustainable approaches to provide consumers with reliable, scientifically supported nutrition solutions.

Data source: Innomatrix (2024). In-depth analysis of the sports nutrition market. Commissioned by: AS "APF Holdings"

APPROACHING IPO GOALS

New Egg Processing and Warehouse Facilities Commissioned



On November 12, 2024, APF Group's subsidiary SIA "Alūksnes putnu ferma" commissioned its new egg processing and warehouse facilities in Alūksne – a major step in transitioning from a primary egg producer to a food product manufacturer. More than EUR 2.9 million has been invested in this project, and production of various egg-based products for business clients – including restaurants, hotels, food manufacturers, and other HoReCa segment companies – began in January 2025.

The new complex produces liquid whole egg mass, liquid egg whites, and liquid egg yolks, initially offered in 5- and 10-liter BiB (Bag-in-Box) packaging formats. The modern equipment ensures an efficient, fully integrated production process – from raw materials to the final product, adaptable to various volumes and formats. In the near future, the product range is expected to expand with new, innovative solutions in response to growing demand.

This production expansion is a key step in APF Group's development strategy, enabling us to strengthen our presence in both domestic and export markets while offering higher value-added products. APF Group is purposefully evolving into a multi-sector enterprise, expanding its portfolio to include cage-free eggs, protein bars, and sports nutrition products. This project represents one of the most significant milestones in the execution of the IPO strategy, justifying investor trust and supporting APF Group's sustainable growth.

In addition to the egg processing facility, the subsidiary SIA "Alūksnes putnu ferma" has built a new warehouse of 13,000 m^3, significantly increasing logistics flexibility and capacity.

The construction of this new complex is part of a broader production capacity expansion strategy. In the first half of 2025, additional laying hen facilities with a total area of 4,700 m^2 are commissioned, allowing for an increase in egg production volumes by 73 million eggs annually – reaching a total of 180 million eggs per year.

These new facilities will improve the availability of cage-free eggs in the Baltic and export markets, strengthening APF Group's position as a modern, sustainable producer of egg products.

Progress in the Construction of Two New Laying Hen Houses

On May 22, 2024, after a competitive procurement process, a cooperation agreement was signed with construction company SIA "Aimasa" to begin construction of two new laying hen houses in Alūksne. The total investment in the construction phase of this project amounts to EUR 3.1 million. This project is a strategically significant step in APF Group's growth trajectory, strengthening market positions and contributing to the achievement of IPO goals.

In the same month, a contract was signed with Big Dutchman for the supply and installation of modern egg production equipment. This agreement includes the implementation of automated aviary systems, manure collection and emission reduction solutions, and advanced climate control technologies that will substantially enhance production efficiency and flock welfare.

Construction Progress and Key Milestones

Construction began in May 2024, following the planned timeline. By mid-2024, the old, unused facility had been dismantled, and land preparation works were completed, providing a solid foundation for construction.

In November 2024, equipment installation began in Laying Hen House No. 4, while Laying Hen House No. 5 construction reached near-completion, preparing for equipment installation. APF Group's milestones:

- Laying Hen House No. 4: Equipment installation began in November 2024 and was completed by the end of March 2025, with the official opening on May 2025.
- Laying hen House No. 5: Due to efficient construction organization, the facility was ready for equipment installation earlier than initially planned. Full equipment installation was completed by the end of April 2025, with the official opening on May 2025.

The combined total area of the new poultry facilities will be approximately 4,700 m^2, increasing APF Group's annual egg production capacity by 73 million eggs – reaching 180 million eggs per year.

JAN2024

Procurement evaluation
Evaluation and finalization of barn system and construction procurement offers, completion of electricity reconstruction design, assessment, report on environmental impact assessment has been completed.

FEB2024

Signed contract with constructor
Procurement winner is approved by LAD and building permit status has been updated, barn construction has been launched.

NOV2024

Building ready for barn systems installation
External engineering works in progress and first steps for barn system installation launched.

APR2025

Barn No.4 launched
Building construction completed, electrical capacity enhanced and continuity secured, workforce expansion confirmed for barn operations, and hen placement logistics fully organized for seamless launch.

MAY2025

Barn No.5 launched
Hen house fully operational, flock successfully placed, workforce established, supporting infrastructure completed, and construction finalized — ready for production launch.

Innovative Technologies and Sustainable Production

Both new facilities will be among the most modern in Europe, enabling more efficient and animal welfare-friendly egg production. As part of the project, APF Group is collaborating with Big Dutchman – one of the world's leading suppliers of egg production equipment – to implement fully automated solutions:

- Aviary systems for cage-free laying hens, providing enhanced welfare and optimized environmental conditions for the flock.
- Manure collection and emission reduction systems – the first of their kind in the Baltics – significantly reducing environmental impact.
- Automated egg counting and climate control technologies to boost production efficiency and ensure consistent product quality.

These investments will not only allow APF Group to offer cage-free eggs to Baltic and export markets but also improve cost-efficiency in production and ensure adherence to sustainable business principles.

Strategic Goal: IPO-Driven Expansion & Readiness

The construction of two new laying hen houses is a key element of APF Group's long-term development strategy, as outlined during the initial public offering (IPO).

This investment will significantly strengthen the Group's production capacity, improve operational efficiency, and support greater sustainability and competitiveness – laying a strong foundation for scalable growth and regional market expansion.

Both facilities are scheduled to be fully integrated into APF Group's production processes by mid-2025, representing a major milestone in the Group's transformation into a modern, high-capacity, and sustainable egg producer.

Confirmation of Expansion Plans and Future Growth Outlook

In the first half of 2024, the Alūksne Municipality Council approved APF Group's expansion project, concluding the Environmental Impact Assessment (EIA) process, which lasted over two years and included detailed modeling of environmental impacts from various solutions.

At present, documentation has been submitted for amendments to the A-category polluting activity permit. As part of this expansion, the number of laying hens is planned to increase from 425,000 to 1,674,000. Consequently, APF Group's subsidiary SIA "Alūksnes putnu ferma" will expand its workforce, contributing to increased tax revenue both at the local and national levels. This step is critical for APF Group's long-term development and growth, strengthening its market position and promoting economic development in the region.

Strategic Growth and New Investment Horizons

In February 2024, APF Group successfully completed a private bond placement, raising EUR 7 million from the Polish investment fund CVI Dom Maklerski Sp. z o.o. This financing marked an important step in our growth strategy, enabling expansion of egg product processing capacities and development of new warehouse infrastructure. Additionally, a supplementary agreement was signed for a potential additional EUR 5 million investment, subject to the achievement of specific financial indicators.

This partnership highlights investor confidence in APF Group's vision and long-term strategic ambitions.

Our strategic development continues at a dynamic pace – while we have made tactical adjustments to our growth trajectory during project execution, our strategic goals remain unchanged. The key tactical projects within SIA "Preiļu putni" and SIA "Alūksnes putnu ferma" are progressing toward completion, ensuring sustainable growth for APF Group.

SUSTAINABILITY

Advancing Sustainability and Excellence

APF Group is steadily progressing toward fully adopting circular economy principles, with the goal of providing consumers with sustainably produced eggs and egg products that meet the industry's highest animal welfare standards.

In February 2024, APF Group's subsidiary, SIA "Alūksnes putnu ferma," once again demonstrated its commitment to energy management by receiving recertification under the international energy management standard ISO 50001 – a key component of APF Group's sustainability strategy.

In autumn 2024, following an unannounced surveillance audit, SIA "Alūksnes putnu ferma" also received confirmation of maintaining its FSSC 22000 certification. We are particularly proud of this achievement, as certification requirements became significantly more stringent in 2024, yet our commitment to the highest standards of food safety and quality remains unwavering.

Use of Solar Energy

In spring 2024, after completing the testing phase, SIA “Alūksnes putnu ferma” began generating electricity from its on-site solar park. The official commissioning of the solar park took place on February 2025. The solar park has a capacity of 250 kWp, powered by 384 solar panels. During the summer months, the park provides electricity to all laying hen facilities on-site, covering approximately 25% of the facility’s total annual electricity consumption.

The total investment in the solar energy park exceeds EUR 240,000, and the project was implemented in cooperation with SIA “Ignitis Latvija.” In the first half of 2024 of operation, the solar park has already produced 156,297 kWh of electricity. Once operating at full capacity, it is expected to reduce CO_2 emissions by at least 249 tons per year.

The solar park project is just one part of our broader investment and development program, which was outlined to investors during the 2023 initial public offering (IPO). Step by step, we are bringing this vision to life, and we are currently working on a biogas plant project that will enable the full recycling of waste generated in the egg production process. We will provide separate updates to investors as soon as this project is launched.

CONTINUING TO FOSTER GOODNESS

APF Group is committed to promoting public health and an active, healthy lifestyle – emphasizing that this is not only about proper nutrition and eating habits but also a source of positive thinking and community connection.

In June 2023, we began our collaboration with the food bank “Paēdušai Latvijai.” In the first year, we supported 818 people, and in 2024 we continued this initiative by extending the partnership for another year to assist families and seniors across various regions of Latvia.

We also continue to support a range of charitable foundations and organizations. Each year, we participate in and contribute to the charity foundation “Bērnu rīts” by organizing Easter events for children and youth. We have also maintained our annual tradition of APF Group employees preparing Christmas gifts for children in foster families. For many years, we have supported the “Latvian Humanitarian Aid Center” association, which provides assistance to families in the Grobiņa region.

In 2024, we launched a new tradition by supporting the charitable event “Sebežu Cup 2024” in Sebežnieki, held for the first time on July 13. The event brought together both children and adults, creating a sense of community, encouraging active lifestyles, and fostering a desire to help those in need. We believe this event will become a beautiful annual tradition, reaffirming our commitment to supporting initiatives both in Alūksne and throughout Latvia – driving positive change and strengthening local communities.

We are especially proud of our contributions to the Alūksne community, where we actively support cultural, sports, and entertainment events. We stand alongside the Alūksne Rally, the Alūksne Triathlon, and the international Alūksne Judo Tournament. We participate in volleyball tournaments and the women’s Christmas basketball tournament, support the Mamanet Tournament of the Vidzeme region, as well as sports games for children aged 4 to 7 in the Alūksne municipality. These events help us strengthen the local community, promote healthy and active lifestyles, and create opportunities for young people to develop their skills and express creativity.

We are also happy to support sports activities beyond Alūksne. We have taken part in the RTU "Ronīši" sports games, the "LBTU & CHILL 2024" seminar organized by the Student Union of the Latvia University of Life Sciences and Technologies, and the basketball masterclass hosted by Jānis Blūms and Edgars Buiķis in Saldus. We participate in fitness and sports activities organized by MyFitness sports clubs, support the beach volleyball tournament in Ogre, and continue to be present at the Baltic SKDUN Karate competitions.

Starting in October 2024, we began a collaboration with culinary blogger Pipars to support a series of breakfast workshops involving a total of 192 young people. In these workshops, children and teenagers learn cooking skills, explore various recipes, experiment with ingredients, and strengthen their bonds with parents through family masterclasses that promote shared creativity and the development of healthy habits.

We are also actively involved in events at our Business Garden Riga office, where at sports games organized by SIA "Vastint Latvia," we treated participants to delicious omelets and our signature egg white smoothies.

We were also happy to provide breakfast for children during the Pededze Expedition, organized by the "Vanagkalns" association. In 2024, we continued our support for community events, including the Latvian Open Aquathlon Championship in Ādaži and the Ladies Project at Riga Plaza.

APF Group will continue to be an active, responsible, and involved member of society – inspiring positive change and helping to strengthen local communities throughout Latvia.

Transition to Green Energy

Starting from July 1, 2024, APF Group's company SIA "Alūksnes putnu ferma" has fully transitioned to using only renewable electricity in its operations. A power supply agreement was signed with SIA "Ignitis Latvija," which ensures that all electricity purchased is sourced from renewable energy resources.

As confirmation of this shift, we have received a "Green Energy" certificate. This means that, starting from mid-2024, we can offer the market only "green eggs" – eggs produced using environmentally friendly electricity. This decision was made to meet the growing consumer demand for sustainably produced eggs both in the Baltic region and across Europe.


fiteg2
Pure Collagen
EGG MEMBRANE COLLAGEN
60 capsules

APF GROUP SALES RESULTS IN 2024


SUUR PAKK
DIDYSIS PAKETAS
LIELĀ PAKA
KŪTĪ DĒTAS OLAS
ÕRREKANADE MUNAD
ANT KRAIKO LAIKOMŲ
VIŠTŲ KIAUŠINIAI
L
LIELAS
SUURED
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A
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In 2024, APF Group continued to see significant changes in egg sales, reflecting market trends and growing demand for cage-free eggs.

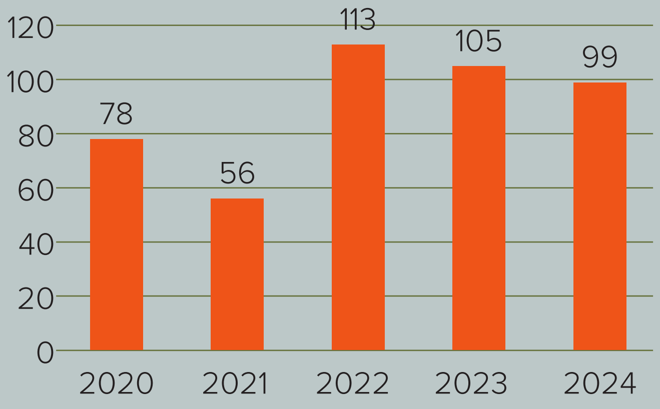
APF Group's total egg production volume in 2024 decreased by 6%, with turnover declining by 5% compared to 2023. This was influenced by planned flock rotations, which led to adjustments in production cycles and the availability of eggs, as well as broader market conditions.

In the first half of 2024, Ukrainian egg imports reached a new historical record – nearly matching the volume of all imports recorded in 2023, which had already been a record year. In 2023, imports of eggs from Ukraine more than doubled compared to 2022. Ukrainian eggs are produced without adhering to all EU regulatory standards; however, their low price significantly impacted demand in smaller retail chains and the industrial egg segment.

Given that in the first half of 2024 and during the summer period, retailer demand for barn eggs remained low, the lower prices of cage-produced eggs also pressured prices for barn eggs. To avoid selling eggs below cost, APF Group's management made a strategic decision to reduce production capacity during the summer of 2024, thus preventing losses caused by sharp price drops and insufficient demand for premium-priced eggs. This strategic step allowed APF Group to maintain operational profitability.

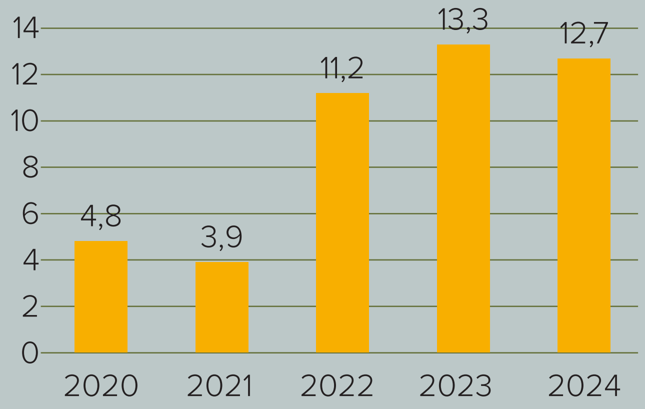
After July 1, 2024, when import duties were introduced by the European Commission, egg prices began to recover. This recovery was supported by mentioned reduced production capacities at APF and other large farms. Additionally, the effect of an unusually warm winter increased poultry diseases and reduced the number of laying hens. By autumn 2024, EU supply of eggs was notably constrained, and prices rose steadily, reaching new highs by the end of the 2024. Which allowed APF to close FY24 with minimum decrease comparing to previous year in Revenue and profits.

Egg Sold (M, pc)



Egg sold

Revenue (M, EUR)



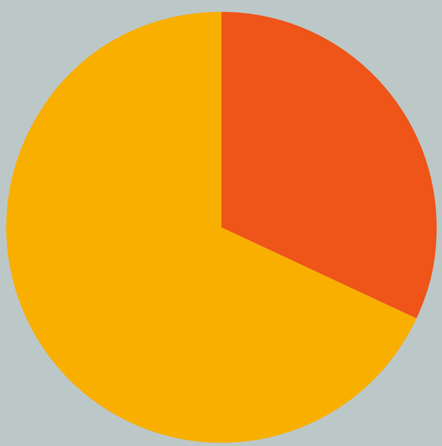
Revenue

In 2024, APF Group continued to strengthen its position in the retail segment, despite significant changes across the overall egg industry. The retail segment accounted for 78% of total sales, an increase of 10 percentage points compared to 2023. Meanwhile, the share of sales to the processing industry decreased to 22%.

This trend was driven by new cooperation agreements with retail chains such as Maxima, Lidl, Prisma, and Sky, as well as increasing demand from Rimi stores in Estonia and Lithuania. Another key factor was the shift by large retail chains toward sourcing only cage-free, barn eggs which contributed to higher procurement volumes.

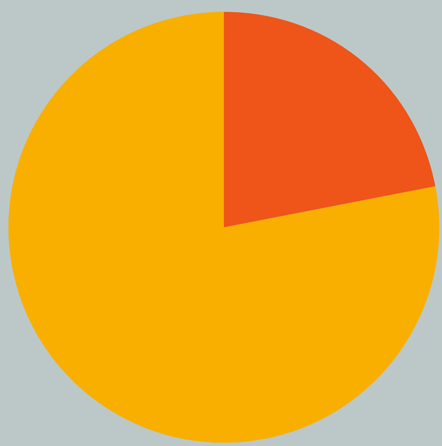
This stage allowed APF Group not only to increase the share of retail sales but also to mitigate the impact of uncontrolled Ukrainian egg imports on the market, helping to stabilize the processing industry segment below the levels recorded in the previous half-year.

Egg Sales by Sales Segments (2023)



- Retail 68%
- Industrial 32%

Egg Sales by Sales Segments (2024)



- Retail 78%
- Industrial 22%

Although the overall egg industry underwent various changes, APF Group successfully adapted to market trends and continued to expand its presence in the retail segment, strengthening partnerships with leading retail chains in the Baltics.

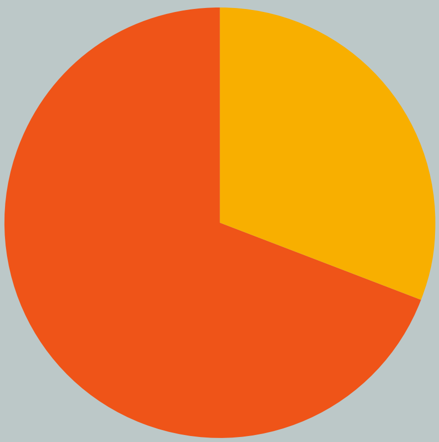
Significant shifts in the egg market continued throughout 2024, driven by increasing demand for cage-free, barn eggs and the strategic transition of major retailers toward these types of products. This trend also directly influenced the balance between private-label (PL) eggs and branded eggs in the market.

The share of private-label eggs increased to 31% of total egg sales in 2024 – a significant rise compared to previous years. This growth was fuelled by retailers' efforts to mitigate the impact of price increases while transitioning from caged to cage-free barn eggs, alongside new cooperation agreements with Maxima, Lidl, Prisma, and Sky.

Egg sales distribution: branded eggs vs private labels (2023)

- Branded eggs 85%
- Private label 15%

Egg sales distribution: branded eggs vs private labels (2024)



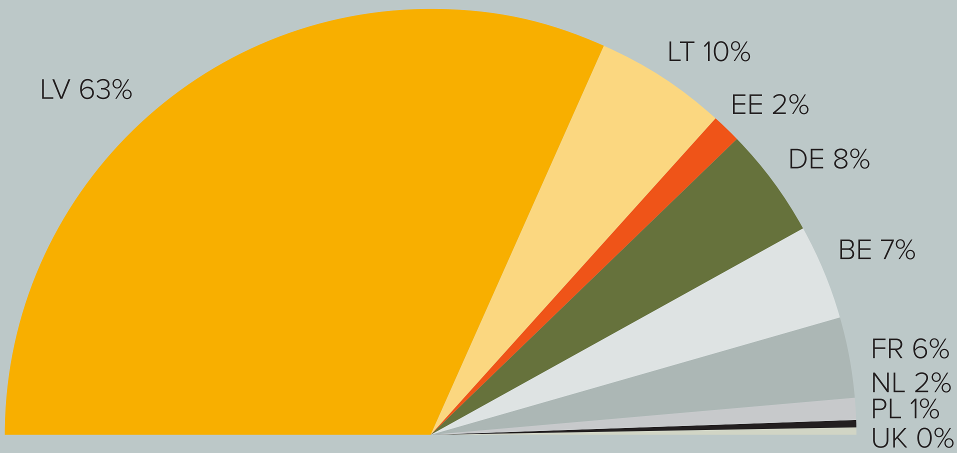
- Branded eggs 69%
- Private label 31%

At the same time, the share of APF Group's branded egg sales decreased, as retailers actively expanded their private-label segments, using them as a tool for price control and offering consumers alternatives with lower price increases. This trend limited growth opportunities for company-owned brands and increased retailers' influence over market price dynamics.

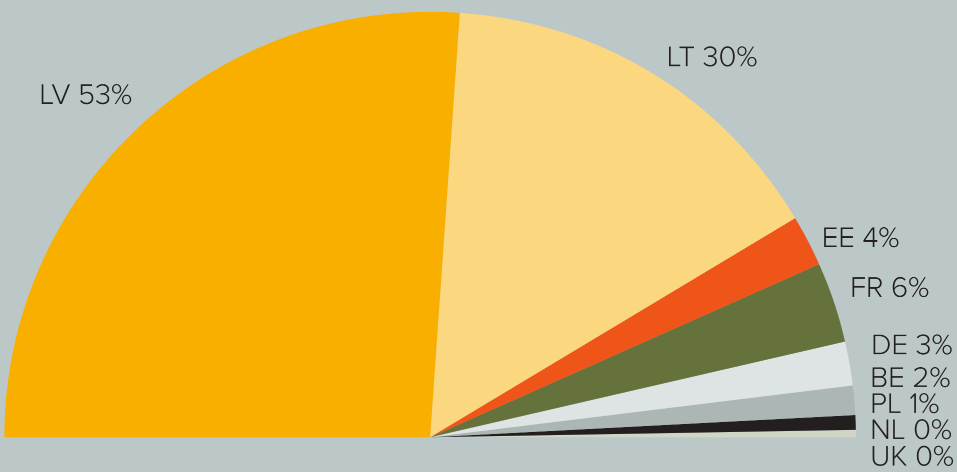
In 2024, APF Group's egg export volumes grew significantly, reaching 47% of total egg sales compared to 37% in 2023. This growth was directly linked to successful partnerships with retail chains such as Maxima, Lidl, and Prisma across the Baltic countries, particularly in Lithuania and Estonia. Lithuania became the most significant export market, as its retailers transitioned more rapidly to cage-free, barn eggs, increasing demand for APF Group's products.

The export structure in 2024 underwent notable changes. Lithuania's share of total egg sales increased from 10% in 2023 to 30% in 2024 – more than tripling compared to the previous year.

Egg Sales by Country (2023)



Egg Sales by Country (2024)



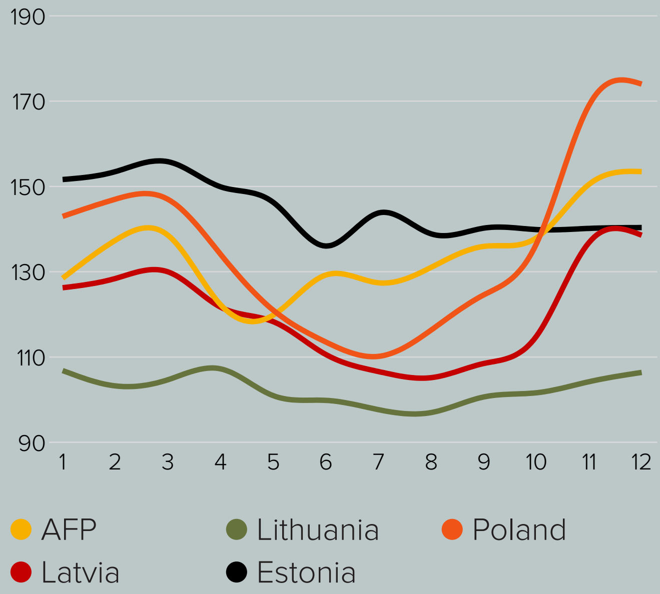
These trends reflect a strategic shift toward the Baltic markets, where demand for cage-free, barn eggs is rapidly increasing. The swift transition of Lithuanian retail chains to these types of eggs were one of the key factors driving APF Group's export growth and strengthening its position in the region.

BUSINESS ENVIRONMENT

From April 2024 until August 2024, a significant influx of uncontrolled imports of substandard eggs into the EU was observed, growing exponentially during this period. This trend led to a corresponding decline in egg prices. As a result of efforts by egg producers' associations across the EU, import duties were imposed on these eggs beginning July 1, 2024, leading to a gradual recovery in egg prices. However, during the crisis period, some large egg farms reduced their production capacities to minimize losses.

Additionally, due to the unusually warm winter of 2024, a noticeable increase in poultry diseases was reported, further reducing the number of laying hens and constraining supply. Consequently, starting in autumn 2024, egg prices fully recovered from the previous drop and reached new highs by the end of the reporting period.

Egg producers' sales prices in the Baltics and Poland 2024



Market Transition To Cage-Free Eggs

In accordance with Nielsen data, the largest share of sold eggs in Lithuania comes from hens kept in enriched cages (small groups), accounting for 53.4 percent of the total sales value, with a sales value of 30.9 million euros. This segment has experienced a significant decline of 8.5 million euros compared to the previous year, representing a 21.7 percent decrease. Cage-free barn eggs (indoor housing) are the second-largest segment, holding 37.5 percent of the market and generating 21.7 million euros in sales. This category shows strong momentum, with an increase of 6.5 million euros year-on-year, reflecting a 42.5 percent rise. While Lithuania is still dominated by caged production, cage eggs share is relatively lower here compared to neighboring countries and continued rapid growth of cage-free barn eggs indicate the market is leading the movement toward more welfare-friendly choices.

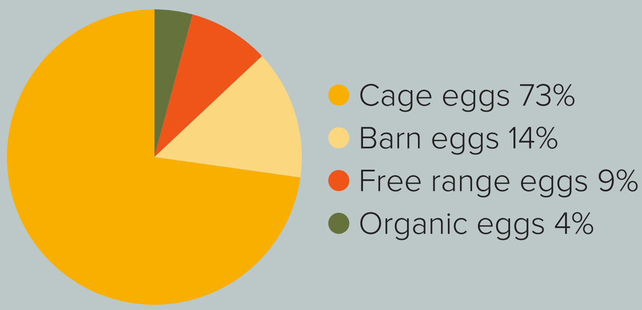
In Estonia, the dominance of caged eggs is the highest among the Baltic countries, with enriched cages accounting for 72.8 percent of total sales value and 26.7 million euros in sales. This category also declined by 3.2 million euros compared to the previous year, representing a 10.8 percent drop. Cage-free barn eggs represent 14.2 percent of the market, with a sales value of 5.2 million euros and a year-on-year increase of 1.7 million euros, or 48.7 percent growth. Despite having the largest share of caged eggs, Estonia shows steady and consistent growth in the cage-free segment, indicating the first signs of market diversification.

Latvia holds a middle position in the region, with enriched cage eggs making up 63.6 percent of the market and a sales value of 28.9 million euros. This segment has declined by 5 million euros, or 14.7 percent year-on-year. Cage-free barn eggs now account for 30.3 percent of the market with 13.7 million euros in sales, demonstrating the most significant growth in the Baltics – an 80.8 percent increase compared to the previous year. This rapid growth is explainable with a low base effect, but still in 2024 Latvia has shown the fastest consumer transition from caged to cage-free eggs.

All three Baltic countries are witnessing a decrease in caged egg sales. Estonia is slowly beginning to diversify despite its heavy reliance on caged production, while Lithuania is the leader in reducing cage eggs share. Overall, cage-free barn eggs are gaining market share across the Baltics, with Latvia starting to show a fast increase for this transition.

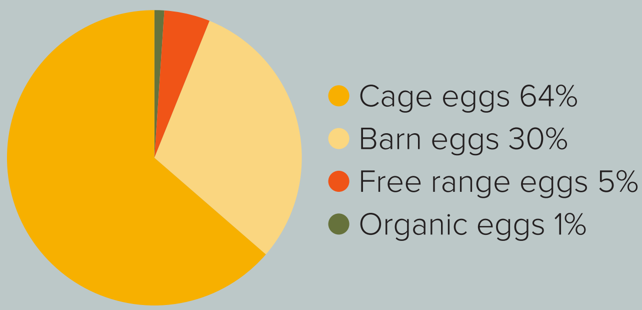
Egg Sales by Country (2024)

EE



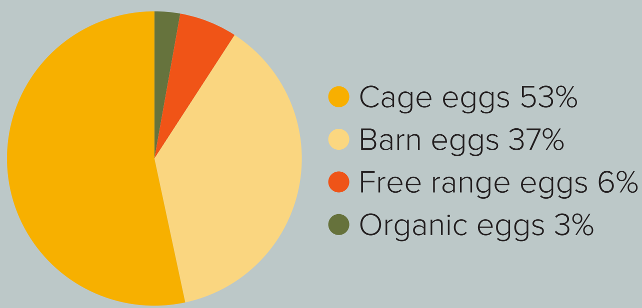
Products	Sales Value (MM)	Sales Value % Chg YA
Total Chicken eggs	36,7	-0,9
Cage eggs	26,7	-10,8
Barn eggs	5,2	48,7
Free range eggs	3,2	48,3
Organic eggs	1,5	11,3

LV



Products	Sales Value (MM)	Sales Value % Chg YA
Total Chicken eggs	45,4	3,7
Cage eggs	28,9	-14,7
Barn eggs	13,7	80,8
Free range eggs	2,3	20,8
Organic eggs	0,5	11,4

LT



Products	Sales Value (MM)	Sales Value % Chg YA
Total Chicken eggs	57,8	-4,5
Cage eggs	30,9	-21,7
Barn eggs	21,7	42,5
Free range eggs	3,7	-4,5
Organic eggs	1,6	-22,5

Chicken eggs according to NielsenIQ data, sales value 12 months summarized period from January 2024 till December 2024; Lithuania (Modern Trade)/ Latvia (Modern Trade)/ Estonia (Modern Trade) (Copyright © 2024 NIQ)

FINANCIAL RESULTS

Thanks to the positive shift in egg prices in the second half of 2024 and a noticeable decrease in feed costs for the full year compared to 2023, APF Group managed to recover from the losses incurred in the first half of the year and closed 2024 with a minor net loss of EUR 12 thousand. This figure also includes losses related to the disposal of unused fixed assets due to plant reconstruction as part of the ongoing Investment Phase IV, amounting to EUR 285 thousand.

Excluding these expenses, APF's operational net profit for 2024 would have reached EUR 273 thousand. Turnover for 2024 was approximately 5% lower than in the previous year, reflecting a similar decline in egg production due to the necessary capacity reductions in response to the uncontrolled imports of substandard eggs.

However, average egg prices for the reporting year remained in line with those of the previous year. A slight increase in other production and administrative expenses resulted in an 8% year-on-year decline in adjusted EBITDA.

Financial Ratios

As previously mentioned, due to the recovery in egg prices and optimized feed costs, APF achieved a record-high gross margin of 29%, maintaining a steady improvement since reaching its current capacity in 2022.

However, EBIT and adjusted EBITDA margins saw a slight decline compared to the previous year due to increased production and administrative expenses. Profitability ratios remained negative solely due to the minor net loss, which was driven by the disposal of unused fixed assets during the reconstruction phase. This restructuring was necessary to build new production facilities, which are expected to generate additional profits in future periods.

During the ongoing investment period, the company received substantial support from the Rural Support Service of Latvia, as well as loans from UBO and CVI investment funds, ensuring a positive working capital and strong liquidity ratios.

Naturally, financial leverage ratios increased compared to the previous year, but they remained at a comfortable level even during the investment phase. These ratios are expected to decline in line with profitability growth as the new production facilities begin generating revenue.

Key ratios and indicators (management data) (EUR '000)

		2020	2021	2022	2023	2024
Eggs sold (M)		78	56	113	105	99
Net turnover		4 848	3 939	11 230	13 319	12 679
Gross profit		**146**	**(608)**	**2 117**	**3 544**	**3 667**
EBIT		(618)	679	952	1 135	765
Net profit for the period		(989)	135	331	527	(12)
EBITDA (adjusted)		**503**	**(702)**	**2 101**	**2 798**	**2 584**
Market capitalization		5 110	8 687	24 017	29 327	28 181
Share turnover Nasdaq		NA	NA	NA	123	258
Profitability and sustainability ratios						
1 Gross margin	(%)	3.0%	-15.4%	18.8%	26.6%	28.9%
2 EBIT margin	(%)	-12.8%	17.2%	8.5%	8.5%	6.0%
3 Net margin	(%)	-20.4%	3.4%	2.9%	4.0%	-0.1%
4 EBITDA (adjusted) margin	(%)	10.4%	-17.8%	18.7%	21.0%	20.4%
5 ROE	(%)	-44.7%	8.5%	17.4%	10.4%	-0.1%
6 ROCE	(%)	-9.9%	7.3%	9.7%	10.1%	4.3%
7 ROA	(%)	-11.1%	1.2%	2.5%	3.4%	-0.1%
8 P/E ratio	(x)	NM	64.2	72.5	55.6	NM
9 EPS		(1.0)	0.1	0.1	0.1	(0.0)
Liquidity ratios						
10 Current ratio	(x)	0.8	1.2	0.7	1.8	1.7
11 Quick ratio	(x)	0.3	0.2	0.3	1.3	1.1
12 Working capital		(337)	382	(1 524)	3 002	2 471
Leverage ratios						
13 External debt/AVG adjusted equity	(x)	1.4	4.5	3.3	1.0	0.8
14 Net external debt/annualized EBITDA (adjusted)	(x)	6.2	NM	3.0	0.6	2.2

*1 Gross profit/Net sales * 100*

*2 EBIT/Net Sales * 100*

*3 Profit for the reporting period/Net sales * 100*

*4 Adjusted EBITDA/Net sales * 100*

*5 Profit for the reporting period/(Average equitycapital increased by shareholder loans) * 100*

*6 EBIT/(Average assets – Average short-term liabilities) * 100*

*7 Profit for the reporting period/Average total assets * 100*

8 Stock price / EPS

9 Annualized Net Profit / Number of shares

10 Current assets/Short-term liabilities

11 (Current assets – Inventory)/Short-term liabilities

12 Current assets – Short-term liabilities

13 (Financial liabilities – Shareholder loans)/Average equity capital increased by shareholder loans

14 (Financial liabilities – Shareholder loans – Cash)/Adjusted EBITDA

Subsequent events

In February 2025, the APF Group has secured 5 million EUR from a private bond placement. Polish Investment Fund CVI acquired the entire volume of the bond issue. The maturity for the bonds is set at three years. Part of the attracted financing was used to refinance a part of the APF Group's loans from parent entity.

There are no other subsequent events from the last date of the financial year until the date of publishing of financial statements, which would have a significant effect on the financial position of the Company.

CONSOLIDATED AND STANDALONE FINANCIAL STATEMENTS


fiteg²
Complete Amino Acid Profile
Nutrient-Rich Blend
Collagen Formation Support Formula
CAGE FREE EGGS
Egg White Protein
CHOCOLATE

INCOME STATEMENT

	Notes	APF Group 2024 EUR	APF Group 2023 EUR	Company 2024 EUR	Company 2023 EUR
Revenue	(4)	12 679 812	13 318 886	1 135 181	1 108 400
Costs of goods sold or services provided	(5)	*(9 013 269)*	*(9 774 777)*	–	–
Gross profit or losses		**3 666 543**	**3 544 109**	**1 135 181**	**1 108 400**
Distribution expenses	(6)	*(907 393)*	*(922 617)*	*(114 774)*	*(61 835)*
Administrative expenses	(7)	*(1 780 154)*	*(1 545 005)*	*(1 164 168)*	*(1 064 250)*
Other operating income	(8)	183 216	187 761	1 906 114	615 205
Other operating expenses	(9)	*(396 782)*	*(129 085)*	*(26 637)*	*(23 813)*
Interest and similar income	(10)	26 489	6 175	1 043 669	84 477
Interest and similar expenses	(11)	*(792 015)*	*(575 407)*	*(929 550)*	*(87 936)*
Profit or losses before corporate income tax		***(96)***	**565 931**	**1 849 835**	**570 248**
Corporate income tax for the financial year	(12)	*(12 335)*	*(38 872)*	*(850)*	*(4 265)*
Profit or losses for the financial year		***(12 431)***	**527 059**	**1 848 985**	**565 983**

Notes on pages 76 to 127 are an integral part of these financial statements.

Jurijs Adamovičs
Chairman of the Board

Mihails Keziks
Member of the Board,
responsible for the preparation
of Annual Report

Hermanis Dovgijs
Board Member

These interim financial statements signed by secure electronic signatures.

BALANCE SHEET

	Notes	APF Group		Company	
		2024	2023	2024	2023
		EUR	EUR	EUR	EUR
ASSETS					
Non-current assets					
Intangible assets					
Development costs	(13)	2 333	–	–	–
Concessions, patents, licenses, trademarks and similar rights	(13)	1 645	568	1 701	710
Other intangible assets	(13)	132 343	27 564	23 998	7 739
Intangible assets under development		26 801	22 004	26 802	22 004
Total intangible assets:		**163 122**	**50 136**	**52 500**	**30 453**
Fixed assets:					
Immovable properties					
a) land plots, buildings and engineering structures	(14)	3 968 755	4 093 435	–	–
Long-term leasehold improvements	(14)	38 005	49 392	38 005	49 392
Technological equipment and machinery	(14)	5 005 081	5 546 201	–	–
Other fixed assets	(14)	292 216	301 472	105 105	113 100
Fixed assets under development and construction in progress	(14)	5 852 532	185 644	–	–
Advances for fixed assets	(14)	4 039 588	333 640	–	–
Total fixed assets:		**19 196 177**	**10 509 784**	**143 110**	**162 492**
Non-current financial investments:					
Investments in group companies	(15)	–	–	11 511 126	6 111 200
Receivables from group companies	(16)	–	–	11 552 317	3 017 505
Participation in capital of associates	(15)	105	105	105	105
Other loans and non-current receivables	(17)	63 938	90 606	–	–
Total non-current financial investments:		**64 043**	**90 711**	**23 063 548**	**9 128 810**
Total non-current assets:		**19 423 342**	**10 650 631**	**23 259 158**	**9 321 755**

	Notes	APF Group 2024 EUR	APF Group 2023 EUR	Company 2024 EUR	Company 2023 EUR
CURRENT ASSETS					
Inventories:					
Raw materials and consumables	(18)	305 482	375 454	1 249	83
Finished goods and goods for sale	(19)	202 857	39 141	–	–
Advances for inventories		482 459	400 000	–	–
Fauna and flora					
a) animals and annual plantings	(20)	1 184 556	997 424	–	–
Total inventories:		**2 175 354**	**1 812 019**	**1 249**	**83**
Account receivable:					
Trade receivables	(21)	1 476 590	701 115	10 828	11 718
Receivables from group companies	(16)	–	–	370 002	92 233
Receivables from associates		–	100	–	100
Other receivables	(22)	71 714	497 437	28 040	181 827
Unpaid share capital		49	–	–	–
Deferred expenses	(23)	129 963	75 419	63 540	19 867
Accrued income	(24)	829 708	334 923	417 542	82 098
Total receivables:		**2 508 024**	**1 608 994**	**889 952**	**387 843**
Cash and bank:	(25)	**1 532 014**	**3 315 668**	**10 704**	**3 250 028**
Total current assets:		**6 215 392**	**6 736 681**	**901 905**	**3 637 954**
TOTAL ASSETS		**25 638 734**	**17 387 312**	**24 161 063**	**12 959 709**

Notes on pages 76 to 127 are an integral part of these financial statements.

	Notes	APF Group 2024 EUR	APF Group 2023 EUR	Company 2024 EUR	Company 2023 EUR
EQUITY, PROVISIONS AND LIABILITIES					
Equity					
Share capital	(26)	5 727 930	5 727 930	5 727 930	5 727 930
Share premium	(26)	3 761 390	3 761 390	3 761 390	3 761 390
Reserves:					
f) other reserves	(27)	775	775	–	–
Retained earnings or uncovered losses brought forward from previous years		*(3 410 547)*	*(3 937 606)*	1 104 953	538 970
Current year profit or losses	(28)	*(12 431)*	527 059	1 848 985	565 983
Total equity:		**6 067 117**	**6 079 548**	**12 443 258**	**10 594 273**

	Notes	APF Group 2024 EUR	APF Group 2023 EUR	Company 2024 EUR	Company 2023 EUR
Liabilities:					
Non-current liabilities:					
Loans against debentures	(29)	6 937 448	–	7 292 118	–
Loans from banks	(30)	–	3 167 477	–	–
Other borrowings	(31)	4 185 528	1 572 763	4 123 938	1 557 763
Trade payables		–	423 826	–	–
Deferred income	(36)	4 704 304	2 408 798	–	–
Total non-current liabilities:		**15 827 280**	**7 572 864**	**11 416 056**	**1 557 763**

	Notes	APF Group 2024 EUR	APF Group 2023 EUR	Company 2024 EUR	Company 2023 EUR
Current liabilities:					
Loans against debentures	(29)	126 676	–	126 676	–
Loans from banks	(30)	–	1 189 683	–	–
Other borrowings	(31)	13 740	516 030	13 740	516 030
Advances from customers	(32)	69 988	99 650	338	–
Trade payables		1 038 587	1 170 827	24 839	148 837
Payables to group companies	(33)	–	–	17 419	–
Taxes and state social insurance payments	(34)	144 727	317 492	25 622	48 699
Other creditors	(35)	106 485	87 275	43 727	36 559
Deferred income	(36)	164 263	92 184	–	–
Accrued liabilities	(37)	2 079 871	261 759	49 388	57 548
Total current liabilities:		**3 744 337**	**3 734 900**	**301 749**	**807 673**
Total liabilities:		**19 571 617**	**11 307 764**	**11 717 805**	**2 365 436**
TOTAL EQUITY, PROVISIONS AND LIABILITIES		**25 638 734**	**17 387 312**	**24 161 063**	**12 959 709**

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STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN APF GROUP EQUITY

	Notes	Share capital EUR	Share premium EUR	Reserves EUR	Retained earnings EUR	Total EUR
31.12.2022		**4 700 000**	–	**775**	***(3 937 606)***	**763 169**
Increase of share capital		1 027 930	3 761 390	–	–	4 789 320
Profit for the year		–	–	–	527 059	527 059
31.12.2023		**5 727 930**	**3 761 390**	**775**	***(3 410 547)***	**6 079 548**
Profit for the year	(28)	–	–	–	*(12 431)*	*(12 431)*
31.12.2024		**5 727 930**	**3 761 390**	**775**	***(3 422 978)***	**6 067 117**

STATEMENT OF CHANGES IN COMPANY EQUITY

	Notes	Share capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
31.12.2022		**4 700 000**	–	**538 970**	**5 238 970**
Share emission		1 027 930	3 761 390	–	4 789 320
Profit for the year		–	–	565 983	565 983
31.12.2023		**5 727 930**	**3 761 390**	**1 104 953**	**10 594 273**
Profit for the year	(28)	–	–	1 848 985	1 848 985
31.12.2024		**5 727 930**	**3 761 390**	**2 953 938**	**12 443 258**

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CASH FLOW STATEMENT

	Notes	APF Group 2024 EUR	APF Group 2023 EUR	Company 2024 EUR	Company 2023 EUR
Cash flow from operating activities					
Profit or losses before corporate income tax		*(96)*	565 931	1 849 835	570 248
Adjustments for:					
depreciation and impairment of fixed assets	(14)	412 508	384 992	38 220	27 336
depreciation and impairment of intangible assets	(13)	16 756	9 829	6 553	4 313
interest and similar revenue	(10)	*(26 489)*	*(6 175)*	*(1 043 669)*	*(84 477)*
impairment of non-current and current financial investments		–	–	*(1 900 000)*	*(560 000)*
interest and similar expenses	(11)	792 015	575 407	929 550	87 936
Profit or loss prior to changes in current assets and current liabilities		**1 194 694**	**1 529 984**	***(119 511)***	**45 356**
Increase or decrease of account receivable		*(899 030)*	*(542 138)*	*(502 109)*	*(270 459)*
Increase or decrease of inventory		*(363 335)*	*(92 282)*	*(1 166)*	889
Increase or decrease of account payables and other liabilities		*(518 544)*	395 255	70 048	*(216 063)*
Gross cash flow generated from operating activities		***(586 215)***	**1 290 819**	***(552 738)***	***(440 277)***
Interest payments		*(557 798)*	*(539 025)*	*(470 416)*	*(83 806)*
Corporate income tax payments		*(15 688)*	*(32 823)*	*(3 087)*	*(2 041)*
Net cash flow generated from operating activities		***(1 159 701)***	**718 971**	***(1 026 241)***	***(526 124)***

	Notes	APF Group 2024 EUR	APF Group 2023 EUR	Company 2024 EUR	Company 2023 EUR
Cash flow from investing activities					
Acquisition of fixed and intangible assets		*(7 628 845)*	*(653 964)*	*(47 438)*	*(88 779)*
Proceeds from sale of fixed and intangible assets		69 966	59 256	–	–
Loans issued		*(100)*	*(44 434)*	*(4 496 240)*	*(642 669)*
Repayment of loans		–	44 284	–	44 284
Interest received		24 303	6 175	312 480	6 239
Net cash flow generated from investing activities		***(7 534 676)***	***(588 683)***	***(4 231 198)***	***(680 925)***
Cash flow from financing activities					
Proceeds from issue of stocks and debentures or investments in share capital		–	5 252 722	–	5 252 722
Expenses directly associated with issue of stocks and debentures		–	*(519 602)*	–	*(519 602)*
Loans received		10 567 000	1 336 511	3 777 000	1 336 500
Subsidies, grants, gifts or donations received		2 459 769	74 267	–	56 200
Repayment of loans		*(6 116 046)*	*(2 975 933)*	*(1 758 885)*	*(1 672 400)*
Finance lease payments		–	*(46 982)*	–	–
Dividends paid					
Net cash flow generated from financing activities		**6 910 723**	**3 120 983**	**2 018 115**	**4 453 420**
Net foreign exchange gains/losses					
Net cash flow in the financial year		***(1 783 654)***	**3 251 271**	***(3 239 324)***	**3 246 371**
Cash and cash equivalents at the beginning of the financial year		**3 315 668**	**64 397**	**3 250 028**	**3 657**
Cash and cash equivalents at the end of the financial year		**1 532 014**	**3 315 668**	**10 704**	**3 250 028**

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NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of accounting policies

General principles

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

Based on the financial data for the full two recent years, the Group is classified as a **medium Group**. Financial statements disclose all information as defined by the Law, as well as additional information to provide fair and clear presentation.

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. The cash flow statement has been prepared under indirect cash flow method.

Compared to the previous reporting year, the accounting and valuation methods used by the APF Group and Company have not changed.

General accounting principles

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

a) it is assumed that the APF Group and 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 occurred before the end of the financial year shall be considered, even if 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 their 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) All items that have a significant impact on the evaluation or decision-making of the users of the financial report are indicated, the insignificant items are combined and their details are provided in the appendix

g) Transactions are reflected with account of their economic intention and matter and not with account of their legal form.

Consolidation methods

The Group's parent company and all of its subsidiaries are consolidated using the acquisition or purchase method. Subsidiaries are consolidated from the time of its incorporation till their disposal when the parent's control over the subsidiary ceases. In preparation of the consolidated financial statements, all Group intercompany transactions, balances and unrealized profits and losses from transaction with Group companies are excluded.

Foreign currency conversion in euro

This financial statement is prepared in euro (EUR), which is the functional currency of the APF Group and Company and the official currency of the Republic of Latvia.

All transactions denominated in foreign currencies are converted into euro at the exchange rate set by the European Central Bank on the day of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into euro in accordance with the official exchange rate set by European Central Bank for the last day of the financial year. The profit or loss resulting from the exchange rate fluctuations of the foreign currency are recognized in the income statements in the respective period on net amount.

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.

The management has assessed that the Company acts as an agent for the provision of construction insurance services (see Appendix 40). Accordingly, revenue and the related direct costs are presented at net value.

Intangible and fixed assets

Intangible and fixed assets are initially recognized at the purchase cost. Purchase cost includes costs directly related to the acquisition of an intangible or fixed asset. In financial statements, the intangible and fixed assets are recognized at purchase cost 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:

	Depreciation period in years
Intangible assets	20
Other intangible investments	3-10
Buildings (except engineering networks)	50
Buildings (external and internal engineering networks)	20-30
Technological equipment	20-30
Other machinery and equipment, transport vehicles	3-10

APF Group and Company capitalizes its fixed assets valued over EUR 100 with useful life exceeding 1 year. Depreciation for improvements and other low-cost items with the value less than EUR 100 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.

If it is possible to conclude due to any kind of occurrence or circumstances that residual value of fixed or intangible assets could exceed its recoverable value, appropriate value of fixed or intangible asset is to be decreased until recoverable value. Recoverable value is calculated as the highest of fair value less costs to sell or value in use.

Capitalization of borrowing and other costs

The cost of asset under development is increased by borrowing costs and other direct costs during the period of time that is required to complete and prepare the asset for its intended use. The cost of asset is not increased by borrowing costs during the period with no active development of asset.

Research and development costs

Research costs are recognized in the income statement when incurred. Development costs that relate to development of asset intended for sale or own use, are capitalized and recognized as intangible assets and amortized on a straight-line basis starting from the beginning of commercial production of the respective product over the period when the return on this asset is expected.

Investments in subsidiaries, associates and other entities

In the Company's separate financial statements, participation in capital of subsidiaries, associates and other entities, are recognized at cost less impairment losses.

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.

Inventories

Inventories are recognized at the lower of purchase or production cost and net realizable value. Purchase costs consists of purchase value and overheads, which have been acquired, by delivering inventories at their current position and value.

The costs of materials and other expenses that are directly connected with the production of the appropriate item as well as a respective part of overhead expenses based on the normal capacity of production facilities are included in the production cost of inventories. Selling expenses are not included in cost. The balance value of the inventories is calculated by using the FIFO method. When the net realizable value of inventories is lower than its costs, the difference is recognized as provisions for the decrease of value.

Labour and productive animals (laying hens) are accounted for at their cost, which is reduced during the productive time of laying hens.

Initial share public offering (IPO) costs

Latvian laws and regulations do not stipulate the accountign policy for costs related to the initial placement of shares of the company (IPO costs). The Company applies the provisions of International Accounting Standard No 32 Financial instruments to account for these transactions.

The Company incurs various costs in issuing or acquiring its own equity instruments. Those costs might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, IPO information and marketing compaign costs. The incremental costs of an equity transaction that otherwise would have been avoided, are accounted for directly to equity as a deduction from Share premium. Other indirect costs are recognized in the income statement.

expenditure shall be allocated to revenue during the same period as the financing.

Borrowings

Loans are recognized at the amount of funds received, net of transaction costs directly attributable to obtaining the borrowings. Transaction costs related to borrowings are included in the calculation of the effective interest rate and recognized as part of interest expense.

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.

Grants and government assistance

Financial support received for the formation of fixed assets and other long-term assets is accounted for as income from subsequent periods, which are gradually included in revenue during the useful life period of assets received or acquired with financial support. Other financial support and the payment of grant

Corporate income tax

Starting from the year 2018 there are no payable income tax on earned profit. Income tax is payable only on dividends distributed and deemed profit distribution. The tax rate is 20% on gross amount or 20/80 of the net amount paid. The new tax law include some transitional provisions:

- retained earnings as at 31 December 2017 will not be taxed in additional by 20% tax when dividends will be distributed;
- accrued tax losses could be utilized within 5 years period but with the annual limit of 50% on income tax calculated for dividends distributed.

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.

Long-term and short-term items

Amounts are classified as long-term if their receipt, payment, or write-off is due more than one year after the end of the reporting period. Amounts that are to be received, paid, or written off within one year are presented as short-term items. In cases where, after the end of the reporting period but before the financial statements are signed, repayment terms of receivables or liabilities have been extended, such items are classified according to 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 Supervisory Board members, their close family members and entities, in which the previously mentioned persons or companies have significant influence or control.

(2) The Group's parent company

AS "APF Holdings" (hereinafter – the Company) is a company registered in the Register of enterprises of the Republic of Latvia. As at 31.12.2024, these consolidated financial statements contain information on the entity and its subsidiaries as a whole (hereinafter – APF Group or the Group).

(3) The APF Group's subsidiaries

A subsidiary is a company under significant influence of the parent company, when the parent company directly or indirectly influences the financial and operating policies of the subsidiary with the purpose to gain from its operations. Subsidiary's financial information is included in the consolidation starting from the date when the significant influence starts until the loss of the significant influence.

a) Subsidiaries included in the consolidation:

- subsidiary of the Group SIA "Alūksnes Putnu Ferma", which was acquired by the company in August 2017 for a total value of EUR 3,000,000. As of 31.12.2024, registered and fully paid-up share capital amounts to EUR 3,000,000. As of 31 December 2023, the registered and fully paid share capital amounted to EUR 3,000,000. In 2024, the share capital was increased through the capitalization of a portion of the principal amount of a previously issued loan by the Group's parent company. As of 31 December 2024, the registered and fully paid share capital amounts to EUR 6,499,875.

- the subsidiary of the Group SIA "APF Trading", which the company has established on 16.02.2017 for a total value of EUR 2.800. As of 31.12.2024, registered and fully paid-up share capital amounts to EUR 2,800.

- subsidiary company of the Group SIA "Oluksne", which the company has established on 15.02.2017 for a total value of EUR 2.800. As of 31.12.2024, registered and fully paid-up share capital amounts to EUR 2,800.

- subsidiary of the Group SIA "Preiļu putni", which the company has established on 02.02.2021 for a total value of EUR 2.800. As of 31.12.2024, registered and fully paid-up share capital amounts to EUR 2,800.

- the subsidiary of the Group, SIA "APF Energy", which the company has established on 12.10.2021 for a total value of EUR 2.800. As of 31.12.2024, registered and fully paid-up share capital amounts to EUR 2,800.

- the subsidiary of the Group, THE CHICK GAME STUDIOS LTD, 51% of which the Company has acquired on 20.12.2024 for a total value of EUR 51. As of 31.12.2024, registered and non paid-up share capital amounts to EUR 100.

Name	Address	Type of operations	Participating interest 31.12.2024. %	31.12.2023. %
SIA Alūksnes Putnu Ferma	"Putni", Ziemera Parish., Aluksnes Municipality., LV-4301	poultry farming	100	100
SIA APF Trading	Marupes Municipality., Marupe, 4 Maldugunu Street, LV-2167	wholesaling of milk, milk products and eggs and edible fats and oils	100	100
SIA Oluksne	"Putni", Ziemera Parish., Aluksnes Municipality., LV-4301	personnel placement services	100	100
SIA Preiļu putni	Marupes Municipality., Marupe, 4 Maldugunu Street, LV-2167	poultry farming, active activity not yet started	100	100
SIA APF Energy	Marupes Municipality., Marupe, 4 Maldugunu Street, LV-2167	gas production, active activity not yet started	100	100
The Chick Game Studios Ltd	Cariocca Business Park, 2 Sawley Road, Manchester, England, M40 8BB	Publishing of computer games, other software publishing	51	0

(4) Revenue

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
a) By operating activities				
Income from egg sales	12 329 937	12 950 717	–	–
Proceeds from the disposal of by-products	171 007	187 187	–	–
Income from the sale of live birds	90 546	137 193	–	–
Proceeds from the sale of egg products	73 724	31 200	–	–
Other revenue	14 598	12 589	–	–
Revenue from the provision of professional services	–	–	1 098 900	1 108 400
Income from trade mark lease	–	–	36 281	–
	12 679 812	**13 318 886**	**1 135 181**	**1 108 400**
b) By location				
Income from sales of goods/services in Latvia	7 452 129	9 197 121	1 135 181	1 108 400
Income from sales of goods in EU	5 220 771	4 097 797	–	–
Income from sales of goods in other countries	6 912	23 968	–	–
	12 679 812	**13 318 886**	**1 135 181**	**1 108 400**

(5) Costs of goods sold or services provided

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
Costs of raw materials and materials	5 415 494	6 313 958	–	–
Depreciation of birds	1 624 251	1 633 850	–	–
Payroll expenses	638 679	497 196	–	–
Depreciation of fixed assets and intangible assets	346 107	349 228	–	–
Cost of value of materials and goods purchased	242 449	217 878	–	–
State mandatory social insurance contributions	149 250	116 378	–	–
Subcontracting and outsourcing services	138 077	132 035	–	–
Utility costs	102 906	89 404	–	–
Costs of buying-in of birds	85 931	134 906	–	–
Transport services	65 316	70 738	–	–
Cost of purchasing goods sold	61 714	25 111	–	–
Provisions for changes in value of finished products	–	*(2 366)*	–	–
Other production costs	143 095	196 461	–	–
	9 013 269	**9 774 777**	–	–

(6) Distribution expenses

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Transport costs	614 057	642 768	–	–
Advertising expenses	89 526	31 337	80 234	24 587
Payroll expenses	18 571	14 515	–	–
Participating associations	11 552	10 996	11 552	10 996
State mandatory social insurance contributions	4 381	3 431	–	–
Rental of storage space	810	1 670	–	–
Consultancy costs	–	10 520	–	–
Other sales costs	168 496	207 380	22 988	26 252
	907 393	**922 617**	**114 774**	**61 835**

(7) Administrative expenses

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Salary expenses	756 980	611 868	563 236	466 643
Transport costs	185 657	137 277	52 206	37 640
State mandatory social insurance contributions	172 991	142 792	127 906	109 115
Professional services costs	126 494	87 638	108 834	74 598
Depreciation of fixed assets and intangible assets	75 926	37 054	38 818	27 336
Rent expenses	64 909	105 853	64 909	105 853
Research and development expenses	58 139	50 438	4 342	294
Insurance payments	36 425	29 361	–	–
Office maintenance costs	36 430	54 321	20 399	32 894
Unused leave reserve	11 574	2 715	11 574	2 715
Cost of business trips	10 317	5 811	–	–
Communication services	7 138	6 171	7 138	6 171
Ancillary cost of cash turnover	2 255	2 163	1 795	1 885
Security services	1 200	1 200	–	–
Business valuation	–	21 630	–	21 630
Cost of brand development	–	14 298	–	14 298
Other administration costs	233 719	234 415	163 011	163 178
	1 780 154	**1 545 005**	**1 164 168**	**1 064 250**

(8) Other operating income

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
Income from disposal of intangible and fixed assets	–	*55 785*	–	–
Net carrying value of intangible and fixed assets at the moment of disposal	–	*(47 625)*	–	–
Net gain from disposal of fixed and intangible assets	–	8 160	–	–
Depreciation of deferred income (see also Appendix 32)	92 184	92 184	–	–
Income from the sublease of premises	2 400	9 664	2 400	9 664
Net income from changes in the value of investments in a subsidiary (see Appendix 15)	–	–	1 900 000	560 000
Revenues from the creditor's waiver of claims against the Company	–	44 284	–	44 284
Other income	88 632	33 469	3 714	1 257
	183 216	**187 761**	**1 906 114**	**615 205**

(9) Other operating expenses

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
Net carrying value of fixed assets at the moment of disposal	–	–	–	*(77)*
Net loss from disposal of fixed assets	*285 230*	*77*	–	*77*
Fines paid	24 012	32 385	–	–
Unused leave reserve	3 938	9 051	–	–
Property tax	2 191	1 213	–	–
Provisions for doubtful and hopeless receivables	–	20 898	–	–
Other costs	81 411	65 461	26 637	23 736
	396 782	**129 085**	**26 637**	**23 813**

(10) Interest and similar income

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
a) from related companies				
Interest income from current loans	–	–	1 032 833	–
Other interest income	–	–	290	78 302
	–	–	**1 033 123**	**78 302**
b) from other parties				
Other interest income	26 489	6 175	10 546	6 175
	26 489	**6 175**	**10 546**	**6 175**
Total interest and similar income	**26 489**	**6 175**	**1 043 669**	**84 477**

(11) Interest and similar expenses

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
a) from related companies				
Interest charge	13 662	59 930	49 613	59 930
	13 662	**59 930**	**49 613**	**59 930**
b) from other parties				
Interest charge	721 233	506 465	879 937	28 006
Other expenses	57 120	9 012	–	–
	778 353	**515 477**	**879 937**	**28 006**
Total interest and similar expenses	**792 015**	**575 407**	**929 550**	**87 936**

APF Group included a portion of the Interest expenses in the reporting period – 283 thousand EUR – in the costs of the relevant newly constructed facilities.

(12) Corporate income tax

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
Corporate income tax for the current year	12 335	38 872	850	4 265
	12 335	**38 872**	**850**	**4 265**

(13) Intangible assets of APF Group

	Research and development expenses	Concessions, patents, licenses, trade marks and similar rights	Other intangible assets	Creation of intangible investments	Advances for intangible assets	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Initial cost						
31.12.2023.	1 874	9 215	46 187	22 004	–	**79 280**
Purchase	–	200	–	86 538	7 321	**94 059**
Acquisition through consolidation	–	–	43 980	–	–	**43 980**
Reclassification between intangible assets	2 400	1 063	85 599	*(81 741)*	*(7 321)*	–
31.12.2024.	4 274	10 478	175 766	26 801	–	**217 319**
Depreciation						
31.12.2023.	*(1 874)*	*(8 647)*	*(18 623)*	–	–	***(29 144)***
Calculated	*(67)*	*(186)*	*(16 503)*	–	–	***(16 756)***
Acquisition through business consolidation	–	–	*(8 297)*	–	–	***(8 297)***
31.12.2024.	*(1 941)*	*(8 833)*	*(43 423)*	–	–	***(54 197)***
Net carrying amount 31.12.2024.	–	**568**	**27 564**	**22 004**	–	**50 136**
Net carrying amount 31.12.2023.	**2 333**	**1 645**	**132 343**	**26 801**	–	**163 122**

Information on encumbered intangible investments is given in the 29. un 31. Appendix.

(13) Intangible assets of Company

	Concessions, patents, licenses, trade marks and similar rights	Other intangible assets	Intangible assets under development	Total
	EUR	**EUR**	**EUR**	**EUR**
Initial value				
31.12.2023.	1 048	14 729	22 004	**37 781**
Purchase	200	–	28 400	**28 600**
Reclassification between intangible assets	1 063	22 540	*(23 603)*	–
31.12.2024.	2 311	37 269	26 802	**66 381**
Depreciation				
31.12.2023.	*(338)*	*(6 990)*	–	***(7 328)***
Calculated	*(272)*	*(6 281)*	–	***(6 553)***
31.12.2024.	*(610)*	*(13 271)*	–	***(13 881)***
Net carrying amount 31.12.2023.	**710**	**7 739**	**22 004**	**30 453**
Net carrying amount 31.12.2024.	**1 701**	**23 998**	**26 802**	**52 500**

(14) Fixed assets of APF Group

	Land and buildings	Long-term investments in leased fixed assets	Technological equipment and machinery	Other fixed assets	Costs of fixed asset creation and construction work in progress	Advance payments for fixed assets	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Initial cost							
31.12.2023.	4 768 837	56 932	6 600 316	525 854	185 644	333 640	**12 471 223**
Purchase	–	–	–	26 430	3 753 857	5 657 571	**9 437 858**
Disposals	*(7 422)*	–	*(457 783)*	*(1 055)*	–	–	***(466 260)***
Reclassification between fixed assets	–	–	–	38 592	1 913 031	*(1 951 623)*	–
31.12.2024.	4 761 415	56 932	6 142 533	589 821	5 852 532	4 039 588	**21 442 821**
Depreciation							
31.12.2023.	*(675 402)*	*(7 540)*	*(1 054 115)*	*(224 382)*	–	–	***(1 961 439)***
Calculated	*(117 258)*	*(11 387)*	*(210 392)*	*(73 471)*	–	–	***(412 508)***
Disposals	–	–	127 055	248	–	–	**127 303**
31.12.2024.	*(792 660)*	*(18 927)*	*(1 137 452)*	*(297 605)*	–	–	***(2 246 644)***
Net carrying amount 31.12.2024.	**4 093 435**	**49 392**	**5 546 201**	**301 472**	**185 644**	**333 640**	**10 509 784**
Net carrying amount 31.12.2023.	**3 968 755**	**38 005**	**5 005 081**	**292 216**	**5 852 532**	**4 039 588**	**19 196 177**

Construction in progress

As of 31.12.2024, the Group's fixed assets include Construction in Progress (costs related to the construction of Barns 4 and 5 and other facilities), which are expected to be completed in 2025. These costs also include expenses amounting to EUR 1.9 million for work completed in 2024, with payment to be made at the beginning of 2025.

Information on encumbered fixed assets is given in the 29. un 31. Appendix.

(14) Fixed assets of Company

	Long-term leasehold improvements	Other fixed assets and inventory	Total
	EUR	EUR	EUR
Initial value			
31.12.2023.	56 932	150 759	207 691
Purchase	–	18 838	18 838
31.12.2024.	56 932	169 597	226 529
Depreciation			
31.12.2023.	*(7 540)*	*(37 659)*	*(45 199)*
Calculated	*(11 387)*	*(26 833)*	*(38 220)*
31.12.2024.	*(18 927)*	*(64 492)*	*(83 419)*
Net carrying amount 31.12.2023.	**49 392**	**113 100**	**162 492**
Net carrying amount 31.12.2024.	**38 005**	**105 105**	**143 110**

(15) APF Group's participation in capital

(a) participation movement

	Participation in the capital of associated companies	Total
	EUR	**EUR**
Initial cost		
31.12.2023.	105	105
31.12.2024.	105	105
Net carrying amount 31.12.2024.	**105**	**105**
Net carrying amount 31.12.2023	**105**	**105**

In the 2022 reporting year the Group acquires a 40% stake in the "Chick game company", registered with USA, for which in turn, it holds 50% of the shares in "THE CHICK GAME STUDIOS LTD", which is established in Great Britain. Companies will deal with upcoming virtual entertainment projects. On 20 December 2024, all shares in "THE CHICK GAME STUDIOS LTD" owned by "The Chick Game Company" were sold to the Company.

(15) Company's participation in capital

a) movement of participation

	Participation in the capital of group companies EUR	Participation in the capital of associates EUR	Total EUR
Initial value			
31.12.2023.	8 011 200	105	8 011 305
Purchase	3 499 926	–	3 499 926
31.12.2024.	11 511 126	105	11 511 231
Changes of value of investments			
31.12.2023.	*(1 900 000)*	–	*(1 900 000)*
Revaluation	1 900 000	–	1 900 000
31.12.2024.	–	–	–
Net carrying amount 31.12.2023.	**6 111 200**	**105**	**6 111 305**
Net carrying amount 31.12.2024.	**11 511 126**	**105**	**11 511 231**

b) participation in the equity of subsidiaries

		Participating interest		Equity		Profit	
		31.12.2024.	**31.12.2023.**	**31.12.2024.**	**31.12.2023.**	**2024**	**2023**
Name	**Address**	**%**	**%**	**%**	**%**	**%**	**%**
Alūksnes putnu ferma, SIA[1]	"Putni", Ziemera municipality, Alūksnes district, LV-4301	100	100	6 294 831	3 130 574	(335 618)	67 717
APF Trading, SIA[2]	Marupes Municipality., Marupe, Maldugunu street 4,	100	100	1 093 968	859 975	233 933	296 187
Oluksne, SIA[3]	Marupes Municipality., Marupe, Maldugunu street 4,	100	100	190 680	135 003	55 677	45 525
Preiļu putni, SIA[4]	Marupes Municipality., Marupe, Maldugunu street 4,	100	100	(96 965)	(51 296)	(45 669)	(26 565)
APF Energy, SIA[5]	Marupes Municipality., Marupe, Maldugunu street 4,	100	100	(15 994)	(12 623)	(3 371)	(6 849)
The Chick Game Studios Ltd[6]	Cariocca Business Park, 2 Sawley Road, Manchester, England, M40 8BB	51	–	(10 809)	(59)	(10 909)	(159)

[1] SIA Alūksnes putnu ferma main activity is poultry farming. As of December 31, 2024, the Company owns 8,000 shares of SIA Alūksnes putnu ferma, which constitutes 100% of the subscribed share capital of SIA Alūksnes putnu ferma. During the reporting year, the Company partially capitalized the principal amount of a previously issued loan into the share capital of its subsidiary, accordingly increasing the subsidiary's share capital by EUR 3 499 875.

[2] The main activity of SIA APF Trading is the wholesale of milk, milk products and eggs and edible fats and oils. As of December 31, 2024, the Company owns 28 capital shares of SIA APF Trading, which make up 100% of the subscribed and paid-up share capital of SIA APF Trading.

[3] The main activity of SIA Oluksne is poultry farming. As of December 31, 2024, the Company owns 28 capital shares of SIA Oluksne, which make up 100% of the subscribed and paid-up share capital of SIA Oluksne.

[4] The main activity of SIA Preiļu putni is poultry farming. As of December 31, 2024, the Company owns 2800 capital shares of SIA Preiļu putni, which make up 100% of the subscribed and paid-up share capital of SIA Preiļu putni.

[5] The main activity of SIA APF Energy is the production of gas. As of December 31, 2024, the Company owns 2800 capital shares of SIA APF Energy, which make up 100% of the subscribed and paid-up share capital of SIA APF Energy.

[6] The main business activity of The Chick Game Studios Ltd is the publishing of computer games and other software publishing activities. In 2024, the Company acquired 51 capital shares of The Chick Game Studios Ltd, representing 51% of its subscribed share capital.

c) Impairment testing of investments

Considering the significant investments made in the subsidiary SIA "Alūksnes putnu ferma", the Company performed an impairment test on its investment in the subsidiary's share capital.

The recoverable amount of the investment was determined using the value-in-use method, by discounting the subsidiary's projected future cash flows. The future cash flows were discounted using a discount rate calculated for the Company's valuation purposes, resulting in the determination of the subsidiary's enterprise value. From the derived enterprise value, the market value of interest-bearing and other financing-related liabilities was deducted, and cash balances were added, thereby obtaining the equity value of the subsidiary. The calculated equity value of the subsidiary exceeded its carrying amount by EUR 2.55 million. As a result, the Company reversed a previously recognized impairment adjustment on the investment in the amount of EUR 1.90 million.

Significant assumptions in calculating the value of use are: egg prices dynamics, changes in feed prices, EBITDA/turnover ratio and discount rate. Management based its assumptions on historical experience, available industry data and now anticipated market developments. The main assumptions in the impairment calculation are as follows:

	Budgeted 2025	**Projected 2026**	**Projected 2027**	**Projected 2028**	**Projected 2029-2050**
Egg price dynamics	11,7%	-0,7%	3,5%	2,2%	2,0%
Egg sold amount dynamics	53,1%	10,4%	11,3%	-6,2%	0,0%
Changes in feed prices	1,7%	1,9%	2,0%	2,0%	2,0%
EBITDA/Revenue ratio *	31,4%	30,4%	35,2%	32,1%	23,3%
Discount rate (after-tax)			13,7%		

** EBITDA – Profit before depreciation of assets (including depreciation of the initial value of laying hens during its productive life), interest costs and corporate income tax.*

Egg and feed prices dynamics

At the end of 2023, the market experienced an increase in the supply of caged eggs, including imports of eggs from third countries that did not meet European quality standards. This led to increased pressure on the prices of caged eggs, which also affected the pricing of egg of other production methods. The downward trend in prices continued into the beginning of 2024. The situation changed significantly in July 2024, when the European Commission introduced import duties on eggs, contributing to market stabilization. In addition, the rising incidence of avian diseases in both European and global markets further reduced supply.

As a result, the Company concluded 2024 with a slightly higher average egg price, and this trend is expected to continue into early 2025. At the same time, the Company's management anticipates a further improvement in the average selling price in connection with major retail chains' announced plans to phase out the sale of caged eggs during the course of 2025.

Since the end of 2023, a gradual decrease in feed ingredient prices has been observed. The Company's management believes that any increase in egg and feed prices starting from 2026 may be reflected in changes to the consumer price index.

Egg sold amount dynamics

In the 2024 financial year, the Company commenced the next phase of its investment programme, within which two additional hen Barns were commissioned. This expansion will enable the Company to increase egg production by approximately 60%. The increase in output will be partially realized in 2025 and partially in subsequent reporting periods, as the investment phase was completed in May 2025.

In addition to the aforementioned hen Barns, this investment phase also included the commissioning of an egg processing facility for the production of egg-based products. It has been assumed that, throughout the forecast period, the volume of eggs processed will not exceed 5% of the total egg production.

EBITDA / Revenue ratio

The actual indicator in 2024 was 23%. Its value is influenced by the selling price of eggs, the cost of production (primarily feed costs), as well as changes in the proportion of fixed costs, depending on the laying cycle of the hens.

In the coming years, the Company expects an improvement in this indicator, driven by the stabilization of the market environment observed since July 2024, as described above. Additionally, retail chains are increasingly adjusting their egg assortments with the aim of fully phasing out the sale of caged eggs by the end of 2025.

The indicator is projected to reach 31% in 2025, representing a significant improvement compared to the previous year. This anticipated increase is attributable to favourable egg price dynamics at the beginning of 2025, as well as reduced production costs resulting from the expansion of production capacity.

Discount rate

The discount rate after-tax (WACC method) reflects the average cost of financing based on actual borrowing costs from third parties and the estimated cost of capital of 18,8% per annum. The actual proportion of external and equity financing at the end of 2024 is used to calculate the discount rate.

Below is an analysis of the sensitivity of the Company's Enterprise Value from changes in key assumptions.

Impairment sensitivity analysis

	Factors	Effect on increase EUR	Effect on decrease EUR
Dynamics of the amount of eggs produced	changes by 1%	1 364 100	*(1 364 600)*
Changes in the price of eggs	changes by 1%	1 544 400	*(1 545 000)*
Changes in feed prices	changes by 1%	*(512 600)*	512 600
Changes in EBITDA/Revenue ratio	changes by 1%	2 455 400	*(2 379 600)*
Discount rate	changes by 1%	*(1 303 200)*	1 430 500

(16) Receivables from group companies

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Non–current				
SIA Alūksnes putnu ferma – long–term debt for services **	–	–	–	181 904
SIA Alūksnes putnu ferma – loan and interest *	–	–	11 387 507	2 745 100
SIA Preiļu putni – loan and interest *	–	–	139 311	66 083
SIA APF Energy – loan and interest *	–	–	25 499	24 418
	–	–	**11 552 317**	**3 017 505**
Current				
Debts of subsidiaries for services	–	–	370 002	92 233
	–	–	**370 002**	**92 233**

* *At the end of 2020, the Company concluded a Loan Agreement with the affiliated company SIA Alūksnes putnu ferma for the provision of a loan. However, the loan funds were disbursed both in previous periods and in the reporting year. The repayment term of the loan is set until November 2025. During the reporting year, partial capitalization of the principal amounting to EUR 3,499,875 was carried out, and accordingly, the share capital of SIA Alūksnes putnu ferma was increased by this amount. Additionally, the Company has concluded Loan Agreements with its subsidiaries SIA APF Energy and SIA Preiļu Putni.*

During the reporting period, additional loans were issued, including EUR 7 million to SIA Alūksnes Putnu Ferma, from funding received by the Company from the Polish investment fund CVI. The Company received compensation from SIA Alūksnes Putnu Ferma for direct costs related to obtaining the financing from CVI. The repayment terms for the loans have been set until January 2026. All of the above–mentioned loans are subordinated to the financing provided by the CVI Fund.

** *At the end of 2023, the Company has entered into an agreement with the subsidiary SIA Alūksnes putnu Ferma regarding the extension of the repayment term of the debt for services until 30 December 2025. The loan repayment obligations were fulfilled at the beginning of 2024, ensuring full compliance with the contractual commitments.*

(17) Other loans and non-current receivables

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Operational lease agreement first draw-down non-current part (up to 5 years)	63 938	90 606	–	–
	63 938	**90 606**	–	–

(18) Raw materials and consumables

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Feed, feed components and vitamins	154 761	229 750	–	–
Packaging	118 838	120 442	–	–
Other	31 883	25 262	–	–
	305 482	**375 454**	–	–

(19) Finished goods and goods for sale

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Chicken eggs	90 318	34 663	–	–
Other finished products	257	96	–	–
Egg products	112 282	4 382	–	–
	202 857	**39 141**	–	–

(20) Biological assets

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Laying hens	1 184 556	997 424	–	–
	1 184 556	**997 424**	–	–

The Group recognize laying hens value at cost, which is reduced (depreciated) during the productive time of the laying hens.

(21) Trade receivables

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Book value of trade receivables	1 502 713	727 238	–	–
(Provisions for bad and doubtful debts)	*(26 123)*	*(26 123)*	–	–
	1 476 590	**701 115**	–	–

Provisions for bad and doubtful debts have been made 100 % of their book value.

(22) Other receivables

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Receivables for construction support services (See also Note 40.Appendix)	339	413 357	–	143 388
Guarantee instalment	18 579	21 719	18 052	21 192
Other debtors	52 796	62 361	9 988	17 247
	71 714	**497 437**	**28 040**	**181 827**

(23) Deferred expenses

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
Operational lease agreement first draw-down current part	26 668	27 064	–	–
Insurance payments	2 394	1 977	2 348	1 977
Other expenses	100 901	46 378	61 192	17 890
	129 963	**75 419**	**63 540**	**19 867**

(24) Accrued income

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
Accrued income for construction support services (See also Note 40.Appendix)	829 708	334 923	417 542	82 098
	829 708	**334 923**	**417 542**	**82 098**

(25) Cash and bank

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Cash at bank on current accounts	1 511 963	3 312 885	10 704	3 250 028
Cash and cash equivalents – other accounts	225	–	–	–
Cash on hand	19 826	2 783	–	–
	1 532 014	**3 315 668**	**10 704**	**3 250 028**

Information on encumbered funds is given in 29 Appendix

(26) Share capital and Share premium

On 31 December 2024, the registered and fully paid-up share capital of the parent company of the Group amounts to EUR 4 700 000, consisting of 4 700 000 ordinary shares with a nominal value of EUR 1 each.

In November 2023, the initial placement/ issue of the shares of the parent company of the Group was completed, attracting additional capital in the amount of EUR 5 252 722, of which EUR 1 027 930 was recognized as an increase in the share capital and EUR 4 224 792 was recognized as a share issue premium. The share issue premium was further reduced by costs directly related to the initial placement of shares and state grant for such costs in the net amount of EUR 463 402.

(27) Reserves

According to the Latvian statutory requirements the Company created reserves in the previous periods. This legal requirements are no more effective in the financial year. These reserves are expected to be reclassified to retained earnings.

(28) Distribution of the APF Group's and Company's profi

APF Group operated with a loss of EUR 12,431 in 2024. It is planned that these losses will be covered from the profit of the next reporting year.

The Company operated with a profit of EUR 1,848,985 in 2024. The Company's Management board proposes to retain the profit as undistributed.

(29) Loans against debenturers

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Non-current				
Bond financing from CVI funds	7 292 118	–	7 292 118	–
Costs related to borrowing	*(354 670)*	–	–	–
	6 937 448	–	**7 292 118**	–
Current				
Bond financing from CVI funds	126 676	–	126 676	–
	126 676	–	**126 676**	–

At the beginning of the reporting year, the Group raised EUR 7 million through a private bond issuance from the Polish investment fund CVI. The bonds have a maturity of four years. A portion of the funds raised was used to fully repay all of the Group's borrowings from credit institutions.

The bonds carry a variable interest rate. In accordance with the financing terms, a portion of the interest during the construction period is not paid but is capitalized and added to the principal amount of the loan. Transaction costs related to obtaining the financing are included in the effective interest rate and recognized as borrowing (interest) expenses.

The bond terms include compliance with specified financial and non-financial covenants applicable to the Group. As of the end of the reporting year, all such covenants have been complied with. The bonds are secured by pledges over the share capital of the Group's entities, as well as movable and immovable property, and pledges of receivables.

(30) Loans from banks

		APF Group		Company	
		2024	2023	2024	2023
	Note	EUR	EUR	EUR	EUR
Non-current					
AS Attīstības finanšu institūciju Altum – loan	a)	–	821 428	–	–
AS Baltic International Bank – loan	b)	–	2 346 049	–	–
		–	**3 167 477**	–	–
Current					
AS Attīstības finanšu institūciju Altum – loan	a)	–	670 451	–	–
AS Baltic International Bank – loan	b)	–	87 972	–	–
AS Citadele banka overdrafts	c)	–	11	–	–
AS Industra Bank – loan	d)	–	–	–	–
AS Signet banka – loan	e)	–	431 249	–	–
		–	**1 189 683**	–	–

(a) AS Development Financial institutions Altum – loans

In 2021, the subsidiary of the Group SIA "Alūksnes putnu ferma" has refinanced all previous loans to AS "Baltic International Bank" and received two new loans from AS "Altum" of EUR 1,500,000 and EUR 302,350 with variable and fixed interest rates. The repayment term of the loans are set until the end of 2025 and May 2023, which were prolonged till August 2024, but both loans were fully repaid in February 2024.

(b) AS Baltic International Bank – loan

In 2021, the subsidiary of the Group SIA “Alūksnes putnu ferma” received a new loan from AS “Baltic International Bank” in the amount of EUR 2,500,000 with a variable interest rate. The loan was fully repaid in February 2024.

(c) AS Citadele Bank – credit line

In 2018, the subsidiaries of the Group SIA “APF Trading” and SIA “Alūksnes putnu ferma” received credit lines/overdrafts from AS Citadele Bank in the amount of EUR 20,000 each. The loan does not have a set repayment period, it can be automatically extended and/or reduce annually at the discretion of the bank.

(d) AS Industra Bank – loan

In 2021, the subsidiary of the Group SIA “Alūksnes putnu ferma” received a new loan from AS Industra Bank in the amount of EUR 500,000. The loan repayment term has been extended until December 2023 but the loan was repaid early of schedule, in June 2023.

(e) AS Signet Bank – loans

In 2020, the subsidiary of the Group SIA “Alūksnes putnu ferma” received the remaining part of the loan issued by AS Signet Bank and its unpaid part amounted to EUR 500,000. The loan repayment term was extended until July 2023 and then until September 2024 and the fixed interest rate is applied to it. The loan was fully repaid in February 2024.

Also, in 2020, APF Group’s Subsidiary SIA “Alūksnes putnu ferma” took over the Signet Bank loan in the amount of EUR 500,000, which was issued for the purchase of equipment in the new barn. The loan repayment term was extended until July 2023 and then until September 2024 and the fixed interest rate is applied to it. The loan was fully repaid in February 2024.

(f) Collaterals

As collateral for claims which may arise in accordance with the entered into loan agreements with credit institutions, the subsidiary of the Group, SIA “Alūksnes putnu ferma” has pledged all the property owned by the subsidiary (both registrable and non-registrable) as a joint property at the time of pledging, as well as the next components of the joint property. All loans were fully repaid in February 2024 and security was released.

The subsidiary of the Group, SIA “APF Trading”, has pledged all of its property, as a collection of things in favour of Baltic International Bank AS, as collateral for the loan agreement of the Bank of the Group company SIA “Alūksnes putnu ferma” with a total amount of EUR 2 500 000. Loan agreements expire in 2025. The commercial pledge shall be in effect until full fulfilment of the liabilities of the Group`s subsidiary SIA “Aluksnes putnu ferma’’.

The loan was fully repaid in February 2024 and security was released.

The parent company of the Group AS “APF Holdings” has pledged all of its property, as a collection of things in favour of AS “Development Finance institution Altum”, as collateral for the loan agreement of the subsidiary of the Group SIA “Alūksnes putnu ferma” with a total amount of EUR 1 802 350. The terms of the loan agreements until the end of 2025 and August 2024. The commercial pledge shall be in effect until full fulfilment of the liabilities of the subsidiary of the Group SIA “Alūksnes putnu ferma”. The loans were fully repaid in February 2024 and security was released.

(31) Other borrowings

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Non-current				
Loans from individuals[1]	237 416	237 416	222 416	222 416
Borrowing from parent company[2]	3 933 227	1 307 867	3 886 637	1 307 867
Borrowing from legal entities[3]	14 885	27 480	14 885	27 480
Obligations under the financial lease agreement SIA Citadele lizings	**4 185 528**	**1 572 763**	**4 123 938**	**1 557 763**
Current				
Borrowing from other legal entities[3]	13 740	516 030	13 740	516 030
	13 740	**516 030**	**13 740**	**516 030**

[1] *During previous reporting years the Group companies received and partially repaid loans from the beneficial owner of the Group. As of the end of 2024 the outstanding amount of the loans amounted to EUR 237 thousand, these loans are not secured, but are subordinated to CVI financing and no interest rate has been applied to it.*

[2] *In the previous periods the Goup's largest shareholder had acquired claim rights from outstanding loans from unrelated legal entity, as well as issued a new loans to the Group's parent company. An interest rates of 3.5% and 4% are set for mentioned loans. The majority of the borrowings, amounting to EUR 3,855 thousand, are repayable by 2028, another part in the amount of EUR 32 thousand until January 2025. These loans are not secured and are subordinated against CVI funds financing.*

In course of consolidation of THE CHICK GAME STUDIOS LTD, another loan from Group's largest shareholder in amount of EUR 47 thousand was recognized. Interest rate of 5% is set for this loan and it has to be repaid until 2030.

[3] *In 2021-2023, the Group's parent company received a loans from an non-related legal entity with an interest rate of 5%. Repayment deadline for these loans were set until December 2023. As of the end of 2023 the outstanding amount of the loans was EUR 500 thousand. In January 2024 the loans were fully repaid.*

Another loan received from non-related legal entity repayment terms is set to January 2027 and interest rate of 4.5%.

(32) Advances from customers

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Advances received on goods and services	69 988	99 650	–	–
	69 988	**99 650**	–	–

(33) Payables to group companies

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Debt for services APF trading, SIA	–	–	17 419	–
	–	–	**17 419**	–

(34) Taxes and social insurance payments

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
State mandatory social insurance contributions	63 628	51 123	16 391	30 013
Value added tax	41 507	226 961	–	–
Personal income tax	31 979	26 223	9 067	16 296
Other taxes	4 434	7 651	8	8
Natural resources tax	3 023	3 152	–	–
Corporate income tax	156	2 382	156	2 382
	144 727	**317 492**	**25 622**	**48 699**

(35) Other creditors

	APF Group		Company	
	2024	**2023**	**2024**	**2023**
	EUR	**EUR**	**EUR**	**EUR**
Employee wages	89 495	78 631	30 438	29 350
Other creditors	16 990	8 644	13 289	7 209
	106 485	**87 275**	**43 727**	**36 559**

(36) Deferred income

	APF Group		Company	
	2024 EUR	2023 EUR	2024 EUR	2023 EUR
Non-current				
EU co-financing for the acquisition of assets – non-current part	4 704 304	2 408 798	–	–
	4 704 304	**2 408 798**	–	–
Current				
EU co-financing for the acquisition of assets – current part	164 263	92 184	–	–
	164 263	**92 184**	–	–

In the Deferred income item has recognized the financing received from Lauku Atbalsta Dienests (Rural Support Agency) programme received from 2012 to 2015 in the amount of EUR 2 324 431 for the acquisition and reconstruction of fixed assets, as well received from 2019 and 2020 in the amount of EUR 778 716 for the acquisition of fixed assets – for the expansion of activities.

During the reporting period the Group has received additional financing from Lauku Atbalsta Dienests (Rural Support Agency) programme in the amount of EUR 2 459 769 for the acquisition of fixed assets – for the expansion of activities that is being realized during years 2024-2025.

Deferred income from Rural Support Service (Rural Support Agency) financing is recognized in the profit or loss statement over the useful life of the acquired fixed assets, over a period of 20 to 50 years. A portion of the funding received from the Rural Support Service, amounting to EUR 4,047,253, is to be amortized over a period exceeding 5 years.

The Group has liability within 5 years from the moment of receiving the funding to comply with the terms of the contract regarding the use of the purchased assets at the place of implementation of the Project and for the intended purposes, not disposing and not transferring the assets for use to third parties, insuring the property and fulfilling other obligations. In case of non-compliance with the specified conditions, the Group could be obliged to repay the received financing. According to management's assessment, this possibility is very insignificant.

(37) Accrued liabilities

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Accrued trade payables	1 976 524	174 665	12 562	32 296
Accrued unused annual leave expenses	97 813	80 387	36 826	25 252
Other accrued liabilities	5 534	6 707	–	–
	2 079 871	**261 759**	**49 388**	**57 548**

(38) Average number of employees

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Average number of employees during the reporting period	66	57	14	13

(39) Remuneration to the management

	APF Grupa		Sabiedrība	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Remuneration of a Members of the Management Board	341 875	267 456	341 875	267 456
Remuneration of a Members of the Supervisory Board	20 699	11 250	–	–
	362 574	**278 706**	**341 875**	**267 456**

(40) APF Group's transactions with related parties

The Group's parent and subsidiary companies have engaged in transactions with its Beneficial Owner and their related companies (jointly – Related parties).

The remuneration of the Board member for his work in the Company in the reporting year is presented in Appendix 39.

The most significant transactions are:

(a) claims and liabilities

		31.12.2024.		31.12.2023.	
		Receivables	Payables	Receivables	Payables
	Notes	EUR	EUR	EUR	EUR
Shareholders of the Group and entities under their control	1), 2), 3)	827 522	4 109 054	748 280	1 530 284
		827 522	**4 109 054**	**748 280**	**1 530 284**

(b) transactions

	Notes	Sales to related parties 2024 EUR	Sales to related parties 2023 EUR	Purchases from related parties 2024 EUR	Purchases from related parties 2023 EUR
Car rental	1)	–	45 072	51	–
Construction security services	2)	492 598	334 923	–	–
Loan interest	3)	–	–	49 613	59 929
Interest received and paid, comissions paid	4)	24 731	5 387	678	26 451
		517 329	**385 382**	**50 342**	**86 380**

1) In the reporting year, Group's beneficial owner has issued loans to the parent company of the group and those were partially repaid. In previous year the parent company of the Group rented a car from its shareholder, but the shareholder has withdrawn his claim rights for this rent (see also Appendix 8).

2) In the reporting year, the Group's parent company and subsidiary provided construction support services to a related company. In the aforementioned transactions, companies acted as an intermediary and these transactions are disclosed in the item "Other operating income" in net value and assets as Other receivables and Accrued income.

3) The Group's parent company received loans from its largest shareholder, has partially repaid them, as well as the Interest for mentioned loans was accrued (see also Appendix 11).

4) The Group received interest income from an entity related to its ultimate beneficial owner and in previous year paid interest to it for loan provided, in addition commissions were paid to that entity for services rendered.

(40) Company's transactions with related parties

During the reporting year, the Company had business transactions with subsidiaries – SIA "APF Trading", SIA "Alūksnes putnu ferma", SIA "Oluksne", SIA "Preiļu putni" and SIA "APF Energy". The Company has also engaged in transactions with its Beneficial Owner and their related companies, which are disclosed as "Other related parties".

The remuneration of the Board member for his work in the Company in the reporting year is presented in Appendix 39.

(a) claims and liabilities

		31.12.2024.		31.12.2023.	
		Receivables	Payables	Receivables	Payables
	Notes	EUR	EUR	EUR	EUR
Subsidiaries					
Alūksnes putnu ferma, SIA	1)	11 649 308	–	2 927 004	–
APF Trading, SIA	2)	95 762	–	77 823	–
Oluksne, SIA	3)	8 350	–	12 610	–
Preiļu putni, SIA	4)	140 171	–	66 503	–
APF Energy, SIA	5)	28 629	–	25 798	–
		11 922 220	–	**3 109 738**	–
Other related parties			–		
Beneficial owner and his related companies	6), 7), 8)	417 542	4 109 054	225 486	1 530 284
		417 542	**4 109 054**	**225 486**	**1 530 284**
		12 339 762	**4 109 054**	**3 335 224**	**1 530 284**

(b) transactions

	Notes	Sales to related parties 2024 EUR	Sales to related parties 2023 EUR	Purchases from related parties 2024 EUR	Purchases from related parties 2023 EUR
Subsidiaries					
Management consultancy services, sub-rental of offices	1)	1 000 890	1 028 890	–	–
Interest on loan	1)	1 272 374	76 118	–	–
Management consultancy services	2)	80 500	64 670	–	–
Car rental	2)	–	–	24 000	16 419
Revenue from trademark usage	2)	36 281	–	–	–
Management consultancy services, sub-rental of offices	3)	14 900	13 410	–	–
Management consultancy services	4)	860	210	–	–
Interest on loan	4)	3 128	1 492	–	–
Management consultancy services	5)	1 750	1 220	–	–
Interest on loan	5)	831	693	–	–
		2 411 513	**1 186 703**	**24 000**	**16 419**
Other related parties					
Car rental, other	6)	–	45 072	51	–
Construction support services	7)	335 443	82 098	–	–
Interest on loans	8)	–	–	49 613	59 929
Interest received, comissions paid	9)	10 546	5 387	296	205
		345 989	**132 557**	**49 960**	**60 134**
		2 757 503	**1 319 260**	**73 960**	**76 553**

1) The company has provided consultancy and other services to SIA Alūksnes putnu ferma, as well as issued loans and calculated interest on their use during the reporting year.

2) The Company has provided SIA APF Trading with consulting and other services. In the reporting year, the Company has leased a cars from APF Trading SIA.

3) The Company has provided consulting services to its subsidiary SIA Oluksne.

4) The Company has provided consulting services to its subsidiary SIA Preiļu putni, as well as issued loans and calculated interest on their use.

5) The Company has provided consulting services to its subsidiary SIA APF Energy, as well as issued loans and calculated interest on their use.

6) In the reporting year, Company's beneficial owner has issued a loan to the Company and interest was calculated thereon. During the previous reporting year, part of the loan of EUR 3,000,000 was capitalised on the share capital of the Company (see also Appendix 31).

7) In the reporting year, the Company provided construction support services to a related company. In the aforementioned transactions, the Company acts as an intermediary and these transactions are disclosed in the item "Other operating income" in net value and assets as Other receivables and Accrued income.

8) The Company received loans from its parent comapny and its related companies, has partially repaid them, as well as the Interest for mentioned loans was accrued (see also Appendix 31).

9) The Company received interest income from an entity related to its ultimate beneficial owner and also paid commissions to that entity for services rendered.

(41) Guaranties issued

As of December 31, 2023, the guarantees issued by the parent company of APF Group to the Joint Stock Company "Attīstības finanšu institūcija Altum", which served as collateral for the loans of the APF Group's subsidiary SIA "Alūksnes putnu ferma" amounted to EUR 1.8 million.

The expiration dates of the loan agreements are 2024 August and end of the 2025. The guarantees were valid until the full fulfilment of the obligations of APF Group's subsidiary SIA "Alūksnes putnu ferma". In February, 2024 mentioned loans was fully repaid.

(42) Other significant commitments

As at the end of 2024, the parent company of the Group had pledged its ownership interests in the Group's subsidiaries. The bond maturity term is four years. The aforementioned bond issuance was secured, inter alia, by all shares held by the parent company in the following subsidiaries: SIA "Alūksnes putnu ferma", SIA "APF Trading", SIA "Oluksne", and SIA "Preiļu Putni", as well as by the parent company's claims against these entities. Additional collateral includes pledges over the parent company's movable and immovable property, as well as other receivables.

(43) Operating lease commitments

Group's subsidiary SIA "APF Trading" uses cars obtained under operating lease agreements. The lease expenses recognized in the income statement for the reporting year amount to EUR 47,339 (2022: EUR 30,700). The lease agreements are valid until 2028.

Non-cancellable lease liabilities:

	APF Group		Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Payable within 1 year	43 985	47 339	–	–
Payable from 2 to 5 years	105 044	149 029	–	–
	149 029	**196 368**	–	–

(44) Financial risk management

Financial risks related to the financial instruments of the APF Group and Company are mainly the interest rate risk, the liquidity risk and the credit risk. The Management of the APF Group and Company seeks to minimize potential adverse effects of the financial risks on the APF Group's and Company's financial position. The Group does not use derivative financial instruments to hedge certain risk exposures.

Market risk – Currency Risk

The APF Group and Company is exposed to currency exchange rate fluctuation risk, primarily related to transactions in GBP conducted by APF Group's subsidiary. However, the management of APF Group and Company considers this risk to be insignificant given the transaction amounts. As a result, the application of hedging instruments to mitigate the impact of GBP exchange rate fluctuations is not deemed necessary.

Market risk – Interest rate risks

APF Group and Company accepts the interest risk it derives from loans with variable interest rates. Derivatives are not used.

Credit risk

APF Group and Company is exposed to credit risk related to the debts of its buyers and principals. APF Group and Company controls its credit risk by constantly assessing the history of repayment of customer debts and determining the credit conditions for each customer separately. In addition, APF Group and Company continuously monitors the balances of receivables in order to reduce the possibility of irrecoverable debts arising.

Liquidity risk

APF Group and Company controls its liquidity risk by maintaining an appropriate amount of cash and cash equivalents

Capital Management

In order to ensure the sustainable development of the Group and the sufficiency of capital, the Management of the Group regularly monitors the compliance of financial data of the Group with market benchmarks, including regular monitoring of liquidity ratios (short-term liabilities to current assets), adequacy of the equity (equity to total assets) and adjusted EBITDA (earnings before interest payments, taxes, depreciation and amortisation, as well as other irregular income and expenses, changes of the carrying amount of laying hens, donations and state aid received, etc.).

(45) Difference between the APF Group's forecasted and actual financial liabilities

Pursuant to the requirements of the Act on Bonds of the Republic of Poland, the Group provides an explanation for the kEUR 568 discrepancy between the forecasted financial liabilities and the higher actual financial liabilities presented in these financial statements.

The additional financial liabilities exceeding the forecasted amount were incurred during the reporting year due to the extension of the investment implementation schedule to the following year, changes in the conditions for receiving support from the Rural Support Service, as well as the challenging market situation in the egg sector during the first half of the reporting year.

Despite the above, the ratio of financial liabilities to the total balance sheet amount has remained nearly unchanged compared to the forecast.

(46) Subsequent events

In February 2025, the APF Group and Company has secured 5 million EUR from a private bond placement. Polish Investment Fund CVI acquired the entire volume of the bond issue. The maturity for the bonds is set at three years. Part of the attracted financing was used to refinance a part of the Group's loans from Group's largest shareholder.

There are no other subsequent events from the last date of the financial year until the date of publishing of financial statements, which would have a significant effect on the financial position of the APF Group and Company.

Jurijs Adamovičs
Chairman of the Board

Mihails Keziks
Member of the Board, responsible for the preparation of Annual Report

Hermanis Dovgijs
Board Member

These interim financial statements signed by secure electronic signatures.

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REPORT BY THE INDEPENDENT AUDITORS

Shareholders of APF Holdings AS

Our opinion on the separate and consolidated financial statements

We have audited the separate and consolidated financial statements from pages 66 to 127 of APF Holdings AS ("the Company") and its subsidiaries ("Group") included in the separate and consolidated annual statements. The attached separate and consolidated financial statements shall include:

- the separate and consolidated balance sheet at 31 December 2024,
- the separate and consolidated profit and loss account for the year ended 31 December 2024,
- the statement of changes in individual and consolidated own funds for the year ended 31 December 2024,
- the separate and consolidated cash flow statement for the year ended 31 December 2024, and
- an annex to the separate and consolidated financial statements containing a summary of the relevant accounting principles and other explanatory information.

In our opinion, the attached separate and consolidated financial statements of the Company and the Group of Companies provide a true and clear picture of the Company's separate and consolidated financial position as of December 31, 2024 and of the Company's and Group's separate and consolidated operating results and cash flow for the year ended on 31 December 2024 in accordance with the Law on Annual Accounts and Consolidated Financial Statements of the Republic of Latvia ("Law on Annual Accounts and Consolidated Financial Statements").

Grounds for the opinion

In accordance with the Law on Audit Services of the Republic of Latvia ("Law on Audit Services"), we carried out an audit in accordance with international auditing standards ("SRS") recognized in the Republic of Latvia. Our responsibilities under these standards are described below in the section of our report Auditor*'s responsibility for auditing the separate and consolidated financial statements*.

We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code"), including the requirements of International Standards of Independence and the independence requirements included in the Law on Audit Services, which are applicable to our audit of the separate and consolidated financial statement in the Republic of Latvia. We have also complied with the other principles of professional ethics and impartiality requirements set out in the IESBA Code, including the International Independence Standard, and the Audit Services Act.

We believe that the audit evidence we have obtained provides sufficient and adequate justification for our opinion.

Reporting other information

Other information is the responsibility of the management of the Company and the Group. Other information consists of the Management Report contained in the attached annual report on pages 12 to 63 and Information on the APF Group contained in the annual report on pages 7 to 11.

Our opinion on the separate and consolidated financial statement does not apply to other information contained in the annual report and we do not provide any kind of representation about it, except as indicated in the section of our report *Other reporting requirements in accordance with the requirements of the legislation of the Republic of Latvia*.

In connection with the audit of the separate and consolidated financial statements, it is our responsibility to consult other information and, in doing so, to assess whether this other information is not materially different from the information in the separate and consolidated financial statements or from the knowledge we acquired during the audit, and whether it contains other types of material discrepancies.

If, on the basis of the work carried out and taking into account the information gained during the audit and the understanding of the Company, the Group and its operating environment, we conclude that there are material discrepancies in other information, it is our duty to report such circumstances. We have not come to our attention on the circumstances that should be reported.

Other reporting requirements in accordance with the requirements of the legislation of the Republic of Latvia

In addition, in accordance with the Audit Services Act, we are obliged to provide an opinion on whether the Management Report has been prepared in accordance with the requirements of the regulatory enactment governing its preparation, the Law on Annual Accounts and Consolidated Annual Accounts.

Based solely on the procedures carried out as part of our audit, we believe that:

- the information provided in the management report for the financial year for which the separate and consolidated financial statements are drawn up corresponds to the separate and consolidated financial statements, and
- the management report has been prepared in accordance with the requirements of the Law on Annual Accounts and Consolidated Annual Accounts.

Responsibility of management and persons entrusted with the supervision of the Company for the separate and consolidated financial statements

Management shall be responsible for drawing up a separate and consolidated financial statement which gives a true and fair view in accordance with the Law on Annual Accounts and Consolidated Annual Accounts, as well as for maintaining such internal control system as is necessary in the opinion of management to enable the preparation of a financial statement which does not contain material irregularities caused either by fraud or by error.

When preparing the financial statement, the management has the duty to assess the ability of the Company and the Group to continue its activities, as necessary by providing information on the circumstances related to the Company's and the Group's ability to continue its activities and the application of the principle of continuation of operations, unless the management plans to liquidate the Company or terminate its activities, or it has no other real alternative than the liquidation or termination of activities of the Company and the Group.

The persons entrusted with the supervision of the Company and the Group are responsible for supervising the process of preparing the financial statement of the Company and the Group.

Responsibility of the auditor for the audit of the separate and consolidated financial statements

Our aim is to obtain sufficient assurance that the separate and consolidated financial statements as a whole are free from errors or material irregularities due to fraud and to provide an opinion to the auditors. Sufficient assurance is a high level of assurance, but it does not guarantee that an audit carried out under the SRS will always reveal a material discrepancy, if any. Discrepancies may be the result of fraud or error and shall be considered material where it can reasonably be considered that they could individually or collectively influence the economic decisions taken by users on the basis of this separate and consolidated financial statement.

When conducting an audit under the SRS, we make professional judgments throughout the audit process and maintain professional skepticism. We also:

- We identify and assess the risks that the separate and consolidated financial statements may contain material inconsistencies caused by fraud or error, develop and conduct audit procedures to mitigate these risks, and obtain audit evidence that provides sufficient and adequate justification for our opinion. The risk of non-detection of material irregularities due to fraud is higher than the risk of non-detection of irregularities caused by error, as fraud may include collusion, falsification of documents, intentional failure to present information, misrepresentation of information or breaches of internal control;

- we gain an understanding of internal control, which is essential for conducting an audit, in order to develop audit procedures appropriate to the specific circumstances, but not to provide an opinion on the effectiveness of the internal control of the Company and the Group;

- we evaluate the adequacy of the accounting policies applied and the validity of the accounting estimates and the information presented by the relevant management;

- conclude on the adequacy of the business continuity principle applied by management and, on the basis of the audit evidence obtained, on whether there is material uncertainty regarding events or circumstances that may raise significant doubts about the Company's and the Group's ability to continue its operations. If we conclude that material uncertainty exists, the auditors' report draws attention to the information on these circumstances in the separate and consolidated financial statements or, if no such information is provided, we provide a modified opinion. Our conclusions are based on audit evidence obtained up to the date of the auditors' report. However, due to future events or circumstances, the Company and the Group may terminate their activities;

- assess the overall structure and content of the separate and consolidated financial statements, including the disclosures and explanations in the annex, and whether the separate and consolidated financial statements truly reflect the underlying transactions and events of the statement;

- we plan and carry out the Group's audit in such a way as to obtain sufficient and appropriate audit evidence on the financial information of the Group's companies or entities in order to form an opinion on the Group's financial statements. We are responsible for the management, monitoring and verification of the audit work carried out for the purpose of auditing the Group. We are fully responsible for the opinion of our auditors.

We communicate with persons entrusted with the supervision of the Company and the Group and, among other things, provide information on the planned scope and timing of the audit, as well as on important audit observations, including significant deficiencies in internal control that we identify during the audit.

Baker Tilly Baltics AS
No. 80

Ēriks Bahirs
member of the Management Board,
sworn auditor,
certificate No. 136

Riga

This document is signed with a secure electronic signature and contains a time stamp

APF
Holdings

2024