

UNAUDITED FINANCIAL REPORT

APF Holdings



A close-up, top-down view of a large pile of brown, speckled eggs. The eggs are tightly packed, filling the entire frame. In the lower-left quadrant, one egg is cracked open, revealing a bright, glossy yellow yolk. A thin, white, curved line starts from the top left and loops around the cracked egg. The text '2024' is printed in a large, bold, yellow font on the right side of the image.

2024

A

MANAGEMENT REPORT OF APF HOLDINGS ON THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF 2024

Reporting period
01.01.2024–31.12.2024.



A

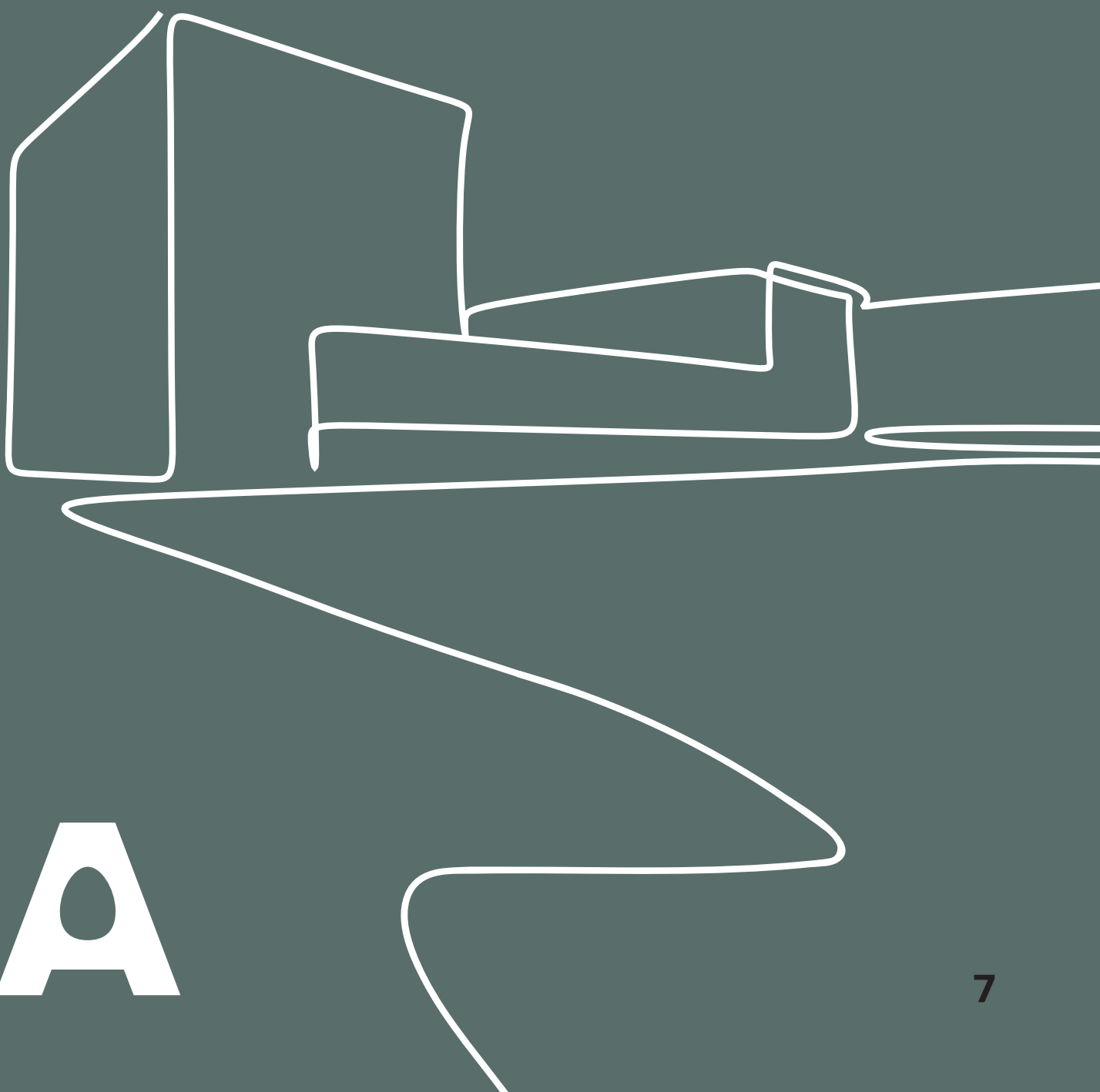
2024



CONTENT

Information about APF Group	7
Statement	12
Corporate Governance	16
Key Events and Achievements in 2024	28
Approaching IPO goals	36
Sustainability	44
APF Group Sales Results in 2024	50
Business Environment	56
Financial Results	60
Unaudited condensed consolidated financial statements	64
Income statement	66
Notes to the financial statements	76

INFORMATION ABOUT APF GROUP



A

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	<p>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).</p> <p>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).</p> <p>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</p> <p>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</p>



APF Group's Shareholders	70% – J.A. Investment Holdings 9% – Jurijs Adamovičs 6% – Omni Industries B.V. 15% – Mazākumakcionāri
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 Trigos 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.

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. Construction of our 4th and 5th laying hen facilities is nearing completion. Equipment installation began in the 4th facility in November 2024 and in the 5th facility in January 2025. Both buildings are scheduled to be fully equipped and operational by May 2025.

These new facilities, developed in partnership with Big Dutchman, a global leader in egg production equipment, will feature fully automated, animal-welfare-friendly systems. Once operational, they 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 Fiteg² 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 Fiteg² 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.

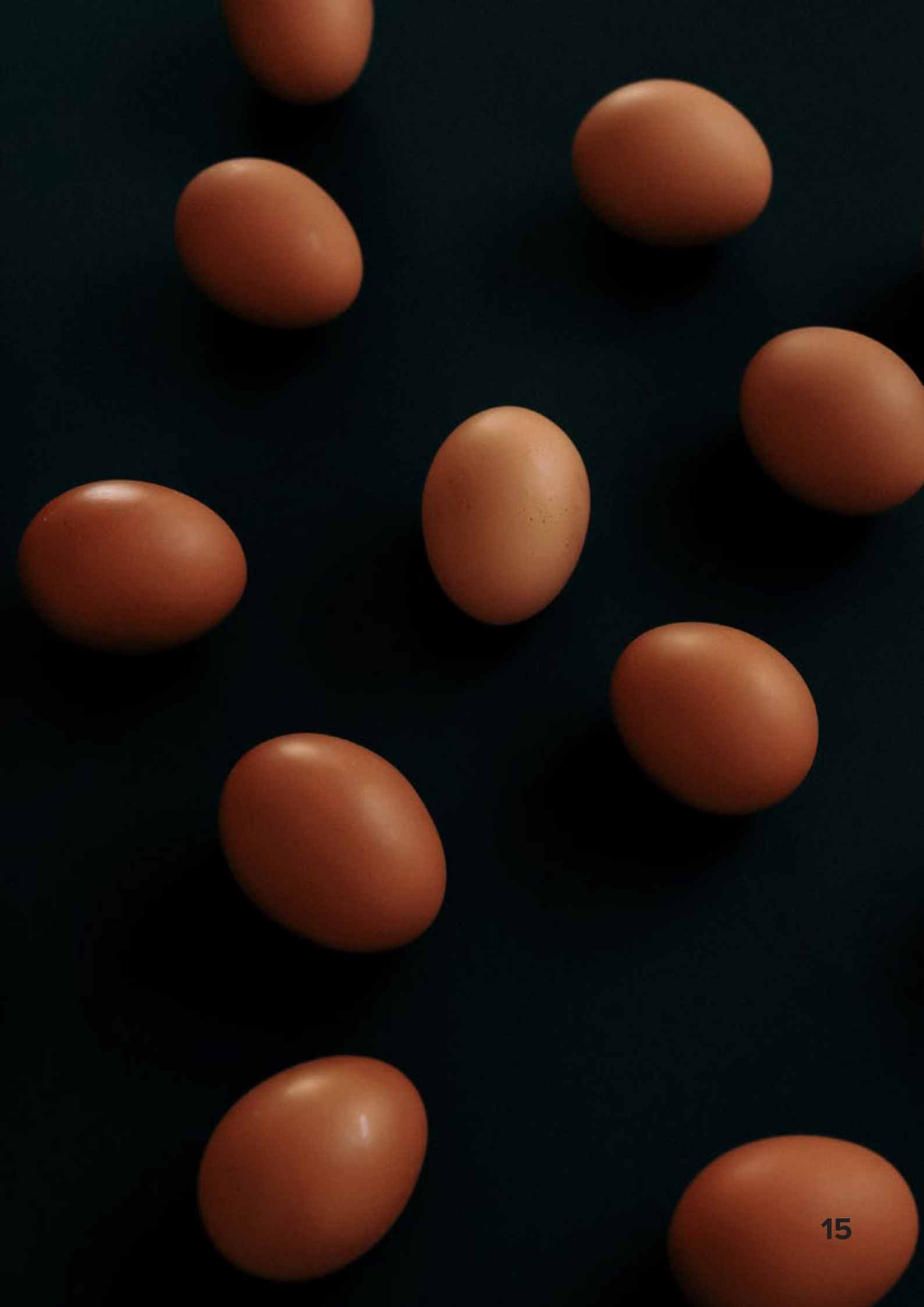
You will also find in this report an overview of the concrete steps we've taken toward sustainability – including a full transition to renewable electricity, part of which is now generated by our own solar park.

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 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.

The AS “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 Supervisor 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 Supervisor 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 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 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 come 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.





KEY EVENTS AND ACHIEVEMENTS IN 2024



A

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.

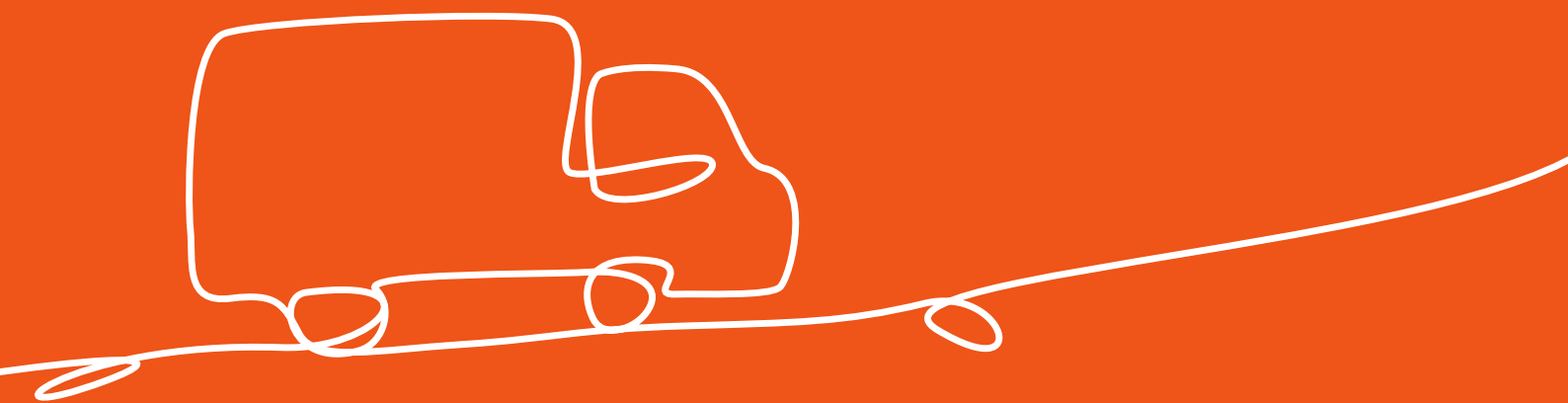
During the year, sales volumes reached 57,900 units, with revenue growing to EUR 68,488 – a threefold increase in both sales and revenue compared to 2023. These results confirm the growing popularity of Fiteg² egg white smoothies, especially in Latvia, where the products have established a solid market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



A

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.

Fiteg² 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 Fiteg².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 Fiteg² 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 screenshot displays the Fiteg² website interface. At the top, a yellow banner promotes a 'Spring Restart! Buy 2 Collagen, Get 1 Extra as a GIFT!'. The navigation bar includes the Fiteg² logo and links for 'Spring Offer 2+1', 'Pure Collagen', 'Protein Powder', 'Protein Bars', and 'About us'. The main content area features three promotional banners: 1) 'Defy The Time' showcasing 'Egg White Protein VANILLA' powder, 'Protein fiteg² Bars' (chocolate and blueberry), and 'fiteg² Pure Collagen' capsules, with a 'Backed by cutting-edge science...' tagline. 2) 'Spring restarts with egg membrane collagen!' offering a 'BUY TWO AND GET THE THIRD ONE AS A GIFT!' promotion on collagen products, with a 'FREE DELIVERY ACROSS THE BALTICS' note. 3) 'One core, three unique solutions' featuring an orange egg graphic and three statistics: 95.7% of people agree on the ease of digestion of the protein powder, 93.1% of people admit Fiteg² bars are the tastiest, and 92.4% of people claim positive results after a week of daily collagen intake.

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 Fiteg² 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 Fiteg² products is planned across the Baltic states, with future exports to other European and global markets utilizing the potential of e-commerce platforms.

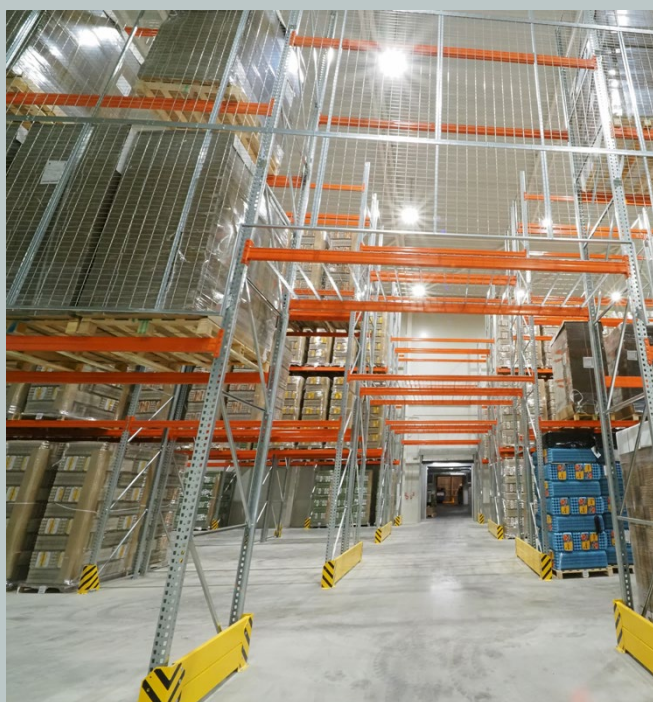
To ensure the highest quality standards, all Fiteg² products are manufactured according to APF Group's proprietary formulations and strict quality control in collaboration with certified suppliers in Europe. Meanwhile, APF Group continues to expand egg and egg product production at its facility in Latvia, 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: 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 m³, 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 m² are planned to be 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. Planned completion milestones are:

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

The combined total area of the new poultry facilities will be approximately 4,700 m², increasing APF Group’s annual egg production capacity by 73 million eggs – reaching 180 million eggs per year.



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 is planned for 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 CO₂ 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.





APF GROUP SALES RESULTS IN 2024





LIELĀ PAKĀ
SUUR PAKK
DIDYSIS PAKETAS

18 GAB.
TK.
VNT.

LIELĀ PAKĀ
SUUR PAKK
DIDYSIS PAKETAS



SUUR PAKK
LIELĀ
PAKĀ
DIDYSIS PAKETAS

18 GAB.
TK.
VNT.

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.

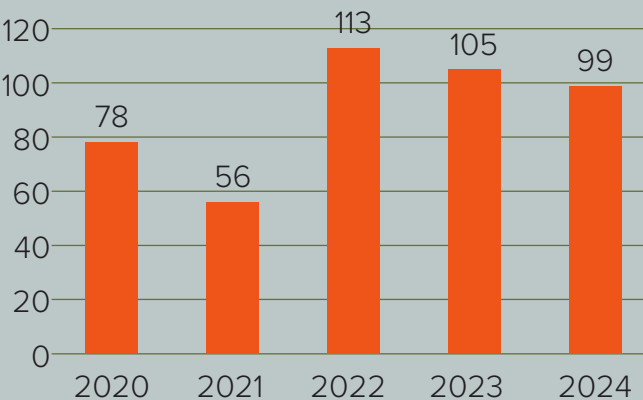
In the first half of 2024, Ukrainian egg imports reached a new historical record – nearly matching the volume of all imports recorded in 2023, which had already been a record year. In 2023, imports of eggs from Ukraine more than doubled compared to 2022. Ukrainian eggs are produced without adhering to 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.

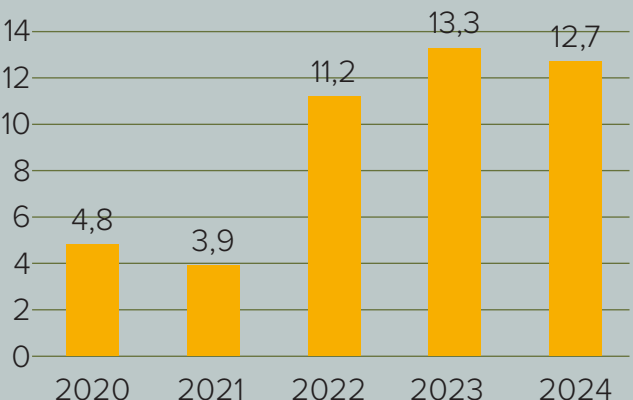
After July 1, 2024, when import duties were introduced by European Commission, egg prices began to recover. This recovery was supported by mentioned reduced production capacities at APF and other large farms. Additionally the effect of an unusually warm winter increased poultry diseases and reduced the 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

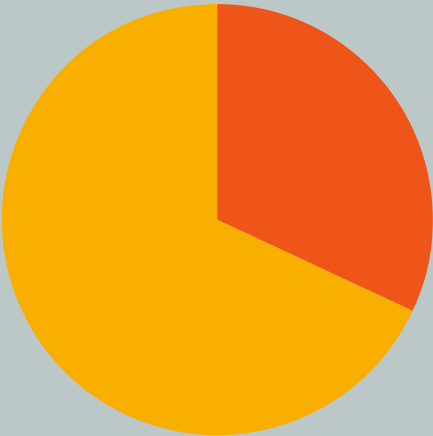
In 2024, APF Group continued to strengthen its position in the retail segment, despite significant changes across the overall egg industry. The retail segment accounted for 78% of total sales, an increase of 10 percentage points compared to 2023. Meanwhile, the share of sales to the processing industry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

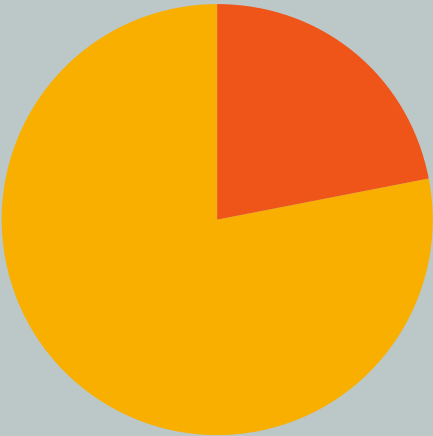
This stage allowed APF Group not only to increase the share of retail sales but also to mitigate the impact of uncontrolled Ukrainian egg imports on the market, helping to stabilize the processing industry segment below the levels recorded in the previous half-year.

Egg Sales by Sales Segments (2023)



- Retail 68%
- Industrial 32%

Egg Sales by Sales Segments (2024)



- Retail 78%
- Industrial 22%

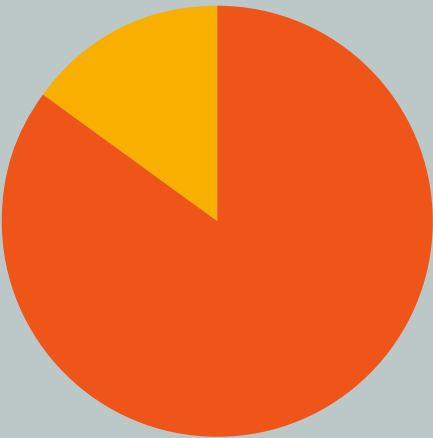
Although the overall egg industry underwent various changes, APF Group successfully adapted to market trends and continued to expand its presence in the retail segment, strengthening partnerships with leading retail chains in the Baltics.

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.

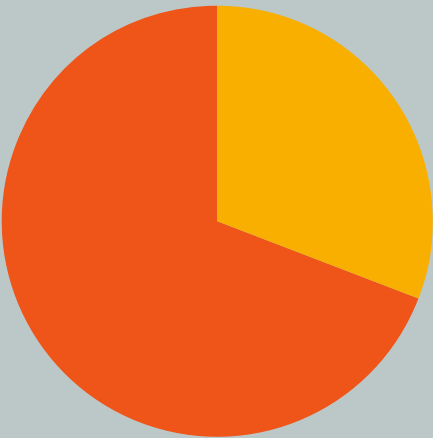
The share of private-label eggs increased to 31% of total egg sales in 2024 – a significant rise compared to previous years. This growth was fueled by retailers’ efforts to mitigate the impact of price increases while transitioning from caged to cage-free barn eggs, alongside new cooperation agreements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

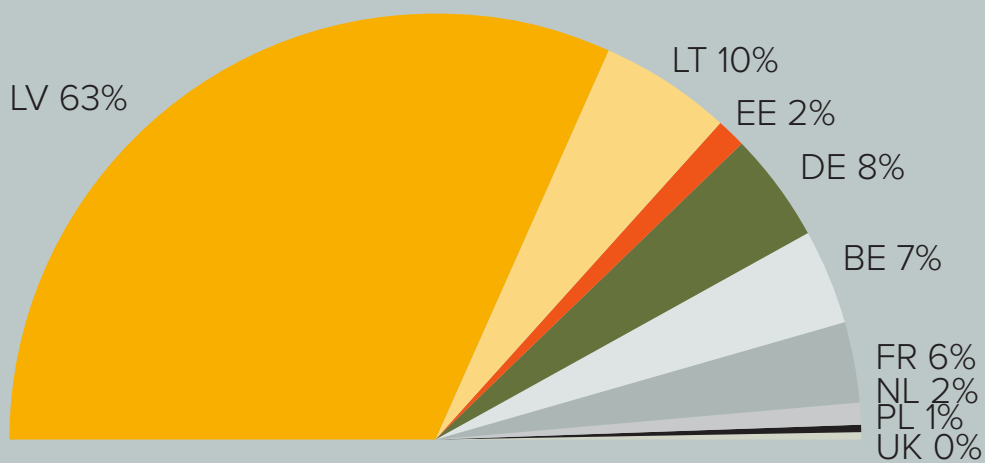


In 2024, APF Group's egg export volumes grew significantly, reaching 47% of total egg sales compared to 37% in 2023. This growth was directly linked to successful partnerships with retail chains such as Maxima, Lidl, and Prisma across the Baltic countries, particularly in Lithuania and Estonia. Lithuania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

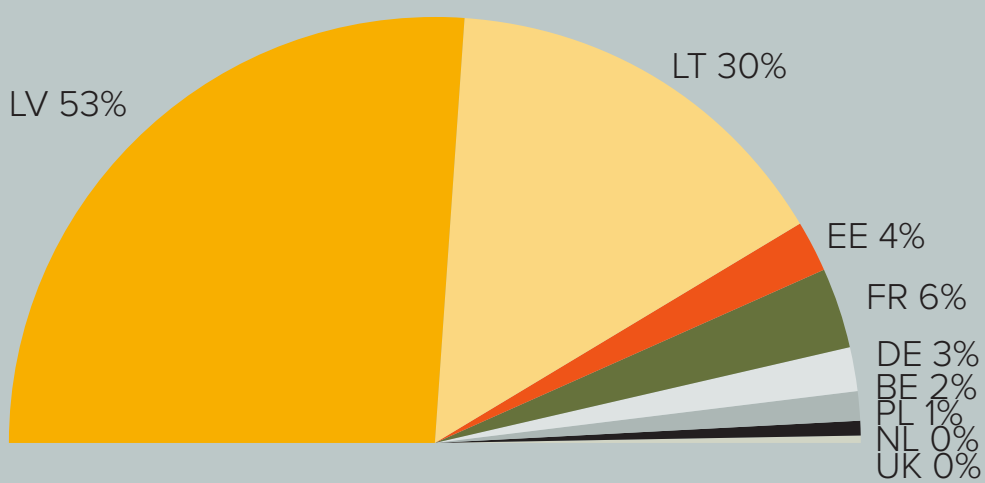
transitioned more rapidly to cage-free, barn eggs, increasing demand for APF Group's products.

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 was one of the key factors driving APF Group's export growth and strengthening its position in the region.

BUSINESS ENVIRONMENT

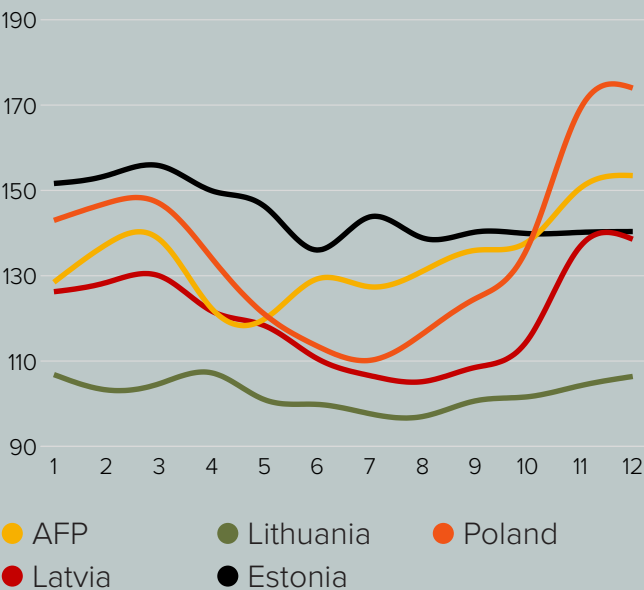


A

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.

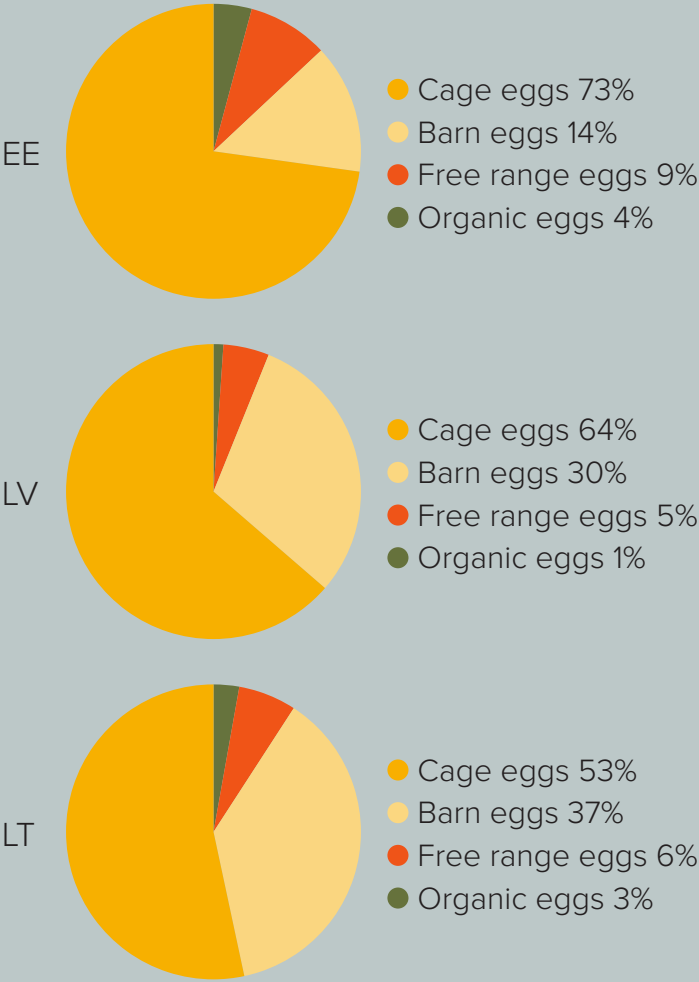
In Estonia, the dominance of caged eggs is the highest among the Baltic countries, with enriched cages accounting for 72.8 percent of total sales value and 26.7 million euros in sales. This category also declined by 3.2 million euros compared to the previous year, representing a 10.8 percent drop. Cage-free 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)



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

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

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



A

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 managed to recover from the losses incurred in the first half of the year and closed 2024 with a minor net loss of EUR 5K. 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 285K.

Excluding these expenses, APF's operational net profit for 2024 would have reached EUR 280K. 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 7% 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	3 666
EBIT		(618)	679	952	1 135	771
Net profit for the period		(989)	135	331	527	(5)
EBITDA (adjusted)		503	(702)	2 101	2 798	2 589
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%	6.1%
3 Net margin	(%)	-20.4%	3.4%	2.9%	4.0%	0.0%
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%	0.0%
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	2 491
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 Adjusted 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 equity/capital increased by shareholder loans) * 100

6 Adjusted 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.

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



A



INCOME STATEMENT

A

		2024	2023
	Notes	EUR	EUR
Revenue	(4)	12 679 406	13 318 886
Costs of goods sold or services provided	(5)	(9 013 268)	(9 774 777)
Gross profit or losses		3 666 139	3 544 109
Distribution expenses	(6)	(905 681)	(922 617)
Administrative expenses	(7)	(1 780 151)	(1 545 005)
Other operating income	(8)	183 216	187 761
Other operating expenses	(9)	(392 782)	(129 085)
Interest and similar income	(10)	26 489	6 175
Interest and similar expenses	(11)	(790 194)	(575 407)
Profit or losses before corporate income tax		7 036	565 931
Corporate income tax for the financial year		(12 335)	(38 872)
Profit or losses for the financial year		(5 299)	527 059

Notes on pages 76 to 97 are an integral part of these financial statements.

Jurijs Adamovičs
Chairman of the Board

Mihails Keziks
responsible for preparing the consolidated
report

BALANCE SHEET

		31/12/2024/	31/12/2023/
	Notes	EUR	EUR
ASSETS			
Non-current assets			
Intangible assets			
Development costs	(12)	2 333	–
Concessions, patents, licenses, trademarks and similar rights	(12)	1 647	570
Other intangible assets	(12)	132 341	27 563
Creation of intangible investments	(12)	26 801	22 004
Total intangible assets:		163 122	50 136
Fixed assets, investment properties and biological assets			
Immovable properties			
a) land plots, buildings and engineering structures	(13)	3 968 755	4 093 435
Leasehold improvements	(13)	38 005	49 392
Technological equipment and machinery	(13)	5 005 081	5 546 201
Other fixed assets	(13)	292 216	301 472
Fixed assets under development and construction in progress	(13)	5 851 202	185 644
Advances for fixed assets	(13)	4 039 588	333 640
Total fixed assets:		19 194 847	10 509 784
Non-current financial investments			
Participation in capital of associates		105	105
Other loans and non-current receivables	(14)	63 938	90 606
Total non-current financial investments:		64 043	90 711
Total non-current assets:		19 422 012	10 650 631



		31/12/2024/	31/12/2023/
	Notes	EUR	EUR
CURRENT ASSETS			
Inventories			
Raw materials and consumables	(15)	305 482	375 454
Finished goods and goods for sale	(16)	202 856	39 141
Fauna and flora			
a) animals and annual plantings	(17)	1 184 556	997 424
Advances for inventories		482 459	400 000
Total inventories:		2 175 353	1 812 019
Account receivable			
Trade receivables	(18)	1 478 665	701 115
Receivables from associates		–	100
Other receivables		91 622	497 437
Unpaid share capital		49	–
Deferred expenses	(19)	129 963	75 419
Accrued income		829 707	334 923
Total receivables:		2 530 007	1 608 994
Cash and bank		1 532 013	3 315 668
Total current assets:		6 237 373	6 736 681
Total assets		25 659 385	17 387 312

Notes on pages 76 to 97 are an integral part of these financial statements.

		31/12/2024/	31/12/2023/
	Notes	EUR	EUR
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Share capital	(20)	5 727 930	5 727 930
Share premium	(20)	3 761 390	3 761 390
Reserves:			
f) other reserves		775	775
Retained earnings or uncovered losses brought forward from previous years		(3 410 547)	(3 937 606)
Current year profit or losses		(5 299)	527 059
Total equity:		6 074 249	6 079 548
Liabilities			
Non-current liabilities			
Loans against debentures	(21)	6 948 797	–
Loans from banks	(22)	–	3 167 477
Other borrowings	(23)	4 185 529	1 572 763
Trade payables		–	423 826
Deferred income	(26)	4 704 304	2 408 798
Total non-current liabilities:		15 838 630	7 572 864



		31/12/2024/	31/12/2023/
	Notes	EUR	EUR
Current liabilities			
Loans against debentures	(21)	126 676	–
Loans from banks	(22)	–	1 189 683
Other borrowings	(23)	13 740	516 030
Advances from customers		69 650	99 650
Trade payables		1 041 183	1 170 827
Taxes and state social insurance payments	(24)	144 641	317 492
Other creditors	(25)	106 483	87 275
Deferred income	(26)	164 263	92 184
Accrued liabilities	(27)	2 079 869	261 759
Total current liabilities:		3 746 506	3 734 900
Total liabilities:		19 585 136	11 307 764
Total equity, provisions and liabilities		25 659 385	17 387 312

Notes on pages 76 to 97 are an integral part of these financial statements.

Jurijs Adamovičs
Chairman of the Board

Mihails Keziks
responsible for preparing the consolidated
report

STATEMENT OF CHANGES IN EQUITY



	Notes	2024 EUR	2023 EUR
Share capital			
Opening balance	(20)	5 727 930	4 700 000
Increase/decrease in share capital	(20)	–	1 027 930
Closing balance		5 727 930	5 727 930
Stock (share) premium account			
Opening balance	(20)	3 761 390	–
Increase/decrease in share premium	(20)	–	3 761 390
Closing balance		3 761 390	3 761 390
Reserves			
Opening balance		775	775
Closing balance		775	775
Retained earnings			
Opening balance		(3 410 547)	(3 937 606)
Current year profit or losses		(5 299)	527 059
Closing balance		(3 415 846)	(3 410 547)
Equity			
Opening balance		6 079 548	763 169
Closing balance		6 074 249	6 079 548

Notes on pages 76 to 97 are an integral part of these financial statements.

Jurijs Adamovičs
Chairman of the Board

Mihails Keziks
responsible for preparing the consolidated
report

CASH FLOW STATEMENT

	Notes	2024 EUR	2023 EUR
Cash flow from operating activities			
Profit or losses before corporate income tax		7 036	565 931
Adjustments for:			
depreciation and impairment of fixed assets	(13)	412 508	384 992
depreciation and impairment of intangible assets	(12)	16 756	9 829
interest and similar revenue	(10)	(26 489)	(6 175)
interest and similar expenses	(11)	790 194	575 407
Profit or loss prior to changes in current assets and current liabilities		1 200 004	1 529 984
Increase or decrease of account receivable		(921 013)	(542 138)
Increase or decrease of inventory		(363 334)	(92 282)
Increase or decrease of account payables and other liabilities		(503 204)	395 255
Gross cash flow generated from operating activities		(587 546)	1 290 819
Interest payments		(557 798)	(539 025)
Corporate income tax payments		(15 688)	(32 823)
Net cash flow generated from operating activities		(1 161 032)	718 971
Cash flow from investing activities			
Acquisition of fixed and intangible assets		(7 627 515)	(653 964)
Proceeds from sale of fixed and intangible assets		69 966	59 256
Loans issued		(100)	(44 434)
Repayment of loans		–	44 284
Interest received		24 303	6 175
Net cash flow generated from investing activities		(7 533 346)	(588 683)



	Notes	2024 EUR	2023 EUR
Cash flow from financing activities			
Proceeds from issue of stocks and debentures or investments in share capital		–	5 252 722
Expenses directly associated with issue of stocks and debentures		–	(519 602)
Loans received		10 567 000	1 336 511
Subsidies, grants, gifts or donations received		2 459 769	74 267
Repayment of loans		(6 116 046)	(2 975 933)
Finance lease payments		–	(46 982)
Net cash flow generated from financing activities		6 910 724	3 120 983
Net cash flow in the financial year		(1 783 655)	3 251 271
Cash and cash equivalents at the beginning of the financial year		3 315 668	64 397
Cash and cash equivalents at the end of the financial year		1 532 013	3 315 668

Notes on pages 76 to 97 are an integral part of these financial statements.

Jurijs Adamovičs
Chairman of the Board

Mihails Keziks
responsible for preparing the consolidated report

NOTES TO THE FINANCIAL STATEMENTS

A



(1) Summary of accounting policies

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.

(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 – the Group).

(3) The 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 informations 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.
- the subsidiary of the Group APF trading, SIA, 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

	2024 EUR	2023 EUR
a) By operating activities		
Income from egg sales	12 329 532	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	14 597	12 589
	12 679 406	13 318 886
b) By location		
Income from sales of goods/services in Latvia	7 451 234	9 197 121
Income from sales of goods in EU	5 221 261	4 097 797
Income from sales of goods in other countries	6 912	23 968
	12 679 406	13 318 886

(5) Costs of goods sold or services provided

	2024 EUR	2023 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	143 093	196 461
	9 013 268	9 774 777



(6) Distribution expenses

	2024 EUR	2023 EUR
Transport costs	614 057	642 768
Advertising expenses	89 527	31 337
Payroll expenses	18 571	14 515
Participating associations	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	166 783	207 380
	905 681	922 617

(7) Administrative expenses

	2024 EUR	2023 EUR
Salary expenses	756 979	611 868
Transport costs	185 657	137 277
State mandatory social insurance contributions	172 991	142 792
Professional services costs	126 494	87 638
Depreciation of fixed assets and intangible assets	75 926	37 054
Rent expenses	64 909	105 853
Research and development expenses	58 139	50 438
Office maintenance costs	36 429	54 321
Insurance payments	36 425	29 361
Unused leave reserve	11 574	2 715
Cost of business trips	10 317	5 811
Communication services	7 138	6 171
Ancillary cost of cash turnover	2 255	2 163
Security services	1 200	1 200
Business valuation	–	21 630
Cost of brand development	–	14 298
Other administration costs	233 720	234 415
	1 780 151	1 545 005



(8) Other operating income

	2024 EUR	2023 EUR
<i>Income from disposal of intangible and fixed assets</i>	–	55 785,00
<i>Net carrying value of intangible and fixed assets at the moment of disposal</i>	–	-47 625,00
Net gain from disposal of fixed and intangible assets	–	8 160,00
Depreciation of deferred income (see also Appendix 26)	92 184	92 184
Income from the sublease of premises	2 400	9 664
Revenues from the creditor's waiver of claims against the Group	–	44 284
Other income	88 632	33 469
	183 216	187 761

(9) Other operating expenses

	2024 EUR	2023 EUR
<i>Income from disposal of intangible and fixed assets</i>	62 529	–
<i>Net carrying value of intangible and fixed assets at the moment of disposal</i>	(347 759)	(77)
Net loss from disposal of fixed assets	285 230	77
Fines paid	24 012	32 385
Provisions for doubtful and hopeless receivables	–	20 898
Unused leave reserve	3 938	9 051
Property tax	2 191	1 213
Other costs	77 410	65 461
	392 782	129 085

(10) Interest and similar income

	2024 EUR	2023 EUR
b) from other parties		
Other interest income	26 489	6 175
Total interest and similar income	26 489	6 175

(11) Interest and similar expenses

	2024 EUR	2023 EUR
a) from related companies		
Interest charge	13 662	59 930
	13 662	59 930
b) from other parties		
Interest charge	721 232	506 465
Costs related to borrowing	55 300	9 012
	776 532	515 477
Total interest and similar expenses	790 194	575 407

A part of interest charges for the reporting period, amounting to kEUR 283, was included in the costs of the respective assets created.

(12) Intangible assets

	Research and development costs EUR	Concessions, patents, licenses, trade marks and similar rights EUR	Other intangible assets EUR	Creation of intangible investments EUR	Advances for intangible assets EUR	Total 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	–	–	43 979	–	–	43 979
Reclassification between intangible assets	2 400	1 063	85 599	(81 741)	(7 321)	–
31/12/2024/	4 274	10 478	175 765	26 801	–	217 318
Depreciation						
31/12/2023/	(1 874)	(8 645)	(18 624)	–	–	(29 143)
Calculated	(67)	(186)	(16 503)	–	–	(16 756)
Acquisition through consolidation	–	–	(8 297)	–	–	(8 297)
31/12/2024/	(1 941)	(8 831)	(43 424)	–	–	(54 196)
Net carrying amount 31.12.2023.	–	570	27 563	22 004	–	50 136
Net carrying amount 31.12.2024.	2 333	1 647	132 341	26 801	–	163 122

(13) Fixed assets

	Land and buildings EUR	Long-term investments in leased fixed assets EUR	Techno- logical equipment and machinery EUR	Other fixed assets EUR	Costs of fixed asset creation and construction work in progress EUR	Advance payments for fixed assets EUR	Total EUR
Initial cost							
31/12/2023/	4 768 837	56 932	6 600 316	525 854	185 644	333 640	12 471 223
Purchase	–	0	–	26 430	3 752 527	5 657 571	9 436 528
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	5 851 202	4 039 588	21 441 491
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 31.12.2023.	4 093 435	49 392	5 546 201	301 472	185 644	333 640	10 509 784
Net carrying amount 31.12.2024.	3 968 755	38 005	5 005 081	292 216	5 851 202	4 039 588	19 194 847

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.



(14) Other loans and non-current receivables

	31/12/2024/ EUR	31/12/2023/ EUR
Operational lease agreement first draw-down non-current part (up to 5 years)	63 938	90 606
	63 938	90 606

(15) Raw materials and consumables

	31/12/2024/ EUR	31/12/2023/ EUR
Feed, feed components and vitamins	154 761	229 750
Packaging	118 838	120 442
Other	31 883	25 262
	305 482	375 454

(16) Finished goods and goods for sale

	31/12/2024/ EUR	31/12/2023/ EUR
Egg products	112 282	4 382
Chicken eggs	90 318	34 663
Other finished products	257	96
	202 856	39 141

(17) Biological assets

	31/12/2024/ EUR	31/12/2023/ 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.



(18) Trade receivables

	31/12/2024/ EUR	31/12/2023/ EUR
Book value of trade receivables	1 504 788	727 238
(Provisions for bad and doubtful debts)	(26 123)	(26 123)
	1 478 665	701 115

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

(19) Deferred expenses

	31/12/2024/ EUR	31/12/2023/ EUR
Operational lease agreement first draw-down current part	26 668	27 064
Insurance payments	2 394	1 977
Other expenses	100 901	46 378
	129 963	75 419

(20) Share capital

On 31 December 2024, the registered and fully paid-up share capital of the parent company of the Group amounts to

EUR 5 727 930, consisting of 5 727 930 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.

(21) Loans against debenturers

	Note	31/12/2024/ EUR	31/12/2023/ EUR
Non-current			
Bond financing from CVI funds	a)	7 292 118	—
Costs related to borrowing	a)	(343 320)	—
		6 948 797	—
Current			
Bond financing from CVI funds	a)	126 676	—
		126 676	—



a) Bond financing from CVI funds

During the reporting period the Group has secured 7 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 four years. Part of the attracted financing was used to fully refinance all of the Group's loans from banks. Accordingly to Terms and Conditions of Bonds, part of the Interest calculated for the Construction

period is not paid immediately to Bondholders, but is capitalized/added to principal of the financing.

Costs related to borrowing are amortized (written off) over the loan period and recognized at net value along with the loan liabilities.

The loan is secured by pledges on the capital shares of Group companies, its movable and immovable property, as well as assignment of receivables.

(22) Loans from banks

	31/12/2024/ EUR	31/12/2023/ EUR
Non-current		
AS Attīstības finanšu institūciju Altum – loan	–	821 428
AS Baltic International Bank – loan	–	2 346 049
	–	3 167 477
Current		
AS Attīstības finanšu institūciju Altum – loan	–	670 451
AS Baltic International Bank – loan	–	87 972
AS Citadele banka overdrafts	–	11
AS Signet banka – loan	–	431 249
	–	1 189 683

(23) Other borrowings

	31/12/2024/ EUR	31/12/2023/ EUR
Non-current		
Loans from individuals ¹	237 416	237 416
Borrowing from parent entity ²	3 933 227	1 307 867
Borrowing from other legal entities ³	14 885	27 480
	4 185 529	1 572 763
Current		
Borrowing from other legal entities ³	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 kEUR 237, those loans are not secured, and no interest rate has been applied to it.

² In the previous periods the Group's parent company's parent entity 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. A part of the loans in the amount of kEUR 3,855 have to be repaid until 2028, another part in the amount of kEUR 32 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 parent entity in amount of kEUR 47 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 kEUR 500. 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%.



(24) Taxes and social insurance payments

	31/12/2024/ EUR	31/12/2023/ EUR
State mandatory social insurance contributions	63 628	51 123
Value added tax	41 422	226 961
Personal income tax	31 979	26 223
Natural resources tax	3 023	3 152
Corporate income tax	156	2 382
Other taxes	4 434	7 651
	144 641	317 492

(25) Other creditors

	31/12/2024/ EUR	31/12/2023/ EUR
Employee wages	89 494	78 631
Other creditors	16 989	8 644
	106 483	87 275

(26) Deferred income

	31/12/2024/ EUR	31/12/2023/ 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 recongnized the financing received from Lauku Atbalsta Dienests (LAD) or 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 reportin period the Group has received additional financing from Lauku Atbalsta Dienests (LAD) or 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 the LAD financing has recognised as income in the profit

loss statement during the useful life of the fixed assets acquired, within 20-50 years respectively. Part of the LAD financing shall be depreciated over 5 years period.

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.



(27) Accrued liabilities

	2024 EUR	2023 EUR
Accrued trade payables	1 976 523	174 665
Accrued unused annual leave expenses	97 813	80 387
Other accrued liabilities	5 534	6 707
	2 079 869	261 759

(28) Average number of employees

	2024	2023
Average number of employees during the reporting period	66	57

(29) Remuneration to the management

	2024 EUR	2023 EUR
Remuneration of a Members of the Management Board	342 056	267 456
	342 056	267 456

The remuneration shown includes only remuneration of the management of the parent company of the Group.

(30) Financial risk management

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

Market risk – Currency Risk

The Group is exposed to currency exchange rate fluctuation risk, primarily related to transactions in GBP conducted by its subsidiary. However, the management 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

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

Credit risk

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

Liquidity risk

The Group 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.).

Jurijs Adamovičs
Chairman of the Board

(31) Subsequent events

In February 2025, the 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 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.

Mihails Keziks
responsible for preparing the consolidated report







2024