



COOPERATIVE SOCIETY OF AGRICULTURAL SERVICES 'LATRAPS'
(UNIFIED REGISTRATION NUMBER 58503007191)

ANNUAL REPORT

for the period from 1 July 2023 to 30 June 2024

**PREPARED IN ACCORDANCE WITH THE ANNUAL REPORTS AND CONSOLIDATED
ANNUAL REPORTS LAW EFFECTIVE IN THE REPUBLIC OF LATVIA**

AND INDEPENDENT AUDITORS' REPORT

ELEJA, 2024

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General information

Name of the company	Cooperative Society of Agricultural Services 'LATRAPŠ'	
Legal status	Cooperative Society	
Registration number and date	58503007191, 09.05.2000	
Tax payer's registration number and date of registration	LV58503007191, 23.05.2000	
Legal address	Lietuvas iela 16 A Eleja, Elejas pagasts, Jelgavas novads, Latvia	
Chairman of the Board	Roberts Strīpnieks	
Members of the Board	Ģirts Ozols Gundars Ruža Ilga Anita Bērzkalna Ginta Briede	
Chairman of the Council	Valters Bruss	
Deputy Chairman of the Council	Artūrs Akmens	
Members of the Council	Laima Klidziņa (until 28.07.2024) Artūrs Tjušs Māris Bērziņš Sandris Bēča Juris Lazdiņš Mārtiņš Trons Gunvaldis Sproģis (until 28.07.2024) Iveta Grudovska (from 29.07.2024) Eduards Šmits (from 29.07.2024)	
Subsidiaries	Bio Diesel Latvia SIA, Lietuvas iela 16 A, Eleja, equity investment 100% (27.01.2006), merged with ASNS Investment SIA 5.09.2024 ASNS Investment SIA, Lietuvas iela 16 A, Eleja, equity investment 100% (16.09.2020) ASNS Ingredient SIA, Lietuvas iela 16 A, Eleja, equity investment 74.83% (from 21.02.2024 until 26.08.2024) Latmalt SIA, Jaunsvirlaukas pag., Valmju iesalnīca, equity investment 100% (21.08.2020)	
Financial year	1 July 2023 – 30 June 2024	
Chief Accountant	Diāna Bērzniece	
Auditors	Veronika Sokolova Sworn Auditor Certificate No. 198	KPMG Baltics SIA Licence No. 55

Management Report

Line of business

Cooperative Society for Agricultural Services 'LATRAPs' (LATRAPs or Cooperative) is a company established by farmers and owned by its members. The primary objective of the Cooperative is to enter into effective sales transactions via cooperation and consolidation of needs in order to achieve higher profits from business activities.

The line of business of LATRAPs is the sale of the agricultural raw materials to its members and the sale of products grown by its members, as well as pre-treatment of grain, rape and leguminous crops. In addition, LATRAPs acts as an agent for insurance of cornfields, sells agricultural machines and spare parts, provides maintenance of such machines and logistics services, and produces rapeseed oil.

The activities are primarily conducted to represent the member's interests: sales of grain, rape and leguminous crops produced by the members, provision of services required by the members and supplies of the agricultural raw materials required by the members, consulting and organising training on how to achieve the best sustainable development results.

Activities during the reporting year

In 2023, the total area planted to cereals in Latvia increased by 2%, but due to more unfavourable weather conditions, cereal yields decreased significantly. Last year, the total cereal yield in Latvia of 2.72 million tonnes was 528 thousand tonnes lower than in the previous year. This represents a decrease of 528 tonnes or 16.3% compared to 2022.

Revenues from 1 July 2023 to 30 June 2024 decreased by 28% compared to the previous reporting period due to the trading of cereals and rapeseed and a significant decline in its value on world stock exchanges. Overall, net sales decreased by 28% due to the parallel fall in cereal and commodity prices and totalled EUR 244 million.

In 2023, the price correction in world markets for cereals and agricultural commodities continued throughout early 2024, which affected the planned acquisition and disposal of stocks, but given the market outlook and risk mitigating factors, gross margins and stock movements are generally not materially affected.

On 8 February 2024, LATRAPs completed the increase of the share capital by EUR 1 452 200 in the subsidiary ASNS Ingredient SIA, which is currently working on the establishment of a pea processing plant in Latvia. During 2024, a new strategic shareholder Pfeifer & Langen International B.V. has been attracted, which has acquired a total of 48.4% of the Cooperative and will enable the rapid development of the pea protein processing plant in Jelgava in the future.

During and shortly after the reporting year, the expansion of the grain storage and drying complexes of LATRAPs Madona agricultural pre-processing facilities was completed, which allowed to increase the Cooperative's production acceptance capacity.

As a result, in 2023-2024, under changing market conditions, the Cooperative earned EUR 2 819 800, which is 1.2% of current turnover and 0.4% better than the previous year. The Board of the Cooperative is satisfied with the result, which allows for a significant improvement of the existing equity as well as liquidity ratios of the Cooperative.

Branches and representative offices in foreign countries

LATRAPs has no branches or representative offices abroad.

Financial instruments

The Cooperative uses hedging instruments to hedge against unfavourable grain sales prices in the future compared to purchase prices. The Cooperative has entered into contracts with counterparties to use exchange-traded forward contracts for hedging, which are settled on a regular basis with the counterparties. Refer to section 'Financial instruments and financial risks' under Note 3.

LATRAPs provides a commodity sales model that is consistent with market conditions, where, in a rising EURIBOR environment, the Cooperative provides a revenue and cost-balanced trading platform in a rising interest rate environment.

Subsequent events

There are currently no circumstances or events after the reporting date that may have a material effect on the future operations of the Cooperative.

In November 2024, the Board of LATRAPs decided to issue public bonds in the next month for a total amount of up to EUR 8 million with the aim to list them on Nasdaq Riga. The funds raised will be used for the further development of the pea processing plant of ASNS Ingredient SIA.

Future perspectives and further development of the Cooperative

The Cooperative has successfully closed the cropping season of 2024. Subsequent to the reporting date to the date of these financial statements, more 65% of grain and rape were sold at a profit. This has contributed to the Cooperative's ability to pay Members on time for goods and services received and to continue to manage its existing credit commitments effectively.

The management is confident in the successful further development of LATRAPs towards a sustainable and reasonable profit by continuing to develop both the existing business activities and the already established subsidiaries.

Roberts Strīpnieks
Chairman of the Board

Gundars Ruža
Board Member

Ģirts Ozols
Board Member

Ilga Anita Bērzkalna
Board Member

Ginta Briede
Board Member

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Profit and Loss Statement

	Note	01.07.2023- 30.06.2024 EUR	01.07.2022- 30.06.2023 EUR
Net sales from other types of operations	1	244 215 684	339 132 526
Cost of goods sold, cost of services	2	(227 603 655)	(324 098 938)
Gross profit		16 612 029	15 033 588
Selling expenses	3	(9 057 511)	(9 078 568)
Administrative expenses	4	(2 538 230)	(2 177 881)
Other operating income	5	929 426	1 257 550
Other operating expenses	6	(348 286)	(394 683)
Other interest and similar income	7	364 467	224 356
Interest and similar expenses	8	(3 004 595)	(2 132 539)
Profit before tax		2 957 300	2 731 823
Corporate income tax for the reporting period		(137 500)	(2 150)
Profit of the reporting year		2 819 800	2 729 673

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.

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Dāna Bērzniece
Chief Accountant

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BALANCE SHEET

ASSETS				
	Note	30.06.2024	30.06.2023	
		EUR	EUR	
LONG-TERM INVESTMENTS				
Intangible assets				
Concessions, patents, licenses, trademarks, and similar rights		119 637	66 324	
TOTAL	9	119 637	66 324	
Fixed assets				
Real estate: land plots, buildings, and engineering structures		20 003 458	20 461 289	
Equipment and machinery		6 960 099	6 828 254	
Other fixed assets and inventory		1 921 930	1 771 273	
Construction in progress		246 122	320 793	
Leasehold improvements		680	730	
Advance payments for fixed assets		42 281	66 809	
TOTAL	9	29 174 570	29 449 148	
Long-term financial investments				
Investments in related companies	10	8 102 536	6 650 336	
Other securities and investments	11	416 092	416 092	
Loans to related parties	12	3 348 500	4 808 886	
TOTAL		11 867 128	11 875 314	
TOTAL LONG TERM INVESTMENTS		41 161 335	41 390 786	
CURRENT ASSETS				
Stock				
Raw materials		28 469	35 801	
Finished goods and goods for sale		27 718 531	26 463 882	
Prepayments for stock		223 333	1 309 446	
TOTAL	13	27 970 333	27 809 129	
Receivables				
Trade receivables	14	45 720 807	54 505 092	
Due from related parties	15	-	534 309	
Other receivables		20 725	20 426	
Prepaid expenses	16	647 515	57 227	
Accrued income	17	462 282	85 000	
TOTAL		46 851 329	55 202 054	
Cash	18	3 065 257	1 947 495	
TOTAL CURRENT ASSETS		77 886 919	84 958 678	
TOTAL ASSETS		119 048 254	126 349 464	

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BALANCE SHEET

EQUITY AND LIABILITIES				
	Note	30.06.2024	30.06.2023	
SHAREHOLDERS' EQUITY		EUR	EUR	
Share capital	19	774 939	773 136	
Reserves:				
reserves provided by the Cooperative's Statutes	20	1 775	3 550	
other reserves	21	28 019 211	25 676 245	
Retained earnings from LPKS KUZIKS brought forward from previous years		548 293	548 293	
Retained earnings from LPKS KUZIKS		-	163 293	
Profit of the reporting year		2 819 800	2 729 673	
TOTAL EQUITY		32 164 018	29 894 190	
LIABILITIES				
Long-term liabilities				
Loans secured by bonds	22	2 450 000	2 501 000	
Loans from credit institutions	23	8 094 468	-	
Other loans	24	921 535	4 773 574	
Deferred income	25	6 568 173	6 703 610	
TOTAL		18 034 176	13 978 184	
Short-term liabilities				
Loans secured by bonds	26	51 000	631 000	
Loans from credit institutions	27	27 835 420	33 670 326	
Other loans	28	4 406 877	78 130	
Customer advances		14 310	22 572	
Accounts payable to suppliers and contractors		30 160 283	43 221 066	
Taxes and compulsory state social security contributions		1 331 096	394 648	
Other liabilities	29	618 037	577 474	
Deferred income	30	2 561 168	1 633 101	
Accrued liabilities	31	1 718 602	1 776 524	
Dividends payable		153 267	472 249	
TOTAL		68 850 060	82 477 090	
TOTAL LIABILITIES		86 884 236	96 455 274	
TOTAL EQUITY AND LIABILITIES		119 048 254	126 349 464	

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Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES	Note	01.07.2023-30.06.2024	01.07.2022-30.06.2023
1.Profit or loss before tax		2 957 300	2 731 823
fixed assets write downs	9	1 871 859	1 538 096
intangible assets write downs	9	125 814	64 062
provisions (except for doubtful debt allowances)		-	851 094
adjustment of grants, donations, and EU funds received	5	(646 155)	(558 088)
Interest and similar income	7	(364 467)	(224 356)
interest and similar expenses	8	3 004 595	2 132 539
2. Profit or loss before adjustments for the effect of changes to current assets and short term liabilities		6 948 946	6 535 170
Changes to current assets			
decrease (increase) in trade receivables		7 816 416	15 820 307
decrease (increase) in stock		(816 912)	(4 644 152)
increase (decrease) in accounts payable to suppliers, contractors, and other creditors		(11 144 167)	(280 414)
3. Interest payments	8	(2 884 989)	(2 132 539)
4. Corporate income tax payments		(137 500)	(2 150)
TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES		(218 206)	15 296 222
NET CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired as a result of merger (LPKS Kuziks)		-	35 384
Investments in related or associated companies	10	(1 452 200)	(1 650 000)
Purchase of fixed and intangible assets	9	(1 508 936)	(1 585 529)
Income from disposal of fixed and intangible assets		388 236	241 163
Loans received	12, 15	1 994 695	749 227
Interest received		364 467	224 356
TOTAL NET CASH FLOWS USED IN INVESTING ACTIVITIES		(213 738)	(1 985 399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bond borrowings reimbursed	22, 26	(631 000)	-
Loans repaid/received	23-25,27,28	2 736 270	(15 663 909)
Contributions to share capital		28	53 606
Dividends paid		(868 982)	(29 293)
Grants, donations, and EU funds received		313 390	1 551 175
TOTAL NET CASH FLOWS USED IN FINANCING ACTIVITIES		1 549 706	(14 088 421)
Net increase/decrease in cash and cash equivalents		1 117 762	(777 598)
Cash and cash equivalents at the beginning of the period		1 947 495	2 725 093
Cash and cash equivalents at the end of the period		3 065 257	1 947 495

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Statement of Changes to the Shareholders' Equity

Transactions	Share capital (EUR)	Reserves (EUR)	Statutory reserves (EUR)	Retained earnings (EUR)	Total (EUR)
Share capital as at 30 June 2022	716 248	22 449 859	3 195	3 723 963	26 893 265
Profit of 2021/2022 transferred to reserves	-	3 223 965	-	(3 223 965)	-
Profit of 2021/2022 distributed among members	-	-	-	(500 000)	(500 000)
Financing in accordance with the quota agreements	42 052	-	-	-	42 052
Payments of new members	-	-	16 285	-	16 285
Enrolment of new members	15 930	-	(15 930)	-	-
Expelling of members according to the statutes	(4 729)	-	-	-	(4 729)
Merger of KUZIKS LPKS	3 635	2 421	-	711 588	717 644
Profit of 2022/2023	-	-	-	2 729 673	2 729 673
Share capital as at 30 June 2023	773 136	25 676 245	3 550	3 441 259	29 894 190
Profit of 2022/2023 transferred to reserves	-	2 342 966	-	(2 342 966)	-
Profit of 2022/2023 distributed among members	-	-	-	(550 000)	(550 000)
Financing in accordance with the quota agreements	(3 295)	-	-	-	(3 295)
Payments of new members	-	-	7 696	-	7 696
Enrolment of new members	9 471	-	(9 471)	-	-
Expelling of members according to the statutes	(4 373)	-	-	-	(4 373)
Profit of 2023/2024	-	-	-	2 819 800	2 819 800
Share capital as at 30 June 2024	774 939	28 019 211	1 775	3 368 093	32 164 018

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.

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Notes to the financial statements

1. General information on the Cooperative

Cooperative Society for Agricultural Services 'LATRAPs' is a company established by farmers and owned by its members. The primary objective of the company is to enter into effective sales transactions via cooperation and consolidation of needs in order to achieve higher profits from business activities. Registered with the Enterprise Register on 9 May 2000.

The line of business of the Cooperative is the sale of the agricultural raw materials to its members and the sale of products grown by its members, as well as pre-treatment of grain and rape. In addition, LATRAPs acts as an agent for insurance of cornfields, sells agricultural machines and spare parts, provides maintenance of such machines and renders accounting services to its subsidiaries.

Legal address of the Cooperative is: Lietuvas iela 16A, Eleja, Elejas pagasts, Jelgavas novads, Latvia.

On 29 December 2022, the reorganisation was completed and the cooperative society of agricultural services KUZIKS was merged.

2. Basis of preparation

The financial statements of LATRAPs were prepared in accordance with the 'Annual Reports and Consolidated Annual Report Law of the Republic of Latvia. Certain items are named according to the specifics of the Cooperative.

The profit and loss statement is prepared according to the cost function.

The cash flow statement was prepared according to the indirect method.

Pursuant to the law, the Cooperative is classified as a large company.

These are the stand-alone financial statements of the Cooperative. The Cooperative also prepares the consolidated financial statements including its subsidiaries.

The financial statements were prepared on the going concern basis assuming that the Cooperative will continue as a going concern.

3. Summary of significant accounting principles

ACCOUNTING PRINCIPLES

The financial statements give a true and fair view of the financial position of the Cooperative and the results of its operations and cash flows.

The financial statements were prepared in accordance with the following policies:

- 1) Going concern assumption that the Cooperative will continue as a going concern;
- 2) Consistent valuation principles with those used in the prior year.
- 3) Items were valued in accordance with the principle of prudence:
 - a) The financial statements reflect only the profit generated to the balance sheet date;
 - b) all incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the date of the balance sheet and preparation of the financial statements;
 - c) all amounts of impairment and depreciation have been taken into consideration and calculated irrespective of whether the financial result was a loss or profit;
- 4) Income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses were matched with revenue for the reporting period;
- 5) Assets and liabilities have been valued separately;
- 6) The opening balances agree with the prior year closing balances.
- 7) All material items, which would influence the decision-making process of users of the financial statements, have been recognised and insignificant items have been combined and their details disclosed in the notes.
- 8) Business transactions are recorded taking into account their economic contents and substance, rather than the legal form.

The management believes that the accounting policies used in the preparation of these financial statements are largely consistent with those used last year.

3. Summary of accounting principles used (continued)**Related parties**

Related parties represent both legal entities and private individuals related to the Cooperative in accordance with the following legal provisions applicable to companies:

- 1) A person or a close member of that person's family is related to a reporting entity if that person:
 - a) has control or joint control over the reporting entity;
 - b) has a significant influence over the reporting entity;
 - c) is a member of the key management personnel of the reporting entity.
- 2) An entity is related to a reporting entity if any of the following conditions applies:
 - a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - c) Both entities are joint ventures of the same third party;
 - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - f) the entity is controlled, or jointly controlled by a person identified in (a);
 - g) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - h) The entity or any member of the group to which the entity belongs provides management personnel services to the entity or the parent company of the entity.

Related party transaction – a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged.

INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND OTHER INVESTMENTS

Investments in subsidiaries are initially recognized at cost. If the value of such investments at the balance sheet date is lower than the acquisition cost or valuation in the previous year's balance sheet, and such decrease is expected to be permanent, investments are recognized at the lower value.

Associated companies are companies over which the Cooperative exercises significant influence. The significant influence is ensured by not less than 20 and not more than 50 per cent, or as a result of other agreements.

The interest of the Cooperative in associated companies, equities of other companies and investments in shares of other cooperatives are recognised at cost less impairment losses.

FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Financial instruments are agreements that simultaneously result in a financial asset of one party to the transaction and a financial liability or equity securities of the other party.

The Cooperative's key financial instruments are financial assets - trade receivables, other receivables, loans and financial liabilities such as loans from credit institutions, loans secured by bonds, lease liabilities, accounts payable to suppliers and contractors, and derivatives used for hedging risks. See below.

Financial assets and liabilities are carried at amortized cost in accordance with the effective interest rate method less impairment.

3. Summary of accounting principles used (continued)

Financial risks connected with the Cooperative's financial instruments, financial risk management

- 1) Key financial risks related to the financial instruments of the Cooperative are:
 - a) Credit risk is the risk that the Cooperative may incur financial losses if parties to the transactions fail to fulfil their liabilities under the contracts;
 - b) Currency risk – risk that the Cooperative may suffer unexpected losses arising from fluctuations in foreign exchange rates;
 - c) Interest rate risk – risk that the Cooperative may suffer losses arising from negative changes in market rates;
 - d) Liquidity risk – risk that the Cooperative will not be able to meet its financial liabilities in due time;
 - e) Price risk – risk that the Cooperative might incur losses due to price fluctuations.
- 2) The Cooperative has implemented procedures to control the key risks.
 - a) For the purposes of credit risk management a procedure has been developed for the sales of goods or services against payments on delivery - certain limits are set on the amount of such goods or services for certain clients or groups of clients. Regular debtor control procedures are implemented to ensure identification of problems on a timely basis and appropriate action is taken to recover debts;
 - b) The Cooperative is exposed to interest rate risk arising primarily from its loans. Based on the present loan the management assesses interest rate risk as immaterial in the nearest future and accepts it;
 - c) Liquidity risk is managed by implementing measures to reconcile maturities of receivables and payables, monitoring and working on receivables and effecting due communication with creditors and securing the required funds from the credit institution.
 - d) Price fluctuation risks are hedged using derivatives. These financial transactions provide an opportunity to fix the price of the base asset if an asset is planned to be purchased or sold on a future date, thereby safeguarding against possible losses from purchasing/selling the base asset on a future date when the market price has changed.
 - e) Currency risk is perceived by management as insignificant in the nearest future.

Use of derivatives, hedging agreements

The Cooperative uses hedging instruments to hedge against unfavourable grain sales prices in the future compared to purchase prices. The Cooperative has entered into contracts with counterparties to use exchange-traded futures for hedging, which are settled on a regular basis with the bank. The result is recognised in the profit and loss statement on the date of closing the agreement, i.e. when grain is sold. This way the Cooperative matches potential yields or losses with the result of grain sales. At the balance sheet date, open and closed but not settled transactions are recognised at their current or closed market value, respectively, and the difference between this amount and the account balance as deferred income or expense. Deferred income and expenses are charged to the profit and loss statement when the grain sale transaction is completed. Refer to Note 30.

No other derivatives are used for hedging.

Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If according to the management, the fair value of an asset or liability is significantly different from the carrying amount, fair value disclosures are made in the notes to the financial statements.

REPORTING PERIOD

The reporting period is the 12 months from 1 July 2023 to 30 June 2024.

Currency unit and revaluation of foreign currency

All amounts in these financial statements are expressed in the official currency of Latvia – euro (EUR).

Transactions in foreign currencies are translated into euros at the reference exchange rate published by the European Central Bank as at the transaction date.

All monetary asset and liability items were revalued to euro according to the exchange rate published by the European Central Bank on the last day of the reporting period. Non-monetary items of assets and liabilities, and foreign exchange transactions are revalued to euro in accordance with the exchange rate published by the European Central Bank on the transaction date.

	30.06.2023	30.06.2024
Currency	(1 EUR)	(1 EUR)
USD	1.09	1.07

Profit or loss arising from the fluctuations in the exchange rate on assets and liabilities denominated in a foreign currency are recognized in the profit and loss statement in the respective period in which the fluctuation occurs.

3. Summary of accounting principles used (continued)**ESTIMATES AND JUDGMENTS**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in the accounting estimates are recognized in the period when those estimates are reviewed and in the future periods. Key sources of estimation uncertainty are the following:

1) Impairment of equity investments

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Losses on impairment of equity investments are recognised in the profit and loss statement.

2) Useful lives of fixed and intangible assets

The management estimates the useful lives of fixed and intangible assets in proportion to the expected duration of use of the asset based on historical experience with similar fixed assets and future plans. According to management estimates, the useful lives of certain fixed and intangible assets are characterised by the following depreciation rates:

Fixed assets	% per year
Buildings and structures	2.5-10
Equipment	3.3-33.33
Cars	20-33.33
Trucks	12.5-20
Trailers/semi-trailers	10-20
Telescopic loaders	16.66-20
Office equipment	33.33
Other loaders	10-20
Roads and sites	2.5-6.66
Other fixed assets	10-33.33
Mobile phones	50
Intangible asset	20

3) Net realizable value of stock

Management estimates the net realizable value of stock upon identifying that the recoverable amount of stock is lower than cost. If this has occurred, stock is written down to its net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. Impairment allowances are considered for slow moving and obsolete stock such as spare parts and agricultural machinery.

4) Loans and receivables

A number of significant risks and uncertainties are inherent to the process of monitoring financial assets and estimating impairment. These risks and uncertainties include the risk that the Co-operative's assessment of the clients' ability to meet all their liabilities will change in response to changes in the clients' credit ratio and the risk that the economic situation will deteriorate beyond expected or will have a more significant impact on the client.

Loans and receivables are valued according to the principle of prudence and recognized at net amount due less allowances for doubtful loans and trade receivables.

Allowances for doubtful receivables are calculated based on the ageing analysis and primarily on information about the financial position of the respective debtor or borrower and recoverability of receivables. For receivables with postponed payments, allowances are created by reference to the value of the collateral provided.

5) Provisions and accrued liabilities

Provisions are recognised when a past event has given rise to a present obligation or losses and the amount can be estimated reasonably. The likelihood of loss is assessed based on management assumptions. In order to determine the amount of loss management is required to select an appropriate calculation method and make specific assumptions connected with the specific risk.

At the reporting date, the following provisions and accrued liabilities were recognized:

- a) accrued liabilities for staff bonuses based on annual results – based on Board decision;
- b) provision for premiums for supplied products - based on estimated expected amount of the premium,
- c) accrued liabilities for unused vacations are calculated in accordance with the number of vacation days unused as at the reporting date and the average remuneration during the last six months of the reporting year,
- d) accrued liabilities to suppliers and other creditors are recognised based on the provisions of agreements or underlying invoices received for the reporting year in the next financial year.

3. Summary of accounting principles used (continued)**REVENUE RECOGNITION**

Revenue is recognized based on the likelihood of gaining economic benefit and to the extent it is reasonably measurable, less value added tax and discounts on sales.

1) Income from sales of goods

Revenue from the sales of goods is recognized in the profit and loss statement after the risks and rewards of ownership are transferred to the client.

No revenue is recognized if according to the provisions of the transaction the Cooperative retains significant risks pertaining to the ownership of goods and the goods can be returned. The most significant are revenues from sales of cereals, rapeseed, legumes, fertilisers, plant protection products, seeds, machinery, fuel.

2) Revenue from services

Revenue from services provided is recognized in the profit and loss statement as generated. The most significant are drying services, laboratory services, and transport services.

3) Rental income

Rental income is recognised on a straight-line basis over the rental term.

4) Subsidies and EU Structural funds

Cash received from the participation in projects funded by the EU Structural Funds is initially recognised as deferred income in the item "Deferred income". Subsidies compensating the Cooperative's expenses are recognized as income in the profit and loss statement when the underlying expenses are incurred. Subsidies or cash received from the EU Structural Funds compensating the acquisition of fixed assets are recognized as income in the profit and loss statement over the useful life of the fixed assets acquired.

5) Interest income

Interest income is recognized in the profit and loss statement according to the proportional time division taking into account the effective yield of the asset. Interest is recognised as revenue if the receipt is reasonably expected.

6) Funds within the framework of quota agreement

According to the quota agreement and regulations on the internal movement of quota, employees of the Cooperative participate in financing the fixed assets belonging to the Cooperative. Quota agreements entitle quota owners to use the pre-processing sites belonging to the Cooperative.

Financing is paid in gradually and initially it is recognized on the balance sheet under 'Deferred income' and subsequently as income in the profit or loss statement in proportion to the useful life of the fixed assets. As members sign up for quotas they become entitled to additional shares. Refer to Section Shareholder's equity.

LONG-TERM AND SHORT-TERM ITEMS

Amounts with terms of receipt, payment, or write off due in more than one year after the reporting date are classified as long term. Amounts to be received, paid, or written off within a year are classified as short-term.

FINANCIAL LEASE

If an asset is acquired under finance lease and the related risks and rewards are transferred, the leased asset and lease liabilities are recognized on the balance sheet in an amount equal to the fair value of the leased asset or the present value of the minimum lease payment, if lower. The discount rate used in the calculation of the present value of the minimum lease payments is the lease interest rate or, when impossible to estimate, the comparable loan interest rate of lessor.

Depreciation and financing expenses of the leased assets arising as a result of finance lease in the reporting period are recognized in the profit and loss statement. In the absence of reasonable certainty that the lessor will obtain property rights before the lease expiration date, the leased asset is fully depreciated over the shorter of the lease period or the useful life of the leased asset. Otherwise, the leased asset is written off during its useful life.

OPERATING LEASE

Operating lease payments are recognized in the profit and loss statement on a straight line basis over the lease term.

3. Summary of accounting principles used (continued)**Intangible and fixed assets**

Intangible assets are carried at cost amortized over the useful life of the asset on a straight line basis. Should any events or changes in circumstances indicate that the carrying amount of intangible assets is no longer recoverable the respective intangible assets are reviewed for impairment. An impairment loss is recognised when the carrying amount of an intangible asset exceeds its recoverable amount.

Fixed assets (FA) are tangible assets with a useful life of more than one year and an acquisition cost exceeding EUR 143, intended for the production of goods, the provision of services, rental or leasing, administrative or other uses, but not for sale.

Fixed assets are classified as:

- Land, buildings, and engineering structures;
- Equipment and machinery;
- other assets and inventories

The balance sheet shows separately the establishment and construction-in-progress costs of FA, leasehold improvements, and advance payments for the acquisition of FA.

Intangible assets and fixed assets are recognised at historical cost, less accumulated amortisation and depreciation. Amortisation and depreciation is calculated from the first day of the month following their putting to operation until the first day of the month following their disposal. Amortisation and depreciation is calculated on a straight-line basis and written-off over the useful lives of the assets.

The depreciation and amortisation method and useful lives are reviewed at least on an annual basis, at the year-end.

Should any events or changes in circumstances indicate that the carrying amount of fixed assets is no longer recoverable the respective fixed assets are reviewed for impairment. In the presence of non-recoverability indications and when the carrying amount of an asset exceeds its recoverable amount, the asset or its cash-generating unit is written down to its recoverable amount. The recoverable amount of fixed assets is the greater of net sales value and value in use. The value in use is estimated by discounting estimated future cash flows at present value using a pre-tax discount rate which reflects the present market forecasts with respect to the changes in the value of the asset and risks associated with it. The recoverable amounts of assets that do not generate independent cash flows are determined for the cash generating unit to which the asset belongs. Impairment loss is recognised in the profit and loss statement as cost of goods sold.

STOCK ACCOUNTING

Stock is recognised at cost or market price if lower than cost. Stock is valued according to the FIFO method. Stock accounting is based on the perpetual method. Stock has been counted during the annual stock take.

The Cooperative accounts for future transactions by adjusting the corresponding stock balances at the end of the period in accordance with the valuation of the transactions.

SHAREHOLDERS' EQUITY**1) Share capital**

The share capital of the Cooperative is the sum of all the cooperative shares held by the Members.

Basic cooperative share – investment of a physical or legal entity into the share capital of the co-operative society that gives to the investor all the rights of a member prescribed in the Cooperative's Statutes. Each Member holds 250 cooperative shares;

Additional cooperative share – a share that entitles a Member of the Cooperative to receive the services of the Cooperative without awarding the right to vote. Additional cooperative shares are granted by signing quota agreements.

2) Profit is distributed by decisions made by the Shareholders' Meeting:

- a) into reserve capital;
- b) for distributions to Members in proportion to the amount of services used by them, which created the surplus.

If the Cooperative finished the operating year with losses, the Shareholders Meeting decides on the order the losses shall be born based on the requirements specified in the law.

CAPITALIZATION OF BORROWING COSTS

The cost of construction in progress is not increased by the amount of interest on loans obtained for construction.

3. Summary of accounting principles used (continued)

NET RESULT FROM TRADING

Income or expenses from trading transactions is incurred if parties to a contract are unable to comply with the provisions of future grain or rape sales agreements. Fulfilment of agreements in the international markets is regulated by GAFTA. The amount of revenue or expenses depends on the proportion of the value of the unfulfilled agreement against the quoted market price of contractual goods at that date and revenue and expenses are recognized in the profit or loss statement at maturity.

CORPORATE INCOME TAX

The tax rate is 20% from the taxable base determined by dividing the value of the amount taxable with corporate income tax by coefficient 0.8, includes:

- distributed profit (dividends calculated, payments equivalent to dividends, conditional dividends), and
- conditionally or theoretically distributed profit (non-operating expenses and other specific cases provided for by the law).

MERGER OF LPKS KUZIKS

On 19 July 2022, the General Meeting of the Members of LPKS LATRAPs adopted a decision on the reorganisation by way of a merger between LPKS LATRAPs and LPKS KUZIKS, reg. No 45403013027, legal address: Vārpas, Kūku pag., Jēkabpils nov., LV-5222 (LPKS KUZIKS), with LPKS LATRAPs as the acquiring entity merging with LPKS KUZIKS as the acquired entity. The reorganisation was completed on 29 December 2022.

Purpose of the merger - the two cooperatives have a history of close cooperation. The merger increases the value of the investments of the members of both Cooperatives, in addition to improving the financial position of the Acquiring Cooperative and enabling it to raise new funding for future investment projects.

The merger was carried out in accordance with the Cooperative Societies Law and the Reorganisation Agreement.

The merger took place through the merger of LPKS KUZIKS as the acquired entity into LPKS LATRAPs as the acquiring entity. The assets, liabilities, and rights of the merged entity were transferred to the acquiring entity. Following the merger, LPKS KUZIKS ceased to exist. The legal date of the merger is 29 December 2022, but for practical reasons 31 December 2022 has been used in the financial statements. Assets and liabilities were transferred at their carrying amounts. Receivables and payables and shares (interests) in each other were allocated. Items such as assets, liabilities, and equity were combined. The undistributed profit of LPKS KUZIKS for 2022 was allocated to reserves.

SUBSEQUENT EVENTS

The financial statements reflect events that occurred subsequent to the year-end and that provide additional information on the company's financial position at the balance sheet date (adjusting events). If the nature of subsequent events is other than adjusting, they are disclosed in the notes to the financial statements only if they are significant.

1. Net sales

From operating activity	NACE code:	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Sale of cereals, rapeseed, leguminous crops	4621	161 313 888	225 313 120
Sales of materials for production of plants	4675	65 221 792	91 920 113
Revenue from sale of finished goods and materials	4661,4671	9 585 545	14 436 406
Revenue from drier services	0161	4 938 083	3 684 783
Other operating income	4661	3 156 376	3 778 104
TOTAL:		244 215 684	339 132 526

Market	30.06.2024	30.06.2023
Revenue from sales of products and services in European Union countries	16.22%	14.30%
Revenue from export of goods	23.64%	31.13%
Revenue from products and services sold in Latvia	60.14%	54.57%
TOTAL:	100%	100%

2. Cost of goods sold, cost of services

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Cost of raw and other materials	216 994 740	309 537 263
Hedging result, net	(783 070)	4 304 540
Remuneration to workers and changes in accrued liabilities for vacations	4 608 576	3 995 564
Depreciation	2 029 861	1 606 774
Social contributions and changes in accruals for vacations	1 084 355	936 920
Purchase and delivery of goods	127 364	455 974
Impairment of current assets and decrease of provisions	(1 003 675)	(523 528)
Other cost of goods sold	4 545 504	3 785 431
TOTAL:	227 603 655	324 098 938

3. Selling expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Transport expenses of goods	6 080 048	5 240 267
Other selling expenses (freight forwarders, brokers etc.)	2 977 463	3 838 301
TOTAL:	9 057 511	9 078 568

4. Administrative expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Remuneration to administration staff and changes in accrued liabilities for vacations/bonuses	1 195 470	1 073 194
Social contributions and changes in accruals for vacations/bonuses	259 752	210 846
State duties	5 926	31 426
Remuneration to companies of Latvian sworn auditors*	32 100	43 718
Other administrative expenses	1 044 982	818 697
TOTAL:	2 538 230	2 177 881

*Total amount of fees charged by commercial companies of certified auditors, broken down by type of services provided by the certified auditor:

	30.06.2024	30.06.2023
Statutory audit of the annual report	31 500	23 275
Other expert engagements	600	20 443
TOTAL:	32 100	43 718

Remuneration to key management:	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Members of the Board		
Remuneration	262 318	233 775
Compulsory State Social Security Contributions	61 881	55 147
Members of the Council		
Remuneration	64 578	32 000
Compulsory State Social Security Contributions	15 023	7 549
TOTAL:	403 800	328 471

Number of employees	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
In the reporting year		
Average number of Council members	9	9
Average number of Board members	5	4
Average number of workers and administrative staff	206	206
TOTAL:	220	219

5. Other operating income

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
EU funds and subsidies combined:	646 155	558 088
- including EU structural funds	431 993	373 423
- including support for agricultural NGOs and producers, etc.	214 162	184 665
Gain on disposal of fixed assets, net	38 548	241 163
Proceeds from revaluation of investments*	-	450 000
Other operating income	244 723	8 299
TOTAL:	929 426	1 257 550

* On 30 June 2023, the investment in the subsidiary SIA Bio Diesel Latvija is revalued, the value of the investment is increased by EUR 450 000.

6. Other operating expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Real estate tax	55 129	51 116
Loss from currency exchange fluctuations and translation, net	4 384	7 970
Other operating expenses	288 773	335 597
TOTAL:	348 286	394 683

7. Interest and similar income

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Interest income from related companies	153 281	110 311
Other interest and similar income	211 186	114 045
TOTAL:	364 467	224 356

8. Interest and similar expenses

	01.07.2023- 30.06.2024	01.07.2022- 30.06.2023
Interest expenses on borrowings from a credit institution	2 772 774	1 949 306
Other interest expenses to other lenders and similar	231 821	183 233
TOTAL:	3 004 595	2 132 539

9. Intangible and fixed assets

	Licenses and software	Land, buildings and engineering structures	Equipment and machinery	Other fixed assets	Leasehold improvements	Construction in progress	Prepayments for fixed assets	TOTAL
Historical cost								
30.06.2022	330 184	26 669 213	14 492 243	3 444 074	-	158 436	5 788	45 099 938
Additions	-	-	-	-	-	4 054 571	62 919	4 117 490
Acquired as a result of the merger of KUZIKS LPKS	200	2 229 623	1 386 421	327 337	1 227	-	-	3 944 808
Disposals	(143)	(100 000)	(370 328)	(144 555)	-	-	(1 898)	(616 924)
Eliminated as a result of the merger of KUZIKS LPKS	(200)	(521 420)	(645 453)	(91 446)	(472)	-	-	(1 258 991)
Reclassified	90 424	2 219 086	1 241 602	289 870	-	(3 840 982)	-	-
Account corrections	-	-	141 355	8 765	-	(51 232)	-	98 888
30.06.2023	420 465	30 496 502	16 245 840	3 834 045	755	320 793	66 809	51 385 209
Accumulated depreciation								
30.06.2022	290 221	9 294 998	9 077 482	1 980 639	-	-	-	20 643 340
Depreciation	64 062	740 215	596 106	206 366	25	-	-	1 606 774
Calculated from merger of KUZIKS LPKS	200	521 420	645 453	91 446	472	-	-	1 258 991
Depreciation of disposed fixed assets	(142)	-	(256 002)	(124 233)	-	-	-	(380 377)

	Licenses and software	Land, buildings and engineering structures	Equipment and machinery	Other fixed assets	Leasehold improvements	Construction in progress	Prepayments for fixed assets	TOTAL
Eliminated from merger of KUZIKS LPKS	(200)	(521 420)	(645 453)	(91 446)	-472	-	-	(1 258 991)
30.06.2023	354 141	10 035 213	9 417 586	2 062 772	25	-	-	21 869 737
Balance at 30.06.2022	39 963	17 374 215	5 414 761	1 463 435	-	158 436	5 788	24 456 598
Balance at 30.06.2023	66 324	20 461 289	6 828 254	1 771 273	730	320 793	66 809	29 515 472
Historical cost								
30.06.2023	420 465	30 496 502	16 245 840	3 834 045	755	320 793	66 809	51 385 209
Additions	-	-	133 425	-	-	1 309 206	66 305	1 508 936
Disposals	-	(129 000)	(1 074 612)	(130 295)	-	-	(90 833)	(1 424 740)
Transfers from stock	-	-	-	-	-	676 530	-	676 530
Reclassified to stock	-	-	-	-	-	(16 500)	-	(16 500)
Account correction	-	-	-	-	-	(4 322)	-	(4 322)
Reclassified	179 127	380 070	1 005 184	475 204	-	(2 039 585)	-	-
30.06.2024	599 592	30 747 572	16 309 837	4 178 954	755	246 122	42 281	52 125 113
Accumulated depreciation								
30.06.2023	354 141	10 035 213	9 417 586	2 062 772	25	-	-	21 869 737
Depreciation	125 814	813 535	776 101	320 721	50	-	-	2 036 221
Depreciation of disposed fixed assets	-	(104 634)	(843 949)	(126 469)	-	-	-	(1 075 052)
30.06.2024	479 955	10 744 114	9 349 738	2 257 024	75	-	-	22 830 906
Balance at 30.06.2023	66 324	20 461 289	6 828 254	1 771 273	730	320 793	66 809	29 515 472
Balance at 30.06.2024	119 637	20 003 458	6 960 099	1 921 930	680	246 122	42 281	29 294 207

Pledges and other collaterals

The Cooperative's liabilities arising from loan agreements are secured as follows:

- Commercial pledge on all property of the borrower collectively at the date of pledge, as well as further components of this collective property;
- Priority 1 mortgage on:
 - real estate property located at Lietuvas iela 12, Elejas pagasts Jelgavas novads (entered into Elejas pagasts Land Register Department No. 229 with cadastre No. 5448 006 0266);
 - real estate property located at Lietuvas iela 26, Elejas pagasts Jelgavas novads (entered into Eleja parish Land Register Department No. 100000019839 with cadastre No. 5448 006 0284);
 - real estate property located at Lietuvas iela 16A, Elejas pagasts Jelgavas novads (entered into Elejas pagasts Land Register Department No. 100000011971 with cadastre No. 5448 006 0283);
 - real estate property "Strūgas" located at "Strūgas", Elejas pagasts Jelgavas novads (entered into Eleja parish Land Register Department No. 100000276290 with cadastre No. 5448 006 0271);
 - real estate property located at Īslīces iela 9, Bauska, Bauskas novads (entered into Bauska city Land Register Department No. 302 with cadastre No. 4001 007 0039);
 - real estate property located at Īslīces iela 11, Bērzkalni, Īslīces pagasts Bauskas novads (entered into Īslīce parish Land Register Department No. 545 with cadastre No. 4068 003 0234);
 - real estate property "Graudiņi" located at "Graudiņi", Virbu pagasts Talsu novads, Lielā ielā 39, Jaunpagasts, Virbu pagasts Talsu novads (entered into Virbu parish Land Register Department No. 100000161725 with cadastre No. 8896 004 0249);
 - real estate property located at Jaunceltnes iela 20A, Aizkraukle, Aizkraukles novads (entered into Aizkraukle city Land Register Department No. 100000541867 with cadastre No. 3201 001 0023);

- real estate property located at Saules iela 68, Madona, Madonas novads (entered into Madona city Land Register Department No. 770 with cadastre No. 7001 001 0624);
- real estate property "Grīšiļi" located at "Grīšiļi", Saldus pagasts Saldus novads (entered into Saldus pagasts Land Register Department No. 100000175433 with cadastre No. 8486 002 0099);
- real estate property located at Ganību iela 78, Jelgava (entered into Jelgavas pilsētas Land Register Department No. 851 with cadastre No. 0900 011 0016);
- real estate property located at Ārijas Elksnes iela 6, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 100000039653 with cadastre No. 5601 001 3513);
- real estate property located at Ārijas Elksnes iela 6, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 2006 with cadastre No. 5601 501 0035);
- real estate property located at Ārijas Elksnes iela 6A, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 100000207869 with cadastre No. 5601 001 3564);
- real estate property located at Ārijas Elksnes iela 6D, Jēkabpils (entered into Jēkabpils pilsētas Land Register Department No. 100000569775 with cadastre No. 5601 001 0182);
- real estate property located at Viršu iela 56D, Daugavpils (entered into Daugavpils pilsētas Land Register Department No. 100000566122 with cadastre No. 0500 031 0302);
- real estate property located at Viršu iela 56 k-1, Daugavpils (entered into Daugavpils pilsētas Land Register Department No. 100000511734 with cadastre No. 0500 031 0001).

10. Investments in subsidiaries

Company	Holding % at 30 June 2023	Investment at 30 June 2023	Appreciation of investment 01.07.2023- 30.06.2024	Holding % at 30 June 2024	Investment at 30 June 2024
SIA Bio Diesel Latvia	100	450 000	-	100	450 000
SIA ASNS Ingredient	99.29	1 447 136	1 452 200	74.83	2 899 336
SIA ASNS Investment	100	3 134 800	-	100	3 134 800
SIA Latmalt	100	1 618 400	-	100	1 618 400
TOTAL:		6 650 336	1 452 200		8 102 536

Financial information on subsidiaries:

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	31.12.2023	30.06.2024	01.01.2022- 31.12.2023	01.01.2024- 30.06.2024
Period				
SIA ASNS Investment (Eleja, Lietuvas iela 16A)	4 157 994	4 750 273	716 350	592 279

Company (financial year agrees with calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	31.12.2022	31.12.2023	2022	2023
Period				
SIA Bio Diesel Latvia (Eleja, Lietuvas iela 16A)	179 495	470 479	(59 422)	290 984

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	30.06.2023	30.06.2024	01.07.2022- 30.06.2023	01.07.2023- 30.06.2024
Period				
SIA Latmalt (Jaunsvirlaukas pag., Valmju iesalnīca)	1 701 956	1 868 324	86 665	166 368

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	30.06.2023	30.06.2024	01.01.2023- 30.06.2023	01.07.2023- 30.06.2024
Period				
SIA ASNS Ingredient (Eleja, Lietuvas iela 16)	2 754 858	6 494 497	(160 038)	(597 065)

Management has evaluated the recoverability of the investment and identified no signs of impairment.

11. Other securities and investments

	30.06.2024	30.06.2023
Investment in SIA Latvijas Piens	1 766 391	1 766 391
Basic cooperative shares in other companies	21 335	21 335
Long-term investment revaluation reserve*	(1 371 634)	(1 371 634)
TOTAL:	416 092	416 092

*Provision for revaluation of the investment in SIA Latvijas Piens. The Cooperative holds 8.36% (from 26.03.2024).

12. Loans to related parties

	30.06.2024	30.06.2023
SIA ASNS Investment	2 698 500	3 122 500
SIA Latmalt	650 000	800 000
SIA ASNS Ingredient	-	886 386
TOTAL:	3 348 500	4 808 886

The loan to SIA ASNS Investment matures on 30 September 2027, and that to SIA Latmalt - on 31 December 2026. The loans are not secured by collaterals and bear interest.

13. Stock

	30.06.2024	30.06.2023
Finished goods and goods for sale	27 937 420	27 549 963
Prepayments for goods	223 333	1 309 446
Raw materials, primary materials and auxiliary materials	28 469	35 801
Provisions for goods for sale*	(218 889)	(1 086 081)
TOTAL:	27 970 333	27 809 129

*Stock is recognised at cost or market price if lower than cost.

14. Trade receivables

	30.06.2024	30.06.2023
Trade receivables	47 224 253	56 090 225
Other short-term loans*	775 445	826 170
Doubtful debt allowance	(2 278 891)	(2 411 303)
TOTAL:	45 720 807	54 505 092

* Other short term loans represent primarily the short term share of deferred liabilities of Members and deferred restructured receivables of purchasers of agricultural raw materials, which according to agreements are repayable within a period that does not exceed 12 months from the reporting date.

15. Due from related parties

	30.06.2024	30.06.2023
Loan to SIA Bio Diesel Latvia	-	534 309
TOTAL:	-	534 309

16. Prepaid expenses

	30.06.2024	30.06.2023
Real estate tax	27 478	26 902
Current vacation	23 849	17 440
Staff health and life insurance	11 239	11 239
Other expenses (for services and other)	584 949	1 646
TOTAL:	647 515	57 227

17. Deferred income

	30.06.2024	30.06.2023
Deferred income from adjustment/markup of product prices	462 282	85 000
TOTAL:	462 282	85 000

18. Cash

Cash in currencies translated into EUR according to the European Central Bank rate as at 30 June 2024

	30.06.2024	30.06.2023
Cash	186 203	183 804
Cash equivalents (financial markets)	2 879 054	1 763 691
TOTAL:	3 065 257	1 947 495

19. Share capital

Share capital (cooperative shares) as at 30 June 2024 amounts to EUR 774 939 and consists of 297 288 basic shares (beginning of the year: 293 698) and 248 444 additional shares (beginning of the year: 250 764). The nominal value of one cooperative share EUR 1.42. All cooperative shares are fully paid up.

	30.06.2024	30.06.2023
Basic cooperative shares	422 149	417 051
Equity investment	352 790	356 085
TOTAL:	774 939	773 136

20. Statutory reserves

	30.06.2024	30.06.2023
Contributions by candidate members for cooperative shares	1 775	3 550
TOTAL:	1 775	3 550

21. Other reserves

	30.06.2024	30.06.2023
Other reserves at the beginning of the reporting period	25 676 245	22 449 859
Retained earnings of the previous reporting period transferred to reserves	2 342 966	3 223 965
Acquired as a result of the merger of KUZIKS LPKS	-	2 421
TOTAL:	28 019 211	25 676 245

Other reserves consist of reserves built up from the profits of previous years and other reserves (funding from quota contracts). In February 2024, a dividend of EUR 550 000 was declared and distributed to the Members of the Cooperative for the financial year 2022-2023.

The Board proposes that the profit of LATRAPs for the financial year 2023-2024 of EUR 2 819 800 be distributed as follows:

- to allocate a share of the profits of EUR 500 000 to the Members;
- to allocate part of the profit of EUR 2 319 800 to the other reserves under equity to ensure the Cooperative's further development.

22. Long-term loans secured by bonds

	30.06.2024	30.06.2023
Loans secured by bonds	2 450 000	2 501 000
TOTAL:	2 450 000	2 501 000

Private placement of bonds, which included an offer only to LATRAPs Members and employees to purchase LATRAPs bonds. The maturity of the borrowings against bonds does not exceed five years (maximum maturity in December 2025).

23. Long-term loans from credit institutions

Long term:

	Maturity term	30.06.2024	30.06.2023
Loan from AS Luminor Bank*	EUR 30.04.2027	8 094 468	-
TOTAL:		8 094 468	-

*For information on collaterals please turn to Note 9. The interest rate is floating.

24. Other long-term loans

	30.06.2024	30.06.2023
Lease agreements with Luminor Līzings SIA	121 535	314 591
Lease agreements with Swedbank Līzings SIA	-	18 983
Borrowings from Members	800 000	4 440 000
TOTAL:	921 535	4 773 574

Lease contracts are contracts on purchase of fixed assets with consideration payable over a term of up to six years. The share of contractual lease payments payable in more than five years is nil.

Long term loans from Members were intended to support business activities and were issued for a term of up to five years. (until June 2027).

25. Long-term deferred income

	30.06.2024	30.06.2023
EU Structural Fund financing	5 378 625	5 680 296
Funds received under quota agreements	1 189 548	1 023 314
TOTAL:	6 568 173	6 703 610

The share of financing of EU Structural Funds to be transferred to revenue in more than five years - EUR 4 269 361 (30.06.2023: EUR 4 180 406). The supervision period for the projects is five years since the date of financing.

Funds received under quota agreements are received both in cash and offset against the Cooperative's liabilities.

26. Short-term loans secured by bonds

	30.06.2024	30.06.2023
Loan secured by bonds	51 000	631 000
TOTAL:	51 000	631 000

The bonds mature in December 2024.

27.Short-term loans from credit institutions

The loan agreements mature on 30 April 2025. The maximum amount of the credit line available per period varies, as of 30.06.2024 it is EUR 55 000 000.

The Cooperative's obligations are secured by a Commercial Pledge on the borrower's entire property collectively at the time of pledge. The list of pledged immovable properties is provided in Note 9. In the opinion of the management, there are no impediments to the credit line agreement being extended beyond its maturity.

	30.06.2024	30.06.2023
Loan from Luminor banka AS	25 261 797	33 670 326
Short-term portion of the long-term loan	2 573 623	-
TOTAL:	27 835 420	33 670 326

28.Other short-term loans

	30.06.2024	30.06.2023
SIA Luminor Līzings	163 532	76 576
SIA Swedbank Līzings	3 345	1 554
Borrowings from Members	4 240 000	-
TOTAL:	4 406 877	78 130

Other short-term loans are lease contracts on purchase of fixed assets to be paid in a period not exceeding one year. Borrowings from Members mature in April 2025.

29.Other creditors

	30.06.2024	30.06.2023
Remuneration	292 051	269 928
Other liabilities	325 986	307 546
TOTAL:	618 037	577 474

30.Short-term deferred income

	30.06.2024	30.06.2023
EU project co-funding - short-term	399 245	430 339
Deferred income from financial instruments	2 161 923	623 480
Other income	-	579 282
TOTAL:	2 561 168	1 633 101

31.Accrued liabilities

	30.06.2024	30.06.2023
Accrued liabilities related to staff	1 035 061	1 047 355
Accrued liabilities for bond interest payments	435 890	316 284
Bonuses for products supplied	173 367	359 725
Accrued accounts payable	74 284	53 160
TOTAL:	1 718 602	1 776 524

32. Related party transactions

Related parties in 2023/2024 are the subsidiaries of LATRAPs.

	01.07.2023- 30.06.2024 (EUR)	01.07.2022- 30.06.2023 (EUR)
Revenue		
Provision of services		
- SIA Bio Diesel Latvia	555	632
- SIA Latmalt	82 325	80 992
- SIA ASNS Ingredient	4 023	1 604
- SIA ASNS Investment	630	540
Interest income		
- SIA Latmalt	34 745	5 923
- SIA ASNS Investment	79 042	79 522
- SIA Bio Diesel Latvia	89	17 253
- SIA ASNS Ingredient	39 405	13 536
Goods and fixed assets		
- SIA Latmalt	1 060 752	1 185 848
Total:	1 301 566	1 385 850

In addition, loans were granted to subsidiaries in the financial year 2023-2024 and repayments were made. Please refer to Note 12.

33. Financial and contingent liabilities**Information on contingent liabilities and pledged assets**

The Cooperative has commitments for the purchase of cereals and rapeseed under contracts in force at 30 June 2024. The Cooperative does not disclose detailed information on volumes as this is a business secret.

A guarantee agreement exists between the Cooperative and the Bank to secure claims that the Bank may have against Latmalt SIA (with total exposure of 3 200 000 EUR).

Information on operating lease agreements

The Cooperative has signed operating lease agreements. According to the effective lease agreements, in future reporting periods the Cooperative is required to make the following lease payments:

Payment due date	30.06.2024	30.06.2023
Maturing within 1 year	385 528	145 242
Maturing between one and five years	758 941	212 877
Total:	1 144 469	358 119

Legal claims

The Cooperative is not involved in any legal proceedings as defendant. The Cooperative has initiated or pursues a number of legal proceedings with the total amount claimed exceeding EUR 700 000.

34. Subsequent events

In August 2024, Pfeifer & Langen International B.V. made an additional contribution of EUR 5 334 028 to ASNS Ingredient SIA by acquiring 2 963 349 shares, for a total ownership of 48.44%.

In September 2024, two LATRAPs subsidiaries were merged - SIA Bio Diesel Latvia was merged into SIA ASNS Investment.

In October 2024, the fourth private placement of bonds was completed, which included an offer to LATRAPs Members and employees to purchase LATRAPs bonds. The EUR 2 million borrowings against the bonds have a maturity of five years.

In Q4 2024, the first public bond offering was launched, issuing bonds up to EUR 8 million with the aim of listing them on Nasdaq Riga.

The bonds are issued by the Cooperative to raise funds for the establishment of a pea protein isolate production facility at ASNS Ingredient SIA.

No other significant subsequent events have occurred in the period from the year-end to the date of these financial statements that would require adjustments to be made to these financial statements and disclosures added to the notes thereto.

Roberts Strīpnieks
Chairman of the Board

Gundars Ruža
Board Member

Ģirts Ozols
Board Member

Ginta Briede
Board Member

Ilga Anita Bērzkalna
Board Member

Dāna Bērniece
Chief Accountant

THIS DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND CONTAINS A TIMESTAMP



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Independent Auditors' Report

To the members of Latraps LPKS

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of Latraps LPKS ("the Company") set out on pages 6 to 28 of the accompanying Annual Report, which comprise:

- the balance sheet as at 30 June 2024,
- the profit and loss statement for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Latraps LPKS as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code) and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The corresponding figures included in the accompanying financial statements are based on the Company's financial statements as at and for the year ended 30 June 2023, which were audited by other auditors, whose auditors' report dated 1 December 2024 expressed an unmodified opinion.

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:



- Information about the Company, as set out on page 3 of the accompanying Annual Report,
- the Management Report, as set out on pages 4 and 5 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics SIA
License No. 55

Rainers Vilāns

Rainers Vilāns
Board Member
Riga, Latvia

Veronika Sokolova

Veronika Sokolova
Latvian Sworn Auditor
Certificate No. 198

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails