

# ***LATRAPS***

## **Cooperative Society of Agricultural Services 'LATRAPs'**

(UNIFIED REGISTRATION NUMBER 58503007191)

### **ANNUAL REPORT**

for the period from 1 July 2024 to 30 June 2025

**PREPARED IN ACCORDANCE WITH THE LAW ON THE ANNUAL REPORTS**

**AND CONSOLIDATED ANNUAL REPORTS**

**AND INDEPENDENT AUDITORS' REPORT**

**ELEJA, 2025**



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## General information

Name of the company	Cooperative Society of Agricultural Services 'LATRAPs'	
Legal status	Cooperative Society	
Registration number and date	58503007191, 09.05.2000	
Tax payer's registration number and date of registration	LV58503007191, 01.06.2000	
Legal address	Lietuvas iela 16 A, Eleja, Elejas pagasts, Jelgavas novads, Latvija	
Members of the Board	Roberts Strīpnieks 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 (līdz 28.07.2024) Artūrs Tjušs Māris Bērziņš Sandris Bēča Juris Lazdiņš Mārtiņš Trons Gunvaldis Sproģis (līdz 28.07.2024) Iveta Grudovska (no 29.07.2024) Eduards Šmits (no 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) Latmalt SIA, Jaunsvirlaukas pag., Valmju iesalnīca, equity investment 100% (21.08.2020)	
Associated company	ASNS Ingredient SIA, Lietuvas iela 16 A, Eleja, equity investment 51.42% from 27.08.2024 (74.83% until 26.08.2024)	
Financial year	1 July 2024 – 30 June 2025	
Chief Accountant	Diāna Bērzniece	
Auditors	Rainers Vilāns	KPMG Baltics SIA
	Sworn Auditor	Licence No. 55
	Certificate No. 200	

## Management Report

### Line of business

The cooperative society of agricultural services LATRAPs (LATRAPs or the Cooperative) is the largest agricultural cooperative in the Baltics. Its main activity is to provide comprehensive services to farmers, offering a complete grain production and sales cycle. 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 LATRAPs group includes LATMALT (malt production), ASNS Investment, and other companies.

LATRAPs is a 100% national capital company owned by Latvian farmers, and its success is based on a steady increase in the number of members and customers, a focus on exports and innovation in the industry.

The main objective of LATRAPs is to combine the needs of its members in order to conduct trade transactions more effectively, thereby increasing the profitability of farming. The activities are primarily conducted to represent the members' 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.

Clear and mutually understandable principles of cooperation, equal rules for all and consistent action have made LATRAPs the industry leader in Latvia and one of the largest grain exporters in the Baltics. Currently, the average farm size of LATRAPs members is 345 ha, and together they manage 30% of Latvia's agricultural land.

LATRAPs owns eight reception and pre-processing service centres; in cooperation with partners, additional 26 grain reception points are available throughout Latvia. LATRAPs is capable of storing close to 220 000 tonnes of grain and rapeseed in the regions, as well as providing storage in Latvian ports. During the reporting period, LATRAPs employed more than 200 people.

## Last year's results



**254 m€**

Revenue



**121m€**

Total assets



**~20 %**

Market  
share in Latvia



**1215**

Members



**220 th t**

Storage capacity



**~30**

Export countries

## Situation in rural Latvia and the agricultural raw materials market

Despite geopolitical and market challenges, the raw materials market stabilised during the reporting period, which also allowed Latvian farmers to plan their economic activities more effectively.

Agriculture is a volatile sector – we are affected by both economic and natural cycles – and this year was no exception. During the reporting period, we experienced an unusually long and warm autumn, which caused some concern. However, in the spring, it became clear that winter crops had survived the winter well. Spring rainfall raised high hopes for the harvest potential, but as the rainfall continued and was unevenly distributed, we observed an impact on crop development in certain regions until the end of the reporting period. Statistically, winter wheat acreage remained unchanged, winter rapeseed acreage decreased slightly, but legume crops, especially peas, increased.

We observe that unpredictable weather conditions reinforce the value of insurance in Latvian agriculture. To help farmers sleep peacefully, on the Latvian market LATRAPs is represented by VEREINIGTE HAGEL – the European leader in mutual insurance cooperatives in the field of crop production. During the reporting period, crops worth EUR 260 million were insured, significantly increasing both insured winter and summer risk areas.

## **The past season in grain trading**

Last season, farmers experienced one of the earliest harvests in history, which allowed LATRAPs to quickly organise the sale of its products both in Latvia and abroad. LATRAPs is the gateway for Latvian farmers to the global grain market, as Latvia produces significantly more than is needed for local consumption.

During the reporting period, LATRAPs exported agricultural products grown in Latvia to almost 30 countries around the world, such as Morocco, Nigeria, Senegal, the Republic of Congo, Madagascar, South Africa, Cameroon, and many other countries in Africa and Europe.

Due to the availability of port infrastructure in Latvian ports, it was necessary to adapt to changes in logistics flows. Combined with the start of the agricultural harvest, this was an additional challenge that was successfully overcome. The most active agricultural exports took place in the first quarter of the reporting year, from July to the end of September. We are pleased that the proposed sales strategy for produce, which ensured warehouse turnover, proved to be successful.

## **Current development projects during the reporting period**

LATRAPs continued to develop innovations in the 2024/2025 financial year – from trial fields to algorithms and digital tools. LATRAPs collaborates with academic and research organisations in various research programmes, focusing on sustainable agronomic practices, the impact of pests, soil quality, and other factors on grain and pea cultivation. We are pleased that a three-year LATRAPs field trial programme has been launched during the reporting period, including pea and wheat varieties, sowing times, and weed control methods. Information campaigns for farmers and the general public have also been implemented – in radio broadcasts, industry magazines, youth video competitions, as well as participation in festivals and events with interactive activities – promoting pea cultivation and drawing attention to seasonal challenges in fertilisation and weed control.

## **Last season at LATRAPs subsidiaries and associated companies**

### **ASNS Ingredient SIA**

By attracting investors through a bond issue and in cooperation with strategic investor Pfeifer & Langen, one of the leaders in the European food industry, LATRAPs began construction of the ASNS Ingredient pea protein isolate production plant in Jelgava in 2024. This will be the first production facility of its kind in Latvia and Northern Europe. The production facility will use innovative technologies that will help improve the production process and make it environmentally friendly. With the bond issue, all the necessary financing was secured during the reporting period, and the construction of the plant began at a rapid pace, with production equipment also being ordered.

The factory is scheduled to start production of pea protein isolate and starch in early 2027. Active construction and installation of the first equipment is currently underway, and the project is progressing on schedule and within budget.

ASNS Ingredient is more than just a production facility — it is Latvia's entry into the global market, offering high value-added products that meet the rapidly growing international demand for plant-based protein sources. In addition to its direct economic impact, the project will create new jobs and promote economic growth in Latvia and the region.

Peas are one of the most suitable protein crops for our region and climatic conditions, and pea protein isolate is the most sought-after raw material in the production of meat and milk substitutes. The capacity of the ASNS Ingredient pea processing plant will be significant – up to 70 000 tonnes per year. ASNS Ingredient plans to produce high-quality pea protein isolate, thus ensuring that Latvian farmers' produce goes from field to table.

The total value of long-term assets as at 30 June 2025 is approximately EUR 42 million, which is mainly financed by the owners' investments, with future investments secured by financing from banks and financial institutions.

## LATMALT SIA

LATMALT offers its customers a wide range of malt types, from traditional Pilsner malt to high-quality light rye malt. All types of malt have excellent taste and organoleptic properties. Carefully developed malt production technology allows us to create malt according to customer requirements, while LATMALT's equipment capacity allows us to produce malt in both small and large batches.

This was the first year that LATMALT, a malting plant wholly owned by LATRAPs, operated at increased production capacity. This allowed for a rapid increase in both production and sales volumes, supplying malt to more than 30 Latvian beer producers, as well as expanding exports to Scandinavian countries.

## ASNS Investment SIA and ALPHA osta SIA

ALPHA osta was indirectly owned by LPKS LATRAPs through its subsidiary SIA ASNS Investment. During the reporting period, after evaluating various development scenarios, it was decided to sell the 50% stake in Alpha osta indirectly owned by LATRAPs.

Immediately after the reporting period, an agreement was reached with the buyers and in September 2025 a contract was signed for the sale of all shares. The proceeds from the sale are planned to be invested in the development of LATRAPs, in particular in the modernisation and capacity expansion of regional grain pre-processing complexes.

The sale of shares will not have a negative impact on LATRAPs' economic activity and ability to ensure grain exports, as agreements have been concluded with other terminals in the Freeport of Riga, as well as in the ports of Ventspils and Liepāja.

## **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.

## **Board proposals for profit distribution**

The Board proposes that the profit of LATRAPs for the financial year 2024-2025 of EUR 2 737 927 be distributed as follows:

- to allocate the share of profit of EUR 500 000 to the Members;
- to allocate the share of profit of EUR 2 237 927 to the other reserves under equity to ensure further development of LATRAPs.

## **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.

## **Future perspectives and further development**

LATRAPS has successfully closed the cropping season of 2025. 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 enabled LATRAPs to settle accounts with its Members for goods and services received in a timely manner and to continue to manage its existing credit obligations 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



**Ģirts Ozols**

Board Member



**Gundars Ruža**

Board Member



**Ginta Briede**

Board Member



**Ilga Anita Bērzkalna**

Board Member

November 24, 2025

## Financial Statements

### Profit and Loss Statement

	Note	01.07.2024- 30.06.2025 EUR	01.07.2023- 30.06.2024 EUR
Net sales from other types of operations	1	254 279 700	244 215 684
Cost of goods sold, cost of services	2	(236 691 583)	(227 603 655)
<b>Gross profit</b>		<b>17 588 117</b>	<b>16 612 029</b>
Selling expenses	3	(10 612 997)	(9 057 511)
Administrative expenses	4	(3 010 401)	(2 538 230)
Other operating income	5	1 867 276	929 426
Other operating expenses	6	(471 848)	(348 286)
Other interest and similar income	7	217 490	364 467
Interest and similar expenses	8	(2 714 710)	(3 004 595)
<b>Profit before tax</b>		<b>2 862 927</b>	<b>2 957 300</b>
<b>Corporate income tax for the reporting period</b>		<b>(125 000)</b>	<b>(137 500)</b>
<b>Profit of the reporting year</b>		<b>2 737 927</b>	<b>2 819 800</b>

The accompanying notes form an integral part of these financial statements.



**Roberts Strīpnieks**  
Chairman of the Board



**Gundars Ruža**  
Board Member



**Ģirts Ozols**  
Board Member



**Ilga Anīta Bērzkālne**  
Board Member



**Ģinta Briede**  
Board Member



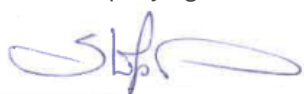
**Diāna Bērzniece**  
Board Member

November 24, 2025

## Balance sheet - Assets

	Note	30.06.2025 EUR	30.06.2024 EUR
<b>LONG-TERM INVESTMENTS</b>			
<b>Intangible assets</b>			
Concessions, patents, licenses, trademarks, and similar rights		568 240	119 637
<b>TOTAL</b>	<b>9</b>	<b>568 240</b>	<b>119 637</b>
<b>Fixed assets</b>			
Real estate: land plots, buildings, and engineering structures		19 559 174	20 003 458
Equipment and machinery		5 953 906	6 960 099
Other fixed assets and inventory		1 762 075	1 921 930
Construction in progress		394 849	246 122
Leasehold improvements		629	680
Advance payments for fixed assets		62 611	42 281
<b>TOTAL</b>	<b>9</b>	<b>27 733 244</b>	<b>29 174 570</b>
<b>Long-term financial investments</b>			
Investment in subsidiaries	10	5 203 200	8 102 536
Investments in associated companies	11	6 899 336	-
Other securities and investments	12	416 092	416 092
Loans to subsidiaries and associates	13	9 019 500	3 348 500
Prepaid expenses		95 472	-
<b>TOTAL</b>		<b>21 633 600</b>	<b>11 867 128</b>
<b>TOTAL LONG TERM INVESTMENTS</b>		<b>49 935 084</b>	<b>41 161 335</b>
<b>CURRENT ASSETS</b>			
<b>Stock</b>			
Raw materials		23 351	28 469
Finished goods and goods for sale		17 405 354	27 718 531
Prepayments for stock		415 070	223 333
<b>TOTAL</b>	<b>14</b>	<b>17 843 775</b>	<b>27 970 333</b>
<b>Receivables</b>			
Trade receivables	15	51 955 989	45 720 807
Other receivables		18 667	20 725
Prepaid expenses	16	499 713	647 515
Accrued income	17	414 797	462 282
<b>TOTAL</b>		<b>52 889 166</b>	<b>46 851 329</b>
<b>Cash</b>	<b>18</b>	<b>691 073</b>	<b>3 065 257</b>
<b>TOTAL CURRENT ASSETS</b>		<b>71 424 014</b>	<b>77 886 919</b>
<b>TOTAL ASSETS</b>		<b>121 359 098</b>	<b>119 048 254</b>

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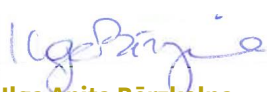
**Roberts Stripnieks**  
Chairman of the Board



**Gundars Ruža**  
Board Member



**Ģirts Ozols**  
Board Member



**Ilga Anita Bērzkalna**  
Board Member



**Ginta Briede**  
Board Member



**Diāna Bērzniece**  
Board Member

November 24, 2025

## Balance sheet- Equity and liabilities

	Note	30.06.2025 EUR	30.06.2024 EUR
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	19	776 143	774 939
Reserves:			
reserves provided by the Cooperative's Statutes	20	2 130	1 775
other reserves	21	30 887 304	28 019 211
Retained earnings brought forward from previous years		-	548 293
Profit of the reporting year		2 737 927	2 819 800
<b>TOTAL EQUITY</b>		<b>34 403 504</b>	<b>32 164 018</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Loans secured by bonds	22	10 025 000	2 450 000
Loans from credit institutions	23	6 610 254	8 094 468
Other loans	24	3 962 383	921 535
Deferred income	25	6 321 844	6 568 173
<b>TOTAL</b>		<b>26 919 481</b>	<b>18 034 176</b>
<b>Short-term liabilities</b>			
Loans secured by bonds	26	2 450 000	51 000
Loans from credit institutions	27	22 464 535	27 835 420
Other loans	28	292 854	4 406 877
Customer advances		85 476	14 310
Accounts payable to suppliers and contractors		30 040 106	30 160 283
Taxes and compulsory state social security contributions		803 467	1 331 096
Other liabilities	29	383 124	618 037
Deferred income	30	1 312 722	2 561 168
Accrued liabilities	31	2 080 173	1 718 602
Dividends payable		123 656	153 267
<b>TOTAL</b>		<b>60 036 113</b>	<b>68 850 060</b>
<b>TOTAL LIABILITIES</b>		<b>86 955 594</b>	<b>86 884 236</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>121 359 098</b>	<b>119 048 254</b>

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**Roberts Strīpnieks**  
Chairman of the Board



**Gundars Ruža**  
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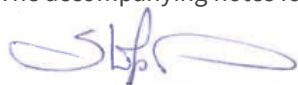
**Diāna Bērzniece**  
Board Member

November 24, 2025

## Statement of Cash Flows

	Note	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>2 862 927</b>	<b>2 957 300</b>
adjustments to impairment of fixed and intangible assets	9	1 216 384	1 997 673
adjustment of grants, donations, and EU funds received	5	(832 009)	(646 155)
interest and similar income	7	(217 490)	(364 467)
interest and similar expenses	8	2 714 710	3 004 595
<b>Profit before adjustments for the effect of changes to current assets and short term liabilities</b>		<b>5 744 522</b>	<b>6 948 946</b>
Changes to current assets:			
decrease/ (increase) in trade receivables		(6 028 670)	7 816 416
decrease /(increase) in stock		10 513 072	(816 912)
increase/(decrease) in accounts payable to suppliers, contractors and other creditors		(2 056 581)	(11 144 167)
Interest paid	8	(2 470 364)	(2 884 989)
Corporate income tax paid		(125 000)	(137 500)
<b>TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>5 576 979</b>	<b>(218 206)</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments in related or associated companies	10	(4 000 000)	(1 452 200)
Purchase of fixed and intangible assets	9	(2 473 362)	(1 508 936)
Income from disposal of fixed and intangible assets		1 870 932	388 236
Loans issued	13	(6 000 000)	-
Income from repayment of loans	13	329 000	1 994 695
Interest received		105 462	364 467
<b>TOTAL NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(10 167 968)</b>	<b>(213 738)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Received loans from bonds	22, 26	10 025 000	-
Repaid loans from bonds	22, 26	(51 000)	(631 000)
Loans from credit institutions and Members	23, 24, 27, 28	1 918 900	7 593 365
Loans repaid to credit institutions and Members	23, 24, 27, 28	(9 847 174)	(4 857 095)
Contributions to share capital		11 715	7 696
Costs of equity		(10 511)	(7 668)
Dividends paid		(529 611)	(868 982)
Grants, donations, and EU funds received		699 486	313 390
<b>TOTAL NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>2 216 805</b>	<b>1 549 706</b>
<b>Net increase/(decrease) of cash and cash equivalents</b>		<b>(2 374 184)</b>	<b>1 117 762</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3 065 257</b>	<b>1 947 495</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>691 073</b>	<b>3 065 257</b>

The accompanying notes form an integral part of these financial statements.



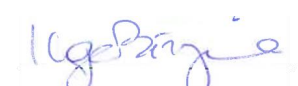
**Roberts Strīpnieks**  
Chairman of the Board



**Gundars Ruža**  
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**Ginta Briede**  
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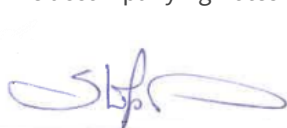
**Diāna Bērzniece**  
Board Member

November 24, 2025

## Statement of Changes to the Shareholders' Equity

Transactions	Share capital (EUR)	Other reserves (EUR))	Statutory reserves (EUR)	Retained earnings brought forward from previous years (EUR))	Profit of the reporting year (EUR))	Total (EUR))
<b>Equity as at 30 June 2023</b>	<b>773 136</b>	<b>25 676 245</b>	<b>3 550</b>	<b>711 586</b>	<b>2 729 673</b>	<b>29 894 190</b>
Profit of 2022/2023 transferred to reserves	-	2 342 966	-	(163 293)	(2 179 673)	-
Profit of 2022/2023 distributed among members	-	-	-	-	(550 000)	(550 000)
Financing in accordance with the quota agreements	(3 295)	-	-	-	-	(3 295)
Changes in reserves	-	-	(1 775)	-	-	(1 775)
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
<b>Equity as at 30 June 2024</b>	<b>774 939</b>	<b>28 019 211</b>	<b>1 775</b>	<b>548 293</b>	<b>2 819 800</b>	<b>32 164 018</b>
Profit of 2023/2024 and previous years transferred to reserves	-	2 868 093	-	(548 293)	(2 319 800)	-
Profit of 2023/2024 distributed among members	-	-	-	-	(500 000)	(500 000)
Financing in accordance with the quota agreements	(6 251)	-	-	-	-	(6 251)
Changes in reserves	-	-	355	-	-	355
Enrolment of new members	11 715	-	-	-	-	11 715
Expelling of members according to the statutes	(4 260)	-	-	-	-	(4 260)
Profit of 2024/2025	-	-	-	-	2 737 927	2 737 927
<b>Equity as at 30 June 2025</b>	<b>776 143</b>	<b>30 887 304</b>	<b>2 130</b>	<b>-</b>	<b>2 737 927</b>	<b>34 403 504</b>

The accompanying notes form an integral part of these financial statements.



**Roberts Strīpnieks**  
Chairman of the Board



**Gundars Ruža**  
Board Member



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**Ilga Anita Bērzkalna**  
Board Member



**Ginta Briede**  
Board Member



**Diāna Bērzniece**  
Board Member

November 24, 2025

## Notes to the financial statements

### 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 to the Cooperative is: Lietuvas iela 16A, Eleja, Elejas pagasts, Jelgavas novads, Latvia.

### Basis of preparation

The financial statements of LATRAPs were prepared in accordance with the 'Accounting Law' and the 'Annual Reports and Consolidated Annual Reports 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 LATRAPs.

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

### 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:



## Summary of accounting principles used (continued)

- 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.

### 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.



## Summary of accounting principles used (continued)

### INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND OTHER INVESTMENTS

#### Investments in subsidiaries

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 recognised at the lower value.

#### Investments in associates or joint ventures

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.

Investments in an associate or joint venture are recognized at acquisition cost, and subsequent accounting follows the same principles as for accounting for investments in a subsidiary.

#### Investments in other companies

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

#### 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.

### 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.

#### *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;

## Summary of accounting principles used (continued)

- 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 underlying sale transaction is completed. Please refer to Note 16, 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

## Summary of accounting principles used (continued)

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 2024 to 30 June 2025.

### 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.

Currency	30.06.2025 ( 1 EUR)	30.06.2024 ( 1 EUR)
USD	1.17	1.07

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

### 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) 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.

#### 2) Loans and receivables valuation

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

## Summary of accounting principles used (continued)

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.

### 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.

## Summary of accounting principles used (continued)

### 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.

### 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.

## Summary of accounting principles used (continued)

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.

### 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:

**Summary of accounting principles used (continued)**

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

**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 increased by the amount of interest on loans obtained for construction.

## Summary of accounting principles used (continued)

### 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:

- accrued liabilities for staff bonuses based on annual results – based on Board decision;
- provision for premiums for supplied products - based on estimated expected amount of the premium,
- 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,
- 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.

### 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).

### 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	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Sale of cereals, rapeseed, leguminous crops	4621	172 464 463	161 313 888
Sales of materials for production of plants	4675	66 249 050	65 221 792
Revenue from sale of finished goods and materials	4661,4671	8 715 016	9 585 545
Revenue from drier services	0161	3 741 969	4 938 083
Other operating income	4661	3 109 202	3 156 376
<b>TOTAL:</b>		<b>254 279 700</b>	<b>244 215 684</b>

Market	30.06.2025	30.06.2024
Revenue from sales of products and services in European Union countries	13.10%	16.22%
Revenue from export of goods	25.98%	23.64%
Revenue from products and services sold in Latvia	60.92%	60.14%
<b>TOTAL:</b>	<b>100%</b>	<b>100%</b>

## 2. Cost of goods sold, cost of services

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Cost of raw and other materials	225 695 607	216 994 740
Hedging result, net	(2 428 127)	(783 070)
Remuneration to workers and changes in accrued liabilities for vacations	5 029 838	4 608 576
Depreciation	1 989 912	2 029 861
Social contributions and changes in accruals for vacations	1 181 325	1 084 355
Purchase and delivery of goods	195 082	127 364
Impairment of current assets and decrease of provisions	66 697	(1 003 675)
Other cost of goods sold	4 961 249	4 545 504
<b>TOTAL:</b>	<b>236 691 583</b>	<b>227 603 655</b>

### 3. Selling expenses

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Transport expenses of goods	6 177 505	6 080 048
Other selling expenses (freight forwarders, brokers etc.)	4 435 492	2 977 463
<b>TOTAL:</b>	<b>10 612 997</b>	<b>9 057 511</b>

### 4. Administrative expenses

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Remuneration to administration staff and changes in accrued liabilities for vacations/bonuses	1 385 826	1 195 470
Social contributions and changes in accruals for vacations/bonuses	291 512	259 752
State duties	39 652	5 926
Remuneration to companies of Latvian sworn auditors*	37 550	32 100
Other administrative expenses	1 255 861	1 044 982
<b>TOTAL:</b>	<b>3 010 401</b>	<b>2 538 230</b>

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

	30.06.2025	30.06.2024
Statutory audit of the annual report	37 550	31 500
Other expert engagements	-	600
<b>TOTAL:</b>	<b>37 550</b>	<b>32 100</b>

## Remuneration to key management:

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
<b>Members of the Board</b>		
Remuneration	272 595	262 318
Compulsory State Social Security Contributions	64 305	61 881
<b>Members of the Council</b>		
Remuneration	57 370	64 578
Compulsory State Social Security Contributions	13 533	15 023
<b>TOTAL:</b>	<b>407 803</b>	<b>403 800</b>
<b>Number of employees</b>		
In the reporting year	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Average number of Council members	9	9
Average number of Board members	5	5
Average number of workers and administrative staff	216	206
<b>TOTAL:</b>	<b>230</b>	<b>220</b>

## 5. Other operating income

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
EU funds and subsidies combined:	832 009	646 155
including EU structural funds	399 245	431 993
including support for agricultural NGOs and producers, etc.	432 764	214 162
Gain on disposal of fixed assets, net	773 529	38 548
Other operating income	261 738	244 723
<b>TOTAL:</b>	<b>1 867 276</b>	<b>929 426</b>

## 6. Other operating expenses

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Real estate tax	60 495	55 129
Loss from currency exchange fluctuations and translation, net	8 967	4 384
Other operating expenses	402 386	288 773
<b>TOTAL:</b>	<b>471 848</b>	<b>348 286</b>

## 7. Interest and similar income

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Interest income from subsidiaries and associates	216 951	153 281
Other interest and similar income	539	211 186
<b>TOTAL:</b>	<b>217 490</b>	<b>364 467</b>

## 8. Interest and similar expenses

	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Interest expenses on loans from credit institutions	1 801 466	2 772 774
Other interest expenses and accrued liabilities for interest to other lenders, bonds and similar expenses	913 244	231 821
<b>TOTAL:</b>	<b>2 714 710</b>	<b>3 004 595</b>

## 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
<b>Historical cost</b>								
<b>30.06.2024</b>	<b>599 592</b>	<b>30 747 572</b>	<b>16 309 837</b>	<b>4 178 951</b>	<b>755</b>	<b>246 122</b>	<b>42 281</b>	<b>52 125 110</b>
Additions	588 414	1 329 377	-	-	-	535 241	20 330	2 473 362
Disposals	-15 951	-1 496 117	-919 071	-56 727	-	-	-	-2 487 866
Reclassified to stock	-	-	-	-	-	-386 514	-	-386 514
Capitalised loan interest	-	7 745	-	-	-	-	-	7 745
Transfers between fixed asset accounts	-	-	-134 565	134 565	-	-	-	-
<b>30.06.2025</b>	<b>1 172 055</b>	<b>30 588 577</b>	<b>15 256 201</b>	<b>4 256 789</b>	<b>755</b>	<b>394 849</b>	<b>62 611</b>	<b>51 731 837</b>
<b>Accumulated depreciation</b>								
<b>30.06.2024</b>	<b>479 955</b>	<b>10 744 114</b>	<b>9 349 738</b>	<b>2 257 021</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>22 830 903</b>
Depreciation	139 810	811 847	744 045	294 159	51	-	-	1 989 912
Depreciation of disposed fixed assets	-15 950	-526 558	-791 488	-56 466	-	-	-	-1 390 462
<b>30.06.2025</b>	<b>603 815</b>	<b>11 029 403</b>	<b>9 302 295</b>	<b>2 494 714</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>23 430 353</b>
<b>Balance at 30.06.2024</b>	<b>119 637</b>	<b>20 003 458</b>	<b>6 960 099</b>	<b>1 921 930</b>	<b>680</b>	<b>246 122</b>	<b>42 281</b>	<b>29 294 207</b>
<b>Balance at 30.06.2025</b>	<b>568 240</b>	<b>19 559 174</b>	<b>5 953 906</b>	<b>1 762 075</b>	<b>629</b>	<b>394 849</b>	<b>62 611</b>	<b>28 301 484</b>

## *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 "Grīši" located at "Grīši", Saldus pagasts Saldus novads (entered into Saldus pagasts Land Register Department No. 100000175433 with cadastre No. 8486 002 0099);
  - 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 2024	Investment at 30 June 2024	Changes of investment 01.07.2024- 30.06.2025	Holding % at 30 June 2025	Investment at 30 June 2025
SIA Bio Diesel Latvia	100	450 000	(450 000)	-	-*
SIA ASNS Ingredient	74.83	2 899 336		-	-**
SIA ASNS Investment	100	3 134 800	450 000	100	3 584 800
SIA Latmalt	100	1 618 400	-	100	1 618 400
<b>TOTAL:</b>		<b>8 102 536</b>	<b>-</b>		<b>5 203 200</b>

\*In September 2024, SIA Bio Diesel Latvia was merged with SIA ASNS Investment.

\*\* Effective from August 2024, SIA ASNS Ingredient is an associate (prior to that, a subsidiary).

### Financial information on subsidiaries:

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	30.06.2025	30.06.2024	01.07.2024- 30.06.2025	01.01.2024- 30.06.2024
Period				
SIA ASNS Investment (Eleja, Lietuvas iela 16A)	5 426 553	4 750 273	205 802	592 279

Company (financial year differs from calendar year)	Shareholder's equity		Profit/ (loss) for the reporting year	
	30.06.2025	30.06.2024	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
Period				
SIA Latmalt (Jaunsvirlaukas pag., Valmju iesalnīca)	1 935 228	1 868 324	66 904	166 368

## 11. Investments in associates

Company	Holding % at 30 June 2024	Investment at 30 June 2024	Changes of investment 01.07.2024- 30.06.2025	Holding % at 30 June 2025	Investment at 30 June 2025
SIA ASNS Ingredient*	74.83	2 899 336	4 000 000	51.42	6 899 336

\* Effective from August 2024, SIA ASNS Ingredient is an associate (prior to that, a subsidiary).

## 12. Other securities and investments

	30.06.2025.	30.06.2024.
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)
<b>TOTAL:</b>	<b>416 092</b>	<b>416 092</b>

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

## 13. Loans to subsidiaries and associates

	30.06.2025	30.06.2024
SIA ASNS Investment	2 399 500	2 698 500
SIA Latmalt	620 000	650 000
SIA ASNS Ingredient	6 000 000	-
<b>TOTAL:</b>	<b>9 019 500</b>	<b>3 348 500</b>

The loan to SIA ASNS Investment matures on 30 September 2027, that to SIA Latmalt - on 31 December 2026, and that to SIA ASNS Ingredient - on 31 December 2034. The loans are not secured by collaterals and bear interest.



## 14. Stock

	30.06.2025	30.06.2024
Finished goods and goods for sale	17 761 569	27 937 420
Prepayments for goods	415 070	223 333
Raw materials, primary materials and auxiliary materials	23 351	28 469
Provisions for goods for sale*	(356 215)	(218 889)
<b>TOTAL:</b>	<b>17 843 775</b>	<b>27 970 333</b>

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

## 15. Trade receivables

	30.06.2025	30.06.2024
Trade receivables	52 354 504	47 224 253
Other short-term loans*	1 794 483	775 445
Doubtful debt allowance	(2 192 998)	(2 278 891)
<b>TOTAL:</b>	<b>51 955 989</b>	<b>45 720 807</b>

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

## 16. Prepaid expenses

	30.06.2025.	30.06.2024.
Deferred expenses from financial instruments	349 825	-
Property tax	26 842	27 478
Current vacation	22 530	23 849
Staff health and life insurance	11 239	11 239
Other expenses (for services and other)	89 277	584 949
<b>TOTAL:</b>	<b>499 713</b>	<b>647 515</b>

## 17. Deferred income

	30.06.2025.	30.06.2024.
Accrued income from adjustment/markup of product prices from clients	414 797	462 282
<b>TOTAL:</b>	<b>414 797</b>	<b>462 282</b>

## 18. Cash

Cash in currencies translated into EUR according to the European Central Bank rate as at 30 June 2025.

	30.06.2025.	30.06.2024.
Cash	236 992	186 203
Cash equivalents (financial markets)	454 081	2 879 054
<b>TOTAL:</b>	<b>691 073</b>	<b>3 065 257</b>

## 19. Share capital

Share capital (cooperative shares) as at 30 June 2025 amounts to EUR 776 143 and consists of 546 580 shares. A cooperative share is the share of investment made into the share capital of the Cooperative by a Member. The nominal value of one cooperative share EUR 1.42. All cooperative shares are fully paid up.

	30.06.2025	30.06.2024
Cooperative shares	776 143	774 939
<b>TOTAL:</b>	<b>776 143</b>	<b>774 939</b>

## 20. Statutory reserves

	30.06.2025	30.06.2024
Contributions by candidate members for cooperative shares	2 130	1 775
<b>TOTAL:</b>	<b>2 130</b>	<b>1 775</b>

## 21. Other reserves

	30.06.2025	30.06.2024
Other reserves at the beginning of the reporting period	28 019 211	25 676 245
Retained earnings of the previous reporting period transferred to reserves	2 868 094	2 342 966
<b>TOTAL:</b>	<b>30 887 305</b>	<b>28 019 211</b>

Other reserves consist of reserves built up from the profits of previous years and other reserves (funding from quota contracts).

In the financial year 2024-2025, a dividend of EUR 500 000 was declared and distributed to the Members of the Cooperative for the financial year 2023-2024.

## 22. Long-term loans secured by bonds

	30.06.2025.	30.06.2024.
Loans secured by bonds	10 025 000	2 450 000
<b>TOTAL:</b>	<b>10 025 000</b>	<b>2 450 000</b>

LATRAPS has borrowed both through closed and public bond issues. The maturity of the borrowings against bonds does not exceed five years (maximum maturity in December 2029).

## 23. Long-term loans from credit institutions

		Maturity term	30.06.2025	30.06.2024
Loan from a commercial bank*	EUR	30.04.2027	6 610 254	8 094 468
<b>TOTAL:</b>			<b>6 610 254</b>	<b>8 094 468</b>

\*For information on collaterals please turn to Note 9. The interest rate is floating. The Cooperative has complied with the financial covenants set by the bank at the year end and as at 31 October 2025.

## 24. Other long-term loans

	30.06.2025.	30.06.2024.
Lease agreements with Luminor Līzings SIA	33 483	121 535
Borrowings from Members	3 928 900	800 000
<b>TOTAL:</b>	<b>3 962 383</b>	<b>921 535</b>

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 May 2028).

## 25. Long-term deferred income

	30.06.2025.	30.06.2024.
EU Structural Fund financing	4 985 188	5 378 625
Funds received under quota agreements	1 336 656	1 189 548
<b>TOTAL:</b>	<b>6 321 844</b>	<b>6 568 173</b>

The share of financing of EU Structural Funds to be transferred to revenue in more than five years - EUR 3 576 940 (30.06.2024: EUR 4 269 361). 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

	30.06.2025	30.06.2024
Loan secured by bonds	2 450 000	51 000
<b>TOTAL:</b>	<b>2 450 000</b>	<b>51 000</b>

The bonds mature in December 2025.

## 27. Short-term loans from credit institutions

The Credit line agreements mature on 30 April 2026. The maximum available amount of the credit line as at 30 June 2025 is EUR 55 000 000, from two banks in total.

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.

	30.06.2025	30.06.2024
Loan from banks	20 379 416	25 261 797
Short-term part of the long-term loan from a Commercial Bank	2 085 119	2 573 623
<b>TOTAL:</b>	<b>22 464 535</b>	<b>27 835 420</b>

## 28. Other short-term loans

	30.06.2025.	30.06.2024.
SIA Luminor Līzings	90 288	163 532
SIA Swedbank Līzings	2 566	3 345
Borrowings from Members	200 000	4 240 000
<b>TOTAL:</b>	<b>292 854</b>	<b>4 406 877</b>

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

## 29. Other creditors

	30.06.2025	30.06.2024
Remuneration	319 507	292 051
Other liabilities	63 617	325 986
<b>TOTAL:</b>	<b>383 124</b>	<b>618 037</b>

**30. Short-term deferred income**

	30.06.2025	30.06.2024
EU project co-funding - short-term	660 159	399 245
Deferred income from financial instruments	652 563	2 161 923
<b>TOTAL:</b>	<b>1 312 722</b>	<b>2 561 168</b>

**31. Accrued liabilities**

	30.06.2025	30.06.2024
Accrued liabilities related to staff	1 078 536	1 035 061
Accrued liabilities for bond and loan interest payments	680 236	435 890
Bonuses for products supplied	167 039	173 367
Accrued accounts payable	154 362	74 284
<b>TOTAL:</b>	<b>2 080 173</b>	<b>1 718 602</b>

## 32. Related party transactions

Related parties in 2024/2025 are the subsidiaries and associates of LATRAPs.

Income/ expenses	01.07.2024- 30.06.2025	01.07.2023- 30.06.2024
	(EUR)	(EUR)
<b>Provision of services</b>		
SIA Bio Diesel Latvia	13	555
SIA Latmalt	117 498	82 325
SIA ASNS Ingredient	7 279	4 023
SIA ASNS Investment	20 360	630
<b>Interest income</b>		
SIA Latmalt	32 937	34 745
SIA ASNS Investment	71 985	79 042
SIA Bio Diesel Latvia	-	89
SIA ASNS Ingredient	104 299	39 405
<b>Sale of goods</b>		
SIA Latmalt	1 119 227	1 060 752
SIA ASNS Ingredient	25 000	-
<b>Purchase of goods</b>		
SIA Latmalt	21 709	
<b>Total</b>	<b>1 520 307</b>	<b>1 301 566</b>

In addition, in the financial year 2024-2025 loans were granted to subsidiaries and associates and repayments were made. Refer to Note 13.

### 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 2025. 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 (for a total of EUR 3 200 000).

#### *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	30.06.2025	30.06.2024
Maturing within 1 year	481 090	385 528
Maturing between one and five years	791 204	758 941
<b>Maturing between one and five years</b>	<b>1 272 294</b>	<b>1 144 469</b>

#### *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 September 2025, a deal was concluded on the sale of 50% of the shares of SIA Alpha osta, indirectly owned by LATRAPs, resulting in changes in the share portfolio of SIA ASNS Investment. The proceeds from the sale are planned to be invested in the development of LATRAPs group companies.

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.



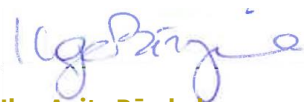
**Roberts Strīpnieks**  
Chairman of the Board



**Gundars Ruža**  
Board Member



**Ģirts Ozols**  
Board Member



**Ilga Anita Bērzkalna**  
Board Member



**Ginta Briede**  
Board Member



**Diāna Bērzniece**  
Board Member

November 24, 2025



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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 10 to 41 of the accompanying Annual Report, which comprise:

- the balance sheet as at 30 June 2025,
- 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 2025, 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.

#### *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 from 4 to 9 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  
Licence No. 55

Rainers Vilāns  
Member of the Board  
Latvian Sworn Auditor  
Certificate No. 200  
Riga, Latvia  
24 November 2025

This report is an English translation of the original Latvian auditor's report issued on the statutory financial statements prepared in the Latvian language. In the event of discrepancies between the two reports, the Latvian version prevails