

**SIA "GAIŽĒNI"**

**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 2024**

*Translation from Latvian*

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(TRANSLATION FROM LATVIAN)*

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**Information on the Company**

Name of the Company	SIA Gaižēni
Legal status of the Company	Limited liability company
Number, place and date of registration	44101019987 Commercial Registry Valmiera, 12 April, 1995
Operations as classified by NACE 2.1 classification code system	01.50 Mixed farming 01.46 Raising of swine/pigs
Address	Valmieras street 17, Cēsis, Cēsis district, LV – 4101, Latvia
Names and addresses of shareholders	Ungure SIA (Reg.No.40103546278) – 51.92% Livlande Holding A/S (Denmark) – 17.99% Alex Skovgaard Rasmussen – 7.01% Agro Finance B.V. (The Netherlands) – 23,08%
Ultimate parent undertaking, which as the parent company of the group prepares the consolidated annual report, includes the Company as its subsidiary	Agro Finance B.V. Legal address: Weena 327, NL-3013 AL Rotterdam, The Netherlands
Names and positions of Council members	Julius Puodžiūvelis – Chairman of the Council  Kaspars Šenvalds – Deputy chairman of the Council  Anders Aage Schau Danneskiold Lassen – Member of the Council  Kārlis Andrejs Cerbulis – Member of the Council
Names and positions of Board members	Alex Skovgaard Rasmussen – Member of the Board
Person responsible for accounting	Lolita Krūze – Chief accountant
Financial year	1 January - 31 December 2024
Name and address of the auditor	SIA “Potapoviča un Andersone” Certified Auditors’ Company Licence No. 99 Ūdens Street 12-45, Rīga, LV-1007 Latvia  Responsible Certified Auditor Kristīne Andersone Certificate No. 99

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## **Management Report**

### **Type of operations**

The main operations of SIA Gaižēni are pig breeding and crop farming. Pig breeding indicators are predominant in the financial report. The crop is produced for self-consumption as feed for pig farming.

### **Information on the Company's share capital**

As at 31 December 2024 the subscribed and fully paid share capital is EUR 10 231015 that consists of 10 231 015 ordinary shares with a nominal value 1 EUR each.

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

The management of the Company assessed the operational activities of 2024 as satisfactory. The Company has structured the organization of daily operational processes, thoughtful planning regarding materials, technical and financial resources, as well as favourable pork market conditions have allowed the Company to achieve a remarkable level of profitability in the reporting year.

During the reporting year 11.7 thousand tons in live weight of the main product - pigs were sold, which is a similar amount to the previous year.

During the reporting year, the majority of pigs were sold in the Latvian market, 15,5% were sold outside of the country.

In 2024 sales revenue decreased by 6,3% in comparison to the previous year. The decline in revenue is associated with a gradual decrease in purchase prices in the second half of the year, yet the average price still exceeded the average level of the last 5 years by 20%.

The direct production costs of pigs decreased by 20%, mainly due to the normalization of raw feed material prices following the sharp price increase experienced in 2022.

The crop produced by the Company provides approximately 1/3 of the amount of raw materials required for pig feeding. The amount of grain produced for self-consumption helps to balance the cost of raising pigs, especially in conditions of rapid price changes.

In 2024, a total of 9 133 tons of grain and legumes were harvested, which exceeded the previous years' amount by 30%. The climate conditions of the reporting supported normal crop yield. The average harvest was 6t/ha, which is 10% above the last 5 year average.

In the reporting year, the prices of resources necessary for economic activities continued to decrease following the sharp cost increase caused by the Russian invasion of Ukraine in 2022. In 2024 production costs decreased by 5,3% compared to 2023.

It should be noted that with the decrease in pig purchase prices during the reporting year, the calculated value of the herd decreased by 512 thousand EUR. According to accounting principles, the valuation of biological assets, or the pig herd, is based on market prices at the end of each financial reporting year. Depending on price differences between the current and previous reporting years, the changes in the calculated pig herd value increase or decrease the profit for the reporting year.

The Company concluded the reporting year with a profit at amount of EUR 4 064 899.

In 2024, solar energy stations (SES) installed in 2022 operated at full capacity in four of the Company's units. As a result, approximately 16.3% of the total electricity required for pig farming was supplied by "green" energy, simultaneously achieving a reduction in CO<sub>2</sub> emissions.

### **Research and development**

The rentability of long term operational activity of the Company is based on thoughtful planning, analysis and management, timely and purposeful investments, professional and loyal staff work, ensuring competitive productivity indicators and high quality production.

The main day-to-day goal of operational activities is to maintain the achieved production efficiency and profitability levels, including measures for rational use of material, financial and labour resources, as well as the selection of stable and reliable cooperation partners.

The performance, supervision and improvement of biosafety measures is and will remain one of the most important aspects of the pig farming business, as long as there is a risk of African swine fever (ASF) infection.

The established business model of the Company and its future activities are geared towards the implementation of circular economy principles by implementing various sustainable business practices. The work started in this reporting period on the creation and implementation of a consolidated ESG (environmental, social and management) strategy in the Company is one of the goals and tasks for the following years.

**Management Report** (continued)

**Research and development** (continued)

By implementing a sustainable pig farming business management policy, the management of the Company plans to invest in measures and technologies aimed at improving animal welfare, increasing energy efficiency, reducing resource consumption, as well as reducing the amounts of pollutants released from production into the environment.

The long term development of the Company is based on strategic goals. However, the realization of development projects does not depend solely on funding or personnel, material and technical resources. Other decisive factors in the growth of the Company's main operations – pig farming, are support from the local community and a positive conclusion by environmental authorities in a result of assessment of environmental effects of the planned activity.

**Exposure to risks**

Operation of the Company is subject to the following financial risk:

- foreign exchange risk;
- credit risk;
- liquidity risk;
- cash flow and interest rate risk.

Risk management of the Company is directed at identifying, assessing, and controlling risks, as well as limiting the risks identified. Risk management is the responsibility of the executive bodies of the Company, which look for solutions and make decisions about risk reduction on a daily basis.

*Foreign exchange risk*

The Company's foreign exchange risk is assessed as low. In the reporting year, all output was sold and the majority of purchases were made in euro currency. A relatively small number of transactions were made in Danish Kroner, thus creating an open currency position.

There is no need for the Company to use derivatives to limit the foreign exchange risk.

*Credit risk*

Accounts with the main buyers are settled based on open account payment, thus the Company is subject to credit risk. The policy of the Company is to make sure that transactions are made with buyers with a sound credit history and solvency. Debt collection agencies are involved in the debt collection process, if needed.

*Liquidity risk*

Within the framework of cautious liquidity risk management, the Company retains appropriate funds and maintains short-term loan options.

*Cash flow and interest rate risk*

The Company has significant interest bearing obligations, therefore, the Company is subject to the risk that changes to the interest rate on the market might affect its revenue and cash flow. For the purpose of assessing the interest rate risk, the impact of changes to the interest rate on the economic value of the Company is analysed and the use of financial instruments is considered as an option.

**Post balance sheet events**

From the last day of the reporting year until the signing of this report, there have been no other significant developments that might have a considerable impact on the results of the reporting year have taken place.

**Distribution of profit proposed by the Board**

The Company concluded 2024 with profit of EUR 4 064 899. The Board proposes to retain the profit undistributed for investments in the Company's further development.

**Future prospects**

The management of the Company does not plan to make significant changes in operations in 2025. The long-term goal set forth by the Company is maintaining sustainable, financially successful development of pig breeding and crop farming.

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Alex Skovgaard Rasmussen

Member of the Board

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**Profit or loss account for the year ended 31 December 2024**

	<b>Notes</b>	<b>2024 EUR</b>	<b>2023 EUR</b>
Net sales	2	18 591 216	19 927 802
Cost of sales, cost of goods sold, cost of services rendered	3	(14 379 165)	(15 187 435)
<b>Gross profit</b>		<b>4 212 051</b>	<b>4 740 367</b>
Administrative expenses	4	(724 009)	(727 330)
Other operating income	5	1 356 709	1 698 282
Other operating expenses		(44 004)	(34 260)
Interest income and similar income	6	57 172	20 799
Interest expenses and similar expenses	7	(149 273)	(177 798)
<b>Profit before corporate income tax</b>		<b>4 708 646</b>	<b>5 520 060</b>
Corporate income tax for the reporting year		(643 747)	-
<b>Current year's profit</b>		<b>4 064 899</b>	<b>5 520 060</b>

Notes on pages from 11 to 20 are integral part of these financial statements.

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Alex Skovgaard Rasmussen  
Member of the Board

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Lolita Krūze  
Chief accountant

**GAIŽĒNI SIA**  
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Balance sheet as at 31 December 2024

(1)

	Note	31.12.2024. EUR	31.12.2023. EUR
<b><u>Assets</u></b>			
<b>Long-term investments</b>			
<b>Intangible assets:</b>			
Concessions, patents, licences, trademarks and similar rights	8	-	1 039
Goodwill	8	9 738	16 230
<b>Total intangible assets:</b>		<b>9 738</b>	<b>17 269</b>
<b>Fixed assets:</b>			
Land, buildings and engineering structures	9	18 167 113	18 726 267
Living animals and plants	10	1 569 142	1 542 872
Technological equipment and devices	9	4 200 161	4 571 720
Other fixed assets and inventory	9	87 963	102 959
Fixed assets under construction	9	212 433	97 870
Advances for fixed assets	9	47 687	18 485
<b>Total fixed assets:</b>		<b>24 284 499</b>	<b>25 060 173</b>
<b>Long-term financial investments:</b>			
Other securities and long term investments	11	8 082	8 082
<b>Total long-term financial investments:</b>		<b>8 082</b>	<b>8 082</b>
<b>Total long-term investments:</b>		<b>24 302 319</b>	<b>25 085 524</b>
<b>Current assets</b>			
<b>Stock:</b>			
Raw materials and consumables		3 090 592	3 217 325
Work-in-progress		524 812	501 420
Animals and crops	12	3 322 806	3 861 604
<b>Total stock:</b>		<b>6 938 210</b>	<b>7 580 349</b>
<b>Debtors:</b>			
Trade debtors	13	2 107 990	2 310 532
Other debtors	14	20 622	3 041
Deferred expenses		110 019	94 369
Accrued income	15	162 533	64 653
<b>Total debtors:</b>		<b>2 401 164</b>	<b>2 472 595</b>
<b>Cash and bank:</b>	16	<b>930 986</b>	<b>1 705 834</b>
<b>Total current assets:</b>		<b>10 270 360</b>	<b>11 758 778</b>
<b><u>Total assets</u></b>		<b><u>34 572 679</u></b>	<b><u>36 844 302</u></b>

Notes on pages from 11 to 20 are integral part of these financial statements.

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Balance sheet as at 31 December 2024

(2)

	Note	31.12.2024. EUR	31.12.2023. EUR
<b><u>Liabilities</u></b>			
<b>Shareholders' funds:</b>			
Share capital	17	10 231 015	10 231 015
Share premium		1 575 404	1 575 404
Prior years' retained earnings		13 850 645	14 330 585
Current year's profit		4 064 899	5 520 060
<b>Total shareholders' funds:</b>		<b>29 721 963</b>	<b>31 657 064</b>
<b>Creditors:</b>			
<b>Long-term creditors:</b>			
Loans from credit institutions	18	1 193 642	1 655 690
Other borrowings	19	7 300	50 875
Deferred income	20	1 266 752	1 382 586
<b>Total long-term creditors:</b>		<b>2 467 694</b>	<b>3 089 151</b>
<b>Short-term creditors:</b>			
Loans from credit institutions	18	467 844	470 111
Other borrowings	19	39 959	39 605
Trade creditors		668 422	686 559
Taxes and social insurance payments	21	698 852	363 449
Other creditors		106 381	96 711
Deferred income	20	116 981	116 899
Accrued liabilities	22	284 583	324 753
<b>Total short-term creditors:</b>		<b>2 383 022</b>	<b>2 098 087</b>
<b>Total creditors:</b>		<b>4 850 716</b>	<b>5 187 238</b>
<b><u>Total liabilities and shareholders' funds</u></b>		<b><u>34 572 679</u></b>	<b><u>36 844 302</u></b>

Notes on pages from 11 to 20 are integral part of these financial statements.

\_\_\_\_\_  
 Alex Skovgaard Rasmussen  
 Member of the Board

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 Lolita Krūze  
 Chief accountant

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**Statement of changes in equity for the year ended 31 December 2024**

	Share capital	Share premium	Retained earnings	Total
	EUR	EUR	EUR	EUR
<b>As at 31 December 2022</b>	<b>10 231 015</b>	<b>1 575 404</b>	<b>18 330 585</b>	<b>30 137 004</b>
Profit for the year	-	-	5 520 060	5 520 060
Dividends	-	-	(4 000 000)	(4 000 000)
<b>As at 31 December 2023</b>	<b>10 231 015</b>	<b>1 575 404</b>	<b>19 850 645</b>	<b>31 657 064</b>
Profit for the year	-	-	4 064 899	4 064 899
Dividends	-	-	(6 000 000)	(6 000 000)
<b>As at 31 December 2024</b>	<b>10 231 015</b>	<b>1 575 404</b>	<b>17 915 544</b>	<b>29 721 963</b>

Notes on pages from 11 to 20 are integral part of these financial statements.

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**Cash flow statement for the year ended 31 December 2024**

	Note	2024 EUR	2023 EUR
<b>Cash flow from operating activities</b>			
<b>Profit before corporate income tax</b>		<b>4 708 646</b>	<b>5 520 060</b>
<u>Adjustments for:</u>			
- corrections of decrease in value of fixed assets		1 795 884	1 788 160
- accruals and provisions (except for provisions for bad debts)		7 531	8 759
- interest and similar income		(57 172)	(20 799)
- interest and similar expense		149 000	177 255
- net loss/ (profit) from disposals of fixed assets		(20 024)	(36 971)
- (increase)/ decrease of main livestock		(26 270)	18 817
<b>Profit before adjustments of working capital and short-term liabilities</b>		<b>6 557 595</b>	<b>7 455 281</b>
<u>Adjustments for:</u>			
- trade debtors' decrease / (increase)		71 431	(351 060)
- stock (increase) / decrease		642 139	382 826
- deferred income, trade and other creditors' increase / (decrease)		(221 891)	124 587
<b>Gross cash flow from operating activities</b>		<b>7 049 274</b>	<b>7 611 634</b>
Corporate income tax expenses		(250 843)	-
<b>Net cash flow from operating activities</b>		<b>6 798 431</b>	<b>7 611 634</b>
<b>Cash flow from investing activities</b>			
Acquisition of fixed and intangible assets		(994 915)	(1 290 112)
Proceeds from sales of fixed assets		21 000	42 800
Interest payments received		57 172	20 799
<b>Net cash flow from investing activities</b>		<b>(916 743)</b>	<b>(1 226 513)</b>
<b>Cash flow from financing activities</b>			
Repaid loans		(462 048)	(1 242 519)
Interest paid		(151 267)	(178 645)
Finance lease payments		(43 221)	(70 924)
Dividends paid		(6 000 000)	(4 000 000)
<b>Net cash flow from financing activities</b>		<b>(6 656 536)</b>	<b>(5 492 088)</b>
<b>Net cash flow of the reporting year</b>		<b>(774 848)</b>	<b>893 033</b>
Cash and cash equivalents at the beginning of the reporting year		1 705 834	812 801
<b>Cash and cash equivalents at the end of reporting year</b>	16	<b>930 986</b>	<b>1 705 834</b>

Notes on pages from 11 to 20 are integral part of these financial statements.

**Notes**

**(1) Summary of key accounting policies**

***General principles***

The annual report is prepared in accordance with the laws of the Republic of Latvia "On Accounting" and "The Law of the Annual Accounts and Consolidated Annual Accounts" and the Regulations No. 775 of the Cabinet of Ministers of the Republic of Latvia "On Application of the Law of the Annual Accounts and Consolidated Annual Accounts". The profit or loss account is prepared in accordance with the format set in Appendix 3 of "The Law of the Annual Accounts and Consolidated Annual Accounts" (classified in accordance with the expenditure function). In accordance with Article 5 of "The Law of the Annual Accounts and Consolidated Annual Accounts" the company is classified as a medium size company. The annual report is prepared in accordance with the requirements of Article 9 of "The Law of the Annual Accounts and Consolidated Annual Accounts". There have been no changes in accounting policies and valuation methods used in prior years. In cases when reclassification of comparatives with no effect on prior year profit and equity are performed, relevant explanations are provided in the Notes to the financial statements or accounting policies. The annual report is prepared on a going concern basis.

***Information on the Company***

Information requested by law on the Company has been disclosed in separate part of this annual report, on page 3.

***Fair value of financial assets and liabilities***

Fair value equals the amount at which an asset can be exchanged or liabilities can be settled on an arm's length basis.

***Net sales***

Net sales represent the total of goods and services sold during the year net of value added tax. Income is recognised based on accruals principle.

Revenue from the sale of goods is recognized when all material risks associated with the ownership of the goods are passed on to the buyer, which generally corresponds to the time of invoicing. Revenue from services is recognized when it is incurred. Lease income is recognized at the time it is incurred.

***Foreign currency translation***

The Company maintains its accounts in euros. During the reporting period transactions in foreign currencies are recorded using euro foreign exchange reference rates that are published based on a regular daily concertation procedure between central banks of the European System of Central Banks and other central banks. At the end of the reporting year foreign currency cash balance and balances of advances and loans denominated in foreign currencies as well as other debtors' or creditors' debts payable in foreign currencies are translated from the foreign currency to the euro in accordance with the foreign exchange rates in force on the last date of the reporting year. The resulting profit or loss is charged to the profit and loss account.

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Notes (continued)

**(1) Summary of key accounting policies (continued)**

***Intangible and tangible fixed assets***

All intangibles and fixed assets are recorded at cost net of depreciation. Depreciation or amortisation is calculated on a straight-line basis to write down each asset to its estimated residual value over its estimated useful life as follows:

	<b>% Per annum</b>
Intangible assets	10
Buildings and engineering structures	4 - 10
Technological production equipment	6.67
Agriculture machinery	15
Other fixed assets	20
Computers, communication appliances	35

Interest costs on borrowing to finance the fixed assets under construction and other direct charges related to the particular fixed asset under construction are capitalised, during the period of time that is required to complete and prepare the asset for its intended use, as part of the cost of the asset. Capitalisation of the borrowing costs is suspended during extended periods in which active developments are interrupted.

Fixed asset current repairs and maintenance costs are included in the profit or loss account for the period when they arise. Expenses giving rise to extension of the useful life on an asset and/or which increase its economic potential are capitalised

Expenses arising from replacement of significant parts or details of a fixed asset are added to its value, but the replaced parts or details are excluded from the value of the fixed asset at their net book value.

Leasehold improvements are written down on a straight-line basis over a period of 10 years.

Profit or loss from disposals of fixed assets is determined as a difference between net book value of an asset and the respective sales proceeds and is included in the profit or loss account for the period when they have arisen.

***Other long term investments in shares***

Long term investments in shares that are not held for trading and for which fair value cannot be reliably measured are recognised at cost less impairment loss.

***Biological assets***

Fair value of productive pigs is determined based on average comparative market price for the respective category as pronounced by a recognised pig breeding organisation, which is financially independent from the Company.

***Stock***

Stock, except for livestock – pigs and self-produced grain, is recorded at the lower of cost and net realisable value. The stock cost has been determined using the FIFO method. Where required, slow moving, obsolete or damaged stock has been written down.

Costs incurred in the reporting year which relate to next year's harvest are capitalised as "Unfinished production" and recognised as expense in the following year.

Livestock – pigs kept for fattening are valued at fair value, less costs arising from sales. Fair value of pigs kept for fattening is determined based on average market price in the period.

Self-grown grains are valued at fair value, less costs arising from sales.

***Accounts receivable***

Accounts receivable are recorded in the balance sheet at their net value less provisions made to cover anticipated loss on bad and doubtful accounts receivable. Specific provisions for doubtful accounts receivable are made when the recoverability of the specific debtor is considered by the Company's management to be uncertain.

Notes (continued)

**(1) Summary of key accounting policies (continued)**

***Finance leases***

Leases of assets under which the Company has substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are capitalised at the inception of the lease at the present value of the minimum lease payments. Interest element of leasing payments is charged to the profit and loss account over the lease period.

***Operating leases***

***The Company as a lessee***

Lease in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any financial incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

***The Company as a lessor***

Assets that are leased out under operating lease terms are recorded within fixed assets at historic cost less depreciation. Depreciation is calculated on a straight-line basis to write down each asset to its estimated residual value over its estimated useful life using rates set for similar assets of the Company. Rental income from operating lease including advances received is recognised on a straight-line basis over the period of the lease.

***Grants and donations***

Claims in respect of grants receivable are recognised when receipt of the grant is expected with certainty.

EU structural funding provided to cover acquisition costs of specific production assets is recognised as "Deferred income", but claims to the funding body – as "Other debtors". Deferred income is amortised over the economically useful life of the respective production assets.

***Corporate income tax***

Corporate income tax for the reporting period is included in the financial statements based on the management's calculations prepared in accordance with Latvian Republic tax legislation.

***Provisions***

Provisions are made in cases when the liability is clearly identifiable as at the balance sheet date and there is a reasonable certainty that it will arise, irrespective of the timing and amount of the liability may vary.

***Accrued liabilities***

Liabilities owed to suppliers and contractors for the goods or services received during the reporting year and the amount of which is clearly known, but for which, at the balance sheet date, the relevant payment document (an invoice) according to the terms and conditions of the supply, purchase or contract agreement or due to other reasons has not been received yet, are presented in the account "Accrued liabilities". Provisions for unused annual leaves are estimated by multiplying the average daily earnings of employees for the last six months of the reporting year by the number of unused vacation days accrued at the end of the reporting year.

***Originated loans***

Originated loans are recognised at the moment when cash outflow to the borrower. The loans are recognised at historic cost, which is diminished by the amounts of principal repayment received. Interest income is recognised on accruals basis in accordance with the provisions of the loan agreement.

***Borrowings***

Borrowings are recognised initially as the proceeds received net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds net of any transaction costs and the redemption value is gradually recognised in the profit and loss account or capitalised to fixed assets under construction according to fixed assets accounting policy over the period of borrowings.

***Cash and cash equivalents***

For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, balances of current account with banks and short-term deposits with maturity up to 90 days.

**Notes** (continued)

**(1) Summary of key accounting policies** (continued)

***Related parties***

Related parties are defined as shareholders of the Company, members of the board, their close relatives and companies in which they have a significant influence or control. The term "Related parties" corresponds with the term used in annex IAS 24 "*Related Party Disclosures*" of COMMISSION REGULATION (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

***Use of estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

***Subsequent events***

Post-period-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material.

***Contingencies***

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

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Notes (continued)

**(2) Net sales**

	<b>2024 EUR</b>	<b>2023 EUR</b>
Income from sales of pigs in Latvia	15 675 584	17 253 158
Income from export of pigs	2 891 740	2 564 717
Income from sales of grains	23 892	109 927
	<b>18 591 216</b>	<b>19 927 802</b>

**(3) Cost of sales, cost of goods sold, cost of services rendered**

Feeding, medical and other direct pig farming expenses	8 727 845	10 922 281
Changes in value of livestock	512 528	(726 854)
Cultivation and seed expenses	1 145 175	910 313
Cost adjustment for grain self-consumption	(1 548 871)	(1 387 386)
Changes in value of crops in progress	(23 392)	119 706
Depreciation of fixed assets and intangibles	1 803 416	1 796 919
Salaries	1 312 969	1 233 118
Social insurance compulsory contributions	314 829	285 692
Contributions to Private pension fund	45 874	43 017
Changes in provisions for unused leave for salary	24 995	6 450
Changes in provisions for unused leave for social insurance compulsory contributions	5 896	1 522
Risk duty	250	241
Land lease	52 972	50 280
Maintenance and fuel	973 119	803 336
Electricity and heating	648 534	809 865
Insurance premiums	163 019	124 969
Natural resource tax	27 565	25 796
Real estate tax	29 611	29 647
Other production costs	162 831	138 523
	<b>14 379 165</b>	<b>15 187 435</b>

**(4) Administrative expenses**

Salaries	502 424	355 009
Social insurance compulsory contributions	122 939	88 974
Contributions to Private pension fund	26 543	23 340
Changes in provisions for unused leave for salary	(68 905)	66 382
Changes in provisions for unused leave and bonuses for social insurance compulsory contributions	(15 152)	14 799
Risk duty	18	19
Communication costs	7 919	6 879
Legal services	24 000	24 000
Professional fees	12 000	12 000
Other administrative expenses	106 300	123 471
Banking services	5 923	12 457
	<b>724 009</b>	<b>727 330</b>

**(5) Other operating income**

Grants	1 284 865	1 511 570
Net profit from sales and disposals of fixed assets	20 024	36 971
Other operating income	51 820	149 741
	<b>1 356 709</b>	<b>1 698 282</b>

**(6) Interest income and similar income**

Interest income from credit institutions	<b>57 172</b>	<b>20 799</b>
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**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(TRANSLATION FROM LATVIAN)*

Notes (continued)

**(7) Interest expenses and similar expenses**

	<b>2024</b>	<b>2023</b>
	<b>EUR</b>	<b>EUR</b>
Interest on borrowings from credit institutions	148 371	176 183
Finance lease interest expenses	629	1 072
Foreign exchange, net effect	123	492
Other expenses	150	51
	<u>149 273</u>	<u>177 798</u>

**(8) Intangible assets**

<b>Cost / Revalued</b>	<b>Concessions, patents, licenses, trademarks and similar rights</b>	<b>Goodwill</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
31.12.2023.	16 020	65 302	81 322
<b>31.12.2024.</b>	<b>16 020</b>	<b>65 302</b>	<b>81 322</b>
<b>Amortization</b>			
31.12.2023.	14 981	49 072	64 053
Charge for 2024	1 039	6 492	7 531
<b>31.12.2024.</b>	<b>16 020</b>	<b>55 564</b>	<b>71 584</b>
<b>Net book value as at 31.12.2023.</b>	<b>1 039</b>	<b>16 230</b>	<b>17 269</b>
<b>Net book value as at 31.12.2024.</b>	<b>-</b>	<b>9 738</b>	<b>9 738</b>

**(9) Fixed Assets**

	<b>Land, buildings and engineering structures</b>	<b>Techno-logical equipment and devices</b>	<b>Other fixed assets and inventory</b>	<b>Fixed assets under construction</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Cost</b>					
31.12.2023.	28 169 364	12 804 883	408 708	116 355	41 499 310
Additions	384 940	433 764	32 446	143 765	994 915
Disposals	-	(57 544)	(13 053)	-	(70 597)
<b>31.12.2024.</b>	<b>28 554 304</b>	<b>13 181 103</b>	<b>428 101</b>	<b>260 120</b>	<b>42 423 628</b>
<b>Depreciation</b>					
31.12.2023.	9 443 097	8 233 163	305 749	-	17 982 009
Charge for 2024	944 094	804 651	47 139	-	1 795 884
Disposals	-	(56 872)	(12 750)	-	(69 622)
<b>31.12.2024.</b>	<b>10 387 191</b>	<b>8 980 942</b>	<b>340 138</b>	<b>-</b>	<b>19 708 271</b>
<b>Net book value</b>					
<b>31.12.2023.</b>	<b>18 726 267</b>	<b>4 571 720</b>	<b>102 959</b>	<b>116 355</b>	<b>23 517 301</b>
<b>Net book value</b>					
<b>31.12.2024.</b>	<b>18 167 113</b>	<b>4 200 161</b>	<b>87 963</b>	<b>260 120</b>	<b>22 715 357</b>

All the property owned by the Company is pledged to AS Swedbank to secure the signed agreements.

Net book value of leased assets as at 31 December 2024 was in amount of EUR 52 346 (31.12.2023: EUR 100 656). Ownership of the fixed assets will be transferred to the Company after settlement of all lease liabilities.

During the reporting year interest on borrowings was not included in the cost of construction in progress.

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(TRANSLATION FROM LATVIAN)*

Notes (continued)

**(10) Living animals and plants**

	<b>Productive livestock EUR</b>	
31.12.2023.	1 542 872	
Internal renewal of the primary herd	26 270	
<b>31.12.2024.</b>	<b><u>1 569 142</u></b>	

**(11) Other securities and investments**

	<b>31.12.2024. EUR</b>	<b>31.12.2023. EUR</b>
Holding shares in Latvijas cūkaudzētāju asociācija	612	612
Holding shares in co-operative entity „VAKS”	7 470	7 470
	<b><u>8 082</u></b>	<b><u>8 082</u></b>

**(12) Livestock and productive animals**

	<b>Animals kept for fattening EUR</b>	
31.12.2023.	3 861 604	
Net increase of the herd	(538 798)	
<b>31.12.2024.</b>	<b><u>3 322 806</u></b>	

**(13) Trade receivables**

	<b>31.12.2024. EUR</b>	<b>31.12.2023. EUR</b>
Trade debtors	<b><u>2 107 990</u></b>	<b><u>2 310 532</u></b>

**(14) Other debtors**

Other debtors	<b><u>20 622</u></b>	<b><u>3 041</u></b>
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**(15) Accrued income**

Accrued income is the amount of grants and donations received after the end of the year for the reporting year.

**(16) Cash and bank**

Cash at bank	930 986	1 705 780
Cash on hand	-	54
	<b><u>930 986</u></b>	<b><u>1 705 834</u></b>

**(17) Share capital**

As at 31 December 2024 the subscribed and fully paid share capital is EUR 10 231 015 that consists of 10 231 015 ordinary shares with a nominal value 1 EUR each.

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(TRANSLATION FROM LATVIAN)*

Notes (continued)

**(18) Loans from credit institutions**

	<b>31.12.2024.</b>	<b>31.12.2023.</b>
	<b>EUR</b>	<b>EUR</b>
Loan from AS Swedbank repayable after 1 to 5 years	1 193 642	1 655 690
<b>Total long-term part</b>	<b>1 193 642</b>	<b>1 655 690</b>
Loan from AS Swedbank repayable within 1 year	462 048	462 048
Accrued interest payable AS Swedbank	5 796	8 063
<b>Total short-term part</b>	<b>467 844</b>	<b>470 111</b>
<b>Total loans from credit institutions</b>	<b>1 661 486</b>	<b>2 125 801</b>

The loan agreement signed is repayable by 14 July 2028. Interest rate- 3 months EURIBOR plus 2.95% p.a.

Credit line agreement is signed in respect of 2 000 000 EUR borrowing is repayable by 12 December 2025. Interest rate- 3 months EURIBOR plus 2.95% p.a. As at 31 December 2024, the Company has not used the credit line.

All the property owned by the Company is pledged to AS Swedbank to secure the above mentioned liabilities, and the Company has also issued a commercial pledge in favour of AS Swedbank.

**(19) Other borrowings**

Finance lease – long term part payable in 5 years	7 300	50 875
<b>Total long-term part</b>	<b>7 300</b>	<b>50 875</b>
Finance lease - short term part	39 959	39 605
<b>Total short-term part</b>	<b>39 959</b>	<b>39 605</b>
	<b>47 259</b>	<b>90 480</b>

The Company has acquired fixed assets under finance lease. As at 31 December 2024 the annual interest rate is set at 0.89%.

**(20) Deferred income**

	<b>2024</b>	<b>2023</b>
	<b>EUR</b>	<b>EUR</b>
<b>At the beginning of the year</b>	<b>1 499 485</b>	<b>1 615 998</b>
Released to income during the year	(115 835)	(115 835)
Received funding during the reporting year	83	(678)
<b>At the end of the year</b>	<b>1 383 733</b>	<b>1 499 485</b>
	<b>31.12.2024.</b>	<b>31.12.2023.</b>
	<b>EUR</b>	<b>EUR</b>
Deferred income – long-term part (exceeding 5 years)	852 380	944 749
Deferred income – long-term part (1 to 5 years)	414 372	437 837
<b>Total long-term part</b>	<b>1 266 752</b>	<b>1 382 586</b>
Deferred income – short-term part	116 981	116 899
<b>Total short-term part</b>	<b>116 981</b>	<b>116 899</b>
<b>Total deferred income</b>	<b>1 383 733</b>	<b>1 499 485</b>

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(TRANSLATION FROM LATVIAN)*

. **Notes** (continued)

**(21) Taxes and social insurance payments**

	<b>31.12.2024.</b>	<b>31.12.2023.</b>
	<b>EUR</b>	<b>EUR</b>
VAT	204 217	232 955
CIT	392 904	1 676
PIT	32 031	65 033
Social insurance	60 173	53 951
NRT	9 505	9 812
Business risk duty	22	22
	<b><u>698 852</u></b>	<b><u>363 449</u></b>

**(22) Accrued liabilities**

Accrued liabilities for unused annual leaves	241 264	294 430
Other accrued liabilities	43 319	30 323
	<b><u>284 583</u></b>	<b><u>324 753</u></b>

**(23) Average number of employees**

	<b>2024</b>	<b>2023</b>
Average number of employees during the reporting year:	<b><u>68</u></b>	<b><u>65</u></b>

**Division of employees by categories**

Council members	4	4
Board members	1	1
Other employees	63	60
	<b><u>68</u></b>	<b><u>65</u></b>

**(24) Management remuneration**

	<b>2024</b>	<b>2023</b>
	<b>EUR</b>	<b>EUR</b>
Council members' remuneration:		
· salary expenses	18 316	17 845
· social insurance payments	4 095	4 034
	<b><u>22 411</u></b>	<b><u>21 879</u></b>
Board member's remuneration:		
· salary expenses	223 602	153 458
· contributions to private pension fund	15 279	13 833
· social insurance payments	52 744	36 197
	<b><u>291 625</u></b>	<b><u>203 488</u></b>

**(25) Rent and lease agreements**

In 2024 the Company concluded a grain and other feed additive purchase agreements with a fixed price, according to which the Company has committed to buy raw materials for EUR 2 185 829 in 2025.

**(26) Guarantees and pledges**

All the property owned by the Company is pledged to AS Swedbank to secure the long – term loan. As at 31 December 2024 these liabilities amounted to EUR 1 661 486.

**(27) Research and development**

During the reporting year the Company did not have any expenses that could be classified as research and development costs in accordance with the Law on the Annual Financial Statements and Consolidated Financial Statements.

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

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024**  
*(TRANSLATION FROM LATVIAN)*

. **Notes** (continued)

**(28) Distribution of profit proposed by the Board**

The distribution of profit suggested by the board is included in the "Management Report" of this financial report.

**(29) Subsequent events**

There are no subsequent events since the last date of the reporting year, which would have a significant effect on the financial position of the Company as at 31 December 2024.

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Alex Skovgaard Rasmussen  
Member of the Board

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Lolita Krūze  
Chief accountant

ELECTRONIC SIGNATURE OF THE BOARD MEMBER RELATES TO THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 1 TO 20.

ELECTRONIC SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTING RELATES TO THE FINANCIAL STATEMENTS ON PAGE 3 AND FROM PAGE 6 TO 20.

**Independent Auditor's Report**  
(Translation from Latvian)

Ūdens iela 12-45, Rīga, LV-1007, Latvija  
T. +371 67607902, www.p-a.lv

**To the shareholders of SIA Gaižēni**

*Our Opinion on the Financial Statements*

We have audited the accompanying financial statements of SIA Gaižēni ("the Company") set out on pages 6 to 20 of the accompanying annual report, which comprise:

- the balance sheet as at 31 December 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 SIA Gaižēni as at 31 December 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and 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 International Code of Ethics for Professional Accountants (including International Independence Standards) and 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 management is responsible for the other information. The other information is the Management Report, as set out on pages 4 to 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:

- 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.

#### *Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

On behalf of  
SIA Potapoviča un Andersone,  
Ūdens street 12-45, Rīga, LV-1007  
Certified Auditors Company licence No. 99

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Kristīne Andersone  
Responsible Certified Auditor  
Certificate No. 99  
Chairman of the Board

ELECTRONIC SIGNATURE OF THE AUDITOR RELATES TO THE AUDITOR'S REPORT ENCLOSED WITH THE ANNUAL REPORT ON PAGES 21. TO 22.

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