

**SIA "GAIŽĒNI"**

**ANNUAL ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 2025**

*Translation from Latvian*

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(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 2025
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 2025 the subscribed and fully paid share capital is EUR 5 731 010 that consists of 5 731 010 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 2025 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 11.9 thousand tons in live weight of the main product - pigs were sold, which is a slightly above the amount of the previous year.

During the reporting year, the majority of pigs were sold in the Latvian market, 22,5% were sold outside of the country.

In 2025 sales revenue decreased by 8,4% in comparison to the previous year. The decline in revenue is associated with a gradual decrease in purchase prices which have decreased by 13,2% on average compared to the two previous years.

The direct production costs of pigs have not increased significantly in 2025 mainly due to improvements in feeding efficiency in the pig breeding process.

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 2025, a total of 8 600 tons of grain and legumes were harvested, which is 5,8% less than in the previous year. The wet and cool summer during the reporting year promoted the growth of green plant biomass but negatively affected ear of corn development and the full maturation of grain. The average harvest was 5,4t/ha, which corresponds approximately to the average yield level of the past five years.

During the reporting year the prices of resources necessary for economic activity did not increase significantly, and overall production costs remained at the 2024 level.

It should be noted that with the decrease in pig purchase prices during the reporting year, the calculated value of the herd decreased by 680 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 3 009 832.

### **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.

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.

**Management Report** (continued)

**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 2025 with profit of EUR 3 009 832. 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 2026. 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 2025**

	Notes	2025 EUR	2024 EUR
Net sales	2	17 101 286	18 591 216
Cost of sales, cost of goods sold, cost of services rendered	3	(14 657 246)	(14 379 165)
<b>Gross profit</b>		<b>2 444 040</b>	<b>4 212 051</b>
Administrative expenses	4	(762 617)	(724 009)
Other operating income	5	1 433 948	1 356 709
Other operating expenses		(21 484)	(44 004)
Interest income and similar income	6	12 822	57 172
Interest expenses and similar expenses	7	(96 877)	(149 273)
<b>Profit before corporate income tax</b>		<b>3 009 832</b>	<b>4 708 646</b>
Corporate income tax for the reporting year		-	(643 747)
<b>Current year's profit</b>		<b>3 009 832</b>	<b>4 064 899</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 2025

(1)

	Note	31.12.2025. EUR	31.12.2024. EUR
<b><u>Assets</u></b>			
<b>Long-term investments</b>			
<b>Intangible assets:</b>			
Concessions, patents, licences, trademarks and similar rights	8	24 810	-
Goodwill	8	3 246	9 738
<b>Total intangible assets:</b>		<b>28 056</b>	<b>9 738</b>
<b>Fixed assets:</b>			
Land, buildings and engineering structures	9	17 456 399	18 167 113
Living animals and plants	10	1 615 688	1 569 142
Technological equipment and devices	9	3 996 786	4 200 161
Other fixed assets and inventory	9	79 579	87 963
Fixed assets under construction	9	187 215	212 433
Advances for fixed assets	9	11 271	47 687
<b>Total fixed assets:</b>		<b>23 346 938</b>	<b>24 284 499</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>23 383 076</b>	<b>24 302 319</b>
<b>Current assets</b>			
<b>Stock:</b>			
Raw materials and consumables		2 959 011	3 090 592
Work-in-progress		512 942	524 812
Advance payments on inventories		110 079	-
Animals and crops	12	2 597 637	3 322 806
<b>Total stock:</b>		<b>6 179 669</b>	<b>6 938 210</b>
<b>Debtors:</b>			
Trade debtors	13	1 804 583	2 107 990
Other debtors	14	517	20 622
Deferred expenses		39 404	110 019
Accrued income	15	49 094	162 533
<b>Total debtors:</b>		<b>1 893 598</b>	<b>2 401 164</b>
<b>Cash and bank:</b>	16	<b>562 846</b>	<b>930 986</b>
<b>Total current assets:</b>		<b>8 636 113</b>	<b>10 270 360</b>
<b><u>Total assets</u></b>		<b>32 019 189</b>	<b>34 572 679</b>

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Balance sheet as at 31 December 2025

(2)

	Note	31.12.2025. EUR	31.12.2024. EUR
<b>Liabilities</b>			
<b>Shareholders' funds:</b>			
Share capital	17	5 731 010	10 231 015
Share premium		1 575 404	1 575 404
Prior years' retained earnings		17 915 544	13 850 645
Current year's profit		3 009 832	4 064 899
<b>Total shareholders' funds:</b>		<b>28 231 790</b>	<b>29 721 963</b>
<b>Creditors:</b>			
<b>Long-term creditors:</b>			
Loans from credit institutions	18	731 594	1 193 642
Other borrowings	19	-	7 300
Deferred income	20	1 150 917	1 266 752
<b>Total long-term creditors:</b>		<b>1 882 511</b>	<b>2 467 694</b>
<b>Short-term creditors:</b>			
Loans from credit institutions	18	465 968	467 844
Other borrowings	19	3 651	39 959
Trade creditors		716 341	668 422
Taxes and social insurance payments	21	244 214	698 852
Other creditors		125 964	106 381
Deferred income	20	116 881	116 981
Accrued liabilities	22	231 869	284 583
<b>Total short-term creditors:</b>		<b>1 904 888</b>	<b>2 383 022</b>
<b>Total creditors:</b>		<b>3 787 399</b>	<b>4 850 716</b>
<b><u>Total liabilities and shareholders' funds</u></b>		<b><u>32 019 189</u></b>	<b><u>34 572 679</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 2025**

	Share capital	Share premium	Retained earnings	Total
	EUR	EUR	EUR	EUR
<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>
Profit for the year	-	-	3 009 832	3 009 832
Decrease of share capital	(4 500 005)	-	-	(4 500 005)
<b>As at 31 December 2025</b>	<b>5 731 010</b>	<b>1 575 404</b>	<b>20 925 376</b>	<b>28 231 790</b>

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**Cash flow statement for the year ended 31 December 2025**

Note	2025 EUR	2024 EUR
<b>Cash flow from operating activities</b>		
<b>Profit before corporate income tax</b>	<b>3 009 832</b>	<b>4 708 646</b>
<u>Adjustments for:</u>		
- corrections of decrease in value of fixed assets	1 771 507	1 795 884
- accruals and provisions (except for provisions for bad debts)	15 322	7 531
- interest and similar income	(12 822)	(57 172)
- interest and similar expense	96 248	149 000
- net loss/ (profit) from disposals of fixed assets	1 196	(20 024)
- (increase)/ decrease of main livestock	(46 546)	(26 270)
<b>Profit before adjustments of working capital and short-term liabilities</b>	<b>4 834 737</b>	<b>6 557 595</b>
<u>Adjustments for:</u>		
- trade debtors' decrease	507 566	71 431
- stock decrease	758 541	642 139
- deferred income, trade and other creditors' (decrease)	(162 881)	(221 891)
<b>Gross cash flow from operating activities</b>	<b>5 937 963</b>	<b>7 049 274</b>
Corporate income tax expenses	(392 904)	(250 843)
<b>Net cash flow from operating activities</b>	<b>5 545 059</b>	<b>6 798 431</b>
<b>Cash flow from investing activities</b>		
Acquisition of fixed and intangible assets	(822 236)	(994 915)
Proceeds from sales of fixed assets	-	21 000
Interest payments received	12 822	57 172
<b>Net cash flow from investing activities</b>	<b>(809 414)</b>	<b>(916 743)</b>
<b>Cash flow from financing activities</b>		
Repaid loans	(462 048)	(462 048)
Interest paid	(98 124)	(151 267)
Finance lease payments	(43 608)	(43 221)
Dividends paid	-	(6 000 000)
Share capital decrease	(4 500 005)	-
<b>Net cash flow from financing activities</b>	<b>(5 103 785)</b>	<b>(6 656 536)</b>
<b>Net cash flow of the reporting year</b>	<b>(368 140)</b>	<b>(774 848)</b>
Cash and cash equivalents at the beginning of the reporting year	930 986	1 705 834
<b>Cash and cash equivalents at the end of reporting year</b> 16	<b>562 846</b>	<b>930 986</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 measures 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>2025 EUR</b>	<b>2024 EUR</b>
Income from sales of pigs in Latvia	13 173 365	15 675 584
Income from export of pigs	3 828 303	2 891 740
Income from sales of grains	99 618	23 892
	<b><u>17 101 286</u></b>	<b><u>18 591 216</u></b>

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

Feeding, medical and other direct pig farming expenses	8 824 793	8 727 845
Changes in value of livestock	678 624	512 528
Cultivation and seed expenses	988 847	1 145 175
Cost adjustment for grain self-consumption	(1 272 934)	(1 548 871)
Changes in value of crops in progress	11 870	(23 392)
Depreciation of fixed assets and intangibles	1 786 829	1 803 416
Salaries	1 411 640	1 312 969
Social insurance compulsory contributions	315 041	314 829
Contributions to Private pension fund	52 708	45 874
Changes in provisions for unused leave for salary	4 296	24 995
Changes in provisions for unused leave for social insurance compulsory contributions	969	5 896
Risk duty	252	250
Land lease	52 546	52 972
Maintenance and fuel	900 494	973 119
Electricity and heating	445 617	648 534
Insurance premiums	178 899	163 019
Natural resource tax	33 810	27 565
Real estate tax	29 735	29 611
Other production costs	213 210	162 831
	<b><u>14 657 246</u></b>	<b><u>14 379 165</u></b>

**(4) Administrative expenses**

Salaries	501 534	502 424
Social insurance compulsory contributions	121 745	122 939
Contributions to Private pension fund	26 729	26 543
Changes in provisions for unused leave for salary	(30 858)	(68 905)
Changes in provisions for unused leave and bonuses for social insurance compulsory contributions	(6 720)	(15 152)
Risk duty	22	18
Communication costs	8 836	7 919
Legal services	34 200	24 000
Professional fees	12 300	12 000
Other administrative expenses	93 412	106 300
Banking services	1 417	5 923
	<b><u>762 617</u></b>	<b><u>724 009</u></b>

**(5) Other operating income**

Grants	1 318 709	1 284 865
Net profit from sales and disposals of fixed assets	-	20 024
Other operating income	115 239	51 820
	<b><u>1 433 948</u></b>	<b><u>1 356 709</u></b>

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

Interest income from credit institutions	<b><u>12 822</u></b>	<b><u>57 172</u></b>
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**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025**  
(TRANSLATION FROM LATVIAN)

Notes (continued)

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

	<b>2025</b>	<b>2024</b>
	<b>EUR</b>	<b>EUR</b>
Interest on borrowings from credit institutions	96 005	148 371
Finance lease interest expenses	243	629
Foreign exchange, net effect	456	123
Other expenses	173	150
	<u><b>96 877</b></u>	<u><b>149 273</b></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>
31.12.2024.	16 020	65 302	81 322
Additions	33 640	-	33 640
<b>31.12.2025.</b>	<u><b>49 660</b></u>	<u><b>65 302</b></u>	<u><b>114 962</b></u>
<b>Amortization</b>			
31.12.2024.	16 020	55 564	71 584
Charge for 2025	8 830	6 492	15 322
<b>31.12.2025.</b>	<u><b>24 850</b></u>	<u><b>62 056</b></u>	<u><b>86 906</b></u>
<b>Net book value as at 31.12.2024.</b>	<u><b>-</b></u>	<u><b>9 738</b></u>	<u><b>9 738</b></u>
<b>Net book value as at 31.12.2025.</b>	<u><b>24 810</b></u>	<u><b>3 246</b></u>	<u><b>28 056</b></u>

**(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>					
31.12.2024.	28 554 304	13 181 103	428 101	260 120	42 423 628
Additions	175 271	577 987	35 338	-	788 596
Disposals	-	(23 817)	(10 319)	-	(34 136)
Reclassified	61 634	-	-	(61 634)	-
<b>31.12.2025.</b>	<u><b>28 791 209</b></u>	<u><b>13 735 273</b></u>	<u><b>453 120</b></u>	<u><b>198 486</b></u>	<u><b>43 178 088</b></u>
<b>Depreciation</b>					
31.12.2024.	10 387 191	8 980 942	340 138	-	19 708 271
Charge for 2025	947 619	780 782	43 106	-	1 771 507
Disposals	-	(23 237)	(9 703)	-	(32 940)
<b>31.12.2025.</b>	<u><b>11 334 810</b></u>	<u><b>9 738 487</b></u>	<u><b>373 541</b></u>	<u><b>-</b></u>	<u><b>21 446 838</b></u>
<b>Net book value</b>					
<b>31.12.2024.</b>	<u><b>18 167 113</b></u>	<u><b>4 200 161</b></u>	<u><b>87 963</b></u>	<u><b>260 120</b></u>	<u><b>22 715 357</b></u>
<b>Net book value</b>					
<b>31.12.2025.</b>	<u><b>17 456 399</b></u>	<u><b>3 996 786</b></u>	<u><b>79 579</b></u>	<u><b>198 486</b></u>	<u><b>21 731 250</b></u>

All the property owned by the Company is pledged to AS Swedbank to secure the signed agreements, see Note 18.

Net book value of leased assets as at 31 December 2025 was in amount of EUR 4 027 (31.12.2024: EUR 52 346). 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.

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

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(TRANSLATION FROM LATVIAN)*

Notes (continued)

**(10) Living animals and plants**

	<b>Productive livestock EUR</b>	
31.12.2024.	1 569 142	
Internal renewal of the primary herd	46 546	
<b>31.12.2025.</b>	<b><u>1 615 688</u></b>	

**(11) Other securities and investments**

	<b>31.12.2025. EUR</b>	<b>31.12.2024. EUR</b>
Holding shares in Latvian Pig Producers Association	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>	
31.12.2024.	3 322 806	
Net increase of the herd	(725 169)	
<b>31.12.2025.</b>	<b><u>2 597 637</u></b>	

**(13) Trade receivables**

	<b>31.12.2025. EUR</b>	<b>31.12.2024. EUR</b>
Trade debtors	<b><u>1 804 583</u></b>	<b><u>2 107 990</u></b>

**(14) Other debtors**

Other debtors	<b><u>517</u></b>	<b><u>20 622</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**

Overnight deposit	<b><u>562 846</u></b>	<b><u>930 986</u></b>
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**(17) Share capital**

As at 31 December 2025 the subscribed and fully paid share capital is EUR 5 731 010 that consists of 5 731 010 ordinary shares with a nominal value 1 EUR each.

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(TRANSLATION FROM LATVIAN)*

Notes (continued)

**(18) Loans from credit institutions**

	<b>31.12.2025.</b>	<b>31.12.2024.</b>
	<b>EUR</b>	<b>EUR</b>
Loan from AS Swedbank repayable after 1 to 5 years	731 594	1 193 642
<b>Total long-term part</b>	<b>731 594</b>	<b>1 193 642</b>
Loan from AS Swedbank repayable within 1 year	462 048	462 048
Accrued interest payable AS Swedbank	3 920	5 796
<b>Total short-term part</b>	<b>465 968</b>	<b>467 844</b>
<b>Total loans from credit institutions</b>	<b>1 197 562</b>	<b>1 661 486</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 April 2026. Interest rate- 3 months EURIBOR plus 2.95% p.a. As at 31 December 2025, 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, see Note 26.

**(19) Other borrowings**

Finance lease – long term part payable in 5 years	-	7 300
<b>Total long-term part</b>	<b>-</b>	<b>7 300</b>
Finance lease - short term part	3 651	39 959
<b>Total short-term part</b>	<b>3 651</b>	<b>39 959</b>
	<b>3 651</b>	<b>47 259</b>

The Company has acquired fixed assets under finance lease. As at 31 December 2025 the annual interest rate is set at 0.89%.

**(20) Deferred income**

	<b>2025</b>	<b>2024</b>
	<b>EUR</b>	<b>EUR</b>
<b>At the beginning of the year</b>	<b>1 383 733</b>	<b>1 499 485</b>
Released to income during the year	(115 835)	(115 835)
Received funding during the reporting year	(100)	83
<b>At the end of the year</b>	<b>1 267 798</b>	<b>1 383 733</b>
	<b>31.12.2025.</b>	<b>31.12.2024.</b>
	<b>EUR</b>	<b>EUR</b>
Deferred income – long-term part (exceeding 5 years)	760 012	852 380
Deferred income – long-term part (1 to 5 years)	390 905	414 372
<b>Total long-term part</b>	<b>1 150 917</b>	<b>1 266 752</b>
Deferred income – short-term part	116 881	116 981
<b>Total short-term part</b>	<b>116 881</b>	<b>116 981</b>
<b>Total deferred income</b>	<b>1 267 798</b>	<b>1 383 733</b>

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025**  
(TRANSLATION FROM LATVIAN)

. **Notes** (continued)

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

	<b>31.12.2025.</b>	<b>31.12.2024.</b>
	<b>EUR</b>	<b>EUR</b>
VAT	136 447	204 217
CIT	-	392 904
PIT	34 650	32 031
Social insurance	66 439	60 173
NRT	6 656	9 505
Business risk duty	22	22
	<b>244 214</b>	<b>698 852</b>

**(22) Accrued liabilities**

Accrued liabilities for unused annual leaves	208 953	241 264
Other accrued liabilities	22 916	43 319
	<b>231 869</b>	<b>284 583</b>

**(23) Average number of employees**

	<b>2025</b>	<b>2024</b>
Average number of employees during the reporting year:	<b>68</b>	<b>68</b>

**Division of employees by categories**

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

**(24) Management remuneration**

	<b>2025</b>	<b>2024</b>
	<b>EUR</b>	<b>EUR</b>
Council members' remuneration:		
· salary expenses	61 679	18 316
· social insurance payments	14 279	4 095
	<b>75 958</b>	<b>22 411</b>
Board member's remuneration:		
· salary expenses	145 865	223 602
· contributions to private pension fund	14 089	15 279
· social insurance payments	34 386	52 744
	<b>194 340</b>	<b>291 625</b>

**(25) Rent and lease agreements**

In 2025 the Company signed 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 2 005 133 in 2026.

**(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 2025 these liabilities amounted to EUR 1 197 562.

**(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.

**GAIŽĒNI SIA**  
**ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025**  
*(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 2025.

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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 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 SIA Gaižēni as at 31 December 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 *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