Lauksaimniecības pakalpojumu kooperatīvā sabiedrība "LATRAPS"

Registration No. 58503007191

LEI: 5299008BB7QQ59AIOT03

INFORMATION DOCUMENT

ISIN:	LV0000805349
Type of security:	Senior Unsecured Bonds
Nominal:	EUR 1,000.00 (one thousand Euro)
Nominal value of the issue:	EUR 8,000,000.00 (eight million Euro)
Annual Coupon Rate:	7.5%
Maturity:	12 December 2028

This Information Document is not a prospectus for the purposes of the Prospectus Regulation and no competent authority of any Member State has examined or approved the contents thereof. This Information Document has been prepared on the basis that all offers of the debt securities are issued by the Issuer according to this Information Document and will be made pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Regulation.

*The issue of the Bonds is a public offering in the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia and there is no intention of the Issuer to list the Bonds on a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended ("**MiFID II**").*

The Issuer is a company incorporated and existing under the Applicable Laws of the Republic of Latvia and the Applicable Laws allow for the Issuer to record the issue with the central securities depository of Latvia – Nasdaq CSD.

The decision of the Issuer to organize the issue of the Bonds has been passed in compliance with the Applicable Laws of the Republic of Latvia. The issue of the Bonds, including the relationship between the Issuer and prospective investors or any third parties, and their respective rights and duties attached to the Bonds is governed by the Applicable Laws of the Republic of Latvia.

This Information Document does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

MiFID II product governance - solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and respective retail clients are appropriate. Any person subsequently offering, selling, or recommending the Bonds should take into consideration the manufacturer's target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) *providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union.*

Before deciding to purchase the Bonds, prospective investors must make their own assessment as to the suitability of investing in the Bonds. In particular, each prospective investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds and the merits and risks of investing in the Bonds;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the Potential Investor's currency;

(iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, before deciding to purchase the Bonds, prospective investors should carefully review and consider the risk factors described herein. Should one or more of the risks materialize, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer. If any of these risks materialize, the market value of the Bonds and the likelihood the Issuer will be in a position to fulfil its payment obligations under the Bonds may decrease, in which case the Bondholders could lose all or part of their investments.

Any previous discussions or presentations provided to prospective investors were solely for information purposes and the Bonds are issued in accordance with this Information Document. A prospective investor should not make an investment decision relying solely upon the information provided in the prospective investor presentation or otherwise.

Arranger:

SIGNET BANK

20 November 2024

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DEFINITIONS

Accounting Principles:	Latvian Accounting Standards (Latvian GAAP) as set forth in the Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia or International Financial Reporting Standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time) as chosen and applied by the Issuer.
AML:	Anti-money laundering and counter terrorism and proliferation financing.
Applicable Laws:	Any applicable law, including without limitation: (a) the regulations of the Bank of Latvia, Nasdaq Riga and Nasdaq CSD; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether state, local, foreign, or EU; and (c) the laws and regulations of the Republic of Latvia and any legal acts in each country in which the Issuer operates.
Arranger:	Signet Bank AS, a Latvian credit institution registered in the Enterprise Register of the Republic of Latvia under registration No. 40003043232.
Auditor:	Any auditor from the following list that is licensed to practice in the Republic of Latvia: - SIA “Deloitte Audits Latvia” (registration number: 40003606960); - SIA “PriceWaterhouseCoopers” (registration number: 40003142793); - SIA “ERNST & YOUNG BALTIC” (registration number: 40003593454); - SIA “KPMG Baltics SIA” (registration number: 40003235171).
Bank of Latvia:	Bank of Latvia (in Latvian: *Latvijas Banka*).
Bond(s):	The debt security issued by the Issuer according to this Information Document.
Bondholder(s) or Investor(s):	A private person or legal entity that is an owner of one or more Bonds and has a claim against the Issuer as provided in this Information Document.
Borrowings from Members:	Unsecured borrowings from the Existing Members and future members of the Issuer in the form of Bonds (including Existing Bonds) and loans.
Business Day(s):	Business Day(s) is a day when Nasdaq CSD system is open and operational to effectuate T2S-eligible securities settlement transactions.
Cash and Cash Equivalents:	Cash and cash equivalents of the Issuer according to the most recent Financial Report.

Change of Control:	The occurrence of an event or series of events whereby, a person (natural person or legal entity) or a group of persons other than the Existing Members acting in concert (directly or indirectly) acquires the influence (whether by way of ownership of shares, contractual arrangement or otherwise) to: (a) cast or control the casting of more than 50% (fifty percent) of the maximum number of votes that might be cast at a general meeting of the members of the Issuer; or (b) appoint or remove or control the appointment or removal of a majority of the management board or supervisory board members.
Coupon Payment Date:	Coupon payments shall be made four times per year – on every 31 March, 30 June, 30 September, and 31 December. Should any Coupon Payment Date fall on a date which is not a Business Day, the payment of the coupon due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.
Coupon Period:	The period of time between the First Settlement Date and the last date of the subsequent calendar quarter, which is 31 March 2025 or between the last dates of two calendar quarters.
Coupon:	Interest on the Bonds calculated in accordance with Clause 10 (*Coupon*) of Section "INFORMATION ON BONDS" of this Information Document.
Custodian:	Nasdaq CSD participant directly or a licensed credit institution or an investment brokerage company that has a financial securities custody account with a Nasdaq CSD participant.
De-listing Event:	Occurrence of an event whereby at any time following the listing of the Bonds, trading in the Bonds on First North is suspended for a period of 15 (fifteen) consecutive Business Days (when First North is at the same time open for trading).
EBITDA:	Net profit of the Issuer for the Relevant Period calculated according to the most recent Financial Reports: (a) increased by any amount of tax on profits, gains or income paid or payable; (b) before deducting any Net Finance Charges; (c) before taking into account EU or other subsidies and similar payments; (d) before taking into account any exceptional items which are not in line with the ordinary course of business and any non-cash items (such as e.g., asset revaluation or write-down); (e) before taking into account any gains or losses on any foreign exchange gains or losses; (f) increased by any amount attributable to the amortization,

depreciation or depletion of assets;

(g) increased by dividends received from associated undertakings as defined in the applicable legislative acts.

Equity Ratio: Ratio of Total Equity of the Issuer to total assets of the Issuer, calculated according to the most recent Financial Report.

EUR: Euro (the single currency of the Member States of the European Monetary System).

Event of Default: Any event or circumstance set out in Clause 14 (*Events of Default*) of Section "INFORMATION ON BONDS" of this Information Document.

Existing Bonds: Existing unsecured bonds issued in accordance with Applicable Laws not registered with Nasdaq CSD and with limitations on transferability. The bonds are dematerialized bearer securities that can be transferred only between the Issuer's Existing Members or employees without the right to further alienate or pledge them to a third party. The interest on the Existing Bonds is accrued and paid only on their respective maturity dates.

Existing Members members (in Latvian: *biedrs*) of the Issuer that are entered in the register of members of the Issuer as of the date of this Information Document owning at least 250 cooperative shares of the Issuer.

Fair Market Value: With respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving any distress of either party, determined in good faith by the management board of the Issuer.

Financial Indebtedness: The outstanding aggregate amount of total indebtedness of the Issuer according to the most recent Financial Report, including:

(a) monies borrowed and debt balances at banks or other financial institutions;

(b) monies borrowed and debt balances with the Existing Members and future members of the Issuer;

(c) any amount raised pursuant to the issue of Bonds or any similar instrument, including the Bonds and Existing Bonds;

(d) the amount of any liability in respect of any financial lease;

(e) any amount raised under any other transaction having the commercial effect of a borrowing and treated as a borrowing under Accounting Principles;

(f) any counter-indemnity obligation in respect of a guarantee or any other instrument issued by a bank or financial institution;

(g) any derivative transaction based on mark-to-market value; and without double-counting any assurance against financial-loss in respect of a type referred to the above items (a) to (e).

	but, excluding any Subordinated Debt.
Financial Report:	The annual audited financial report of the Issuer and the semi-annual interim unaudited reports (as applicable) of the Issuer prepared in accordance with the Accounting Principles.
Financial Year:	For the Issuer, each year starting on 1 July and ending on 30 June.
First North:	The Multilateral Trading Facility (MTF) First North, operated by Nasdaq Riga.
First Settlement Date (Issue Date):	The date on which interest on the Bonds starts to accrue: 12 December 2024.
Force Majeure Event:	Has the meaning set forth in Clause 17 (*Force Majeure*) of Section "INFORMATION ON BONDS" of this Information Document.
Group:	The Issuer and its Subsidiaries.
IFRS:	International Financial Reporting Standards within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).
Information Document:	This document, which entitles the Issuer to execute the Issue and the initial offering of the Bonds.
Interest Coverage Ratio (ICR):	The ratio of EBITDA to Net Finance Charges for the Relevant Period.
Issue:	The issue of Bonds on the Issue Date in the amount of EUR 8,000,000.00 (eight million Euro).
Issuer:	Lauksaimniecības pakalpojumu kooperatīvā sabiedrība "LATRAPS", a cooperative society (in Latvian - *kooperatīvā sabiedrība*) registered in the Enterprise Register of the Republic of Latvia with registration No. 58503007191 and with a registered address at: Lietuvas iela 16A, Eleja, Elejas rural territory, Jelgava municipality, LV-3023, Latvia.
Issuer's webpage	Issuer's webpage at domain www.latraps.lv.
Listing Failure:	A situation where the Bonds are not admitted to trading and listing on First North within 6 (six) months after the Issue Date.
Majority Bondholders:	The Bondholders who collectively hold in aggregate the Bonds with the Nominal Value representing at least 1/2 (one half) of the aggregate Nominal Value of all outstanding Bonds plus at least one additional Bond. The Issuer, its direct or indirect members and the Related Parties holding any such Bonds are not eligible for voting.
Maturity Date:	The date when the Bonds shall be repaid in full at their Nominal Value by the Issuer, which is 12 December 2028.
Measurement Date:	Each day which is (a) the last day of the Issuer's Financial Year in

	any year; or (b) the last day of the first half of the Issuer's Financial Year in any year.
Minimum Settlement Unit:	The minimum amount which can be held and traded, which is equal to the Nominal Value.
Nasdaq CSD:	Nasdaq CSD SE, registration No. 40003242879 and with a registered address at: Vaļņu iela 1, LV-1050, Riga, Latvia.
Nasdaq Riga:	Akciju sabiedrība "Nasdaq Riga", registration No. 40003167049 and with a registered address at: Vaļņu iela 1, LV-1050, Riga, Latvia.
Net Finance Charges	All recurring debt related charges of the Issuer for the Relevant Period calculated according to the most recent Financial Reports: (a) including interest expense on the Financial Indebtedness; (b) including interest expense on guarantees issued by a bank or insurance company; (c) after deducting any interest income relating to Cash and Cash Equivalents; and excluding any payment-in-kind interest capitalized on Subordinated Debt.
Net Financial Indebtedness:	The aggregate amount of the Financial Indebtedness of the Issuer minus Cash and Cash Equivalents as per the most recent Financial Report.
Nominal Value:	Face value of a single Bond, which is EUR 1,000.00 (one thousand Euro).
Permitted Distribution:	Up to 50% (fifty percent) of the audited annual profit of the Issuer for the respective Financial Year if the Equity Ratio after such distribution is at least 20% (twenty percent).
Potential Investor(s):	A private person or legal entity that has, according to the terms stated in this Information Document, expressed interest or is planning to purchase for its own account one or more Bonds.
Production Facility	Smart-nutrition production facility of peas and fava beans owned by the Production Subsidiary.
Production Subsidiary	ASNS Ingredient SIA, a company registered in the Enterprise Register of the Republic of Latvia with registration No. 43603092163 and with registered address at: Lietuvas iela 16A, Eleja, Elejas rural territory, Jelgava municipality, LV-3023, Latvia. Although the Production Subsidiary is owned by the Issuer through 50% and one share of the shareholding, according to the shareholders' agreement the Issuer does not exercise control over the Production Subsidiary.
Prospectus Regulation:	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading

on a regulated market, and repealing Directive 2003/71/EC.

Related Parties: Persons listed in Article 184.[1] of the Commercial Law, namely:

(a) a member of the Issuer who has a direct decisive influence in the Issuer;

(b) a member of the management board or supervisory board;

(c) a member of the Issuer who has a direct decisive influence in the Issuer, member of the management board or supervisory board;

(d) a person who is a relative of the person referred to in Items (a) or (b) up to the second degree of kinship, the spouse or brother-in-law or sister-in-law up to the first degree of affinity, or a person with whom he or she has a shared household;

(e) a legal person in which the person referred to in Items (a), (b) or (d) above has a decisive influence.

Relevant Period: Each period of 12 (twelve) consecutive calendar months, fixed on every Measurement Date.

Rules of Procedures: Regulations of the Bank of Latvia No. 261 regarding the preparation and publishing of the Information Document for the purposes of public offering *(Informācijas dokumenta publiskā piedāvājuma izteikšanai sagatavošanas un publicēšanas Noteikumi)* effective from 1 January 2024.

Sanctions: Economic or financial sanctions, trade embargoes and similar measures imposed, administered, or enforced from time to time by the Republic of Latvia, the European Union, the United Nations, the Office of Foreign Assets Control of the US Department of the Treasury (OFAC) and any competent authority.

Security: Any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or security interests of any kind, including retention arrangements, or other encumbrance and any agreement to create any of the foregoing.

Settlement Unit Multiple: Multiple that defines the settlement quantity or nominal must be a multiple of the Minimum Settlement Unit.

Strategic Partner: Pfeifer & Langen International B.V., a group company of the Pfeifer & Langen Group, with registration number 815276151 and registered address at: Havenstraat 62, 7005AG Doetinchem, Netherlands.

Subordinated Debt: Unsecured debt of the Group that is subordinated to the Bonds with maturity after the Maturity Date. The debt is subordinated to other more senior debts and these Bonds with respect to claims on assets or earnings and is fully or partly repayable only if settlement of all obligations under this Information Document is made.

For the sake of clarity, the Issuer is allowed to make interest payments on Subordinated Debt if such interest payments do not cause a breach of Clause 12 (*Financial Covenants*) of Section "INFORMATION ON BONDS" of this Information Document.

Subsidiaries:

On the date of this Information Document, the Issuer has 3 (three) subsidiaries:

(a) SIA ASNS Investment, registration No. 43603072010;

(b) the Production Subsidiary;

(c) SIA LATMALT, registration No. 43603092356.

At the date of this Information Document, the Issuer and its Subsidiaries do not qualify for requirements with regard to mandatory preparation of consolidated financial reports thus the Issuer and its Subsidiaries prepare standalone financial reports.

Total Equity:

The aggregate book value of the Issuer's total equity (including minority interest, if applicable) according to the latest Financial Report increased by

(a) Subordinated Debt;

(b) EU support payments and subsidies reflected under Deferred Revenue in the Issuer's balance sheet.

SUMMARY

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Document. This overview must be read as an introduction in conjunction with the other parts of the Information Document (including any documents incorporated therein and amendments and supplements thereof). Any decision to invest in the Bonds should be based on a consideration by the investor of the Information Document as a whole. Words and expressions defined in the Information Document have the same meanings in this overview.

This summary constitutes a general description of the principal terms of the Information Document including:

(i) most important information related to the Issuer and the Bonds;

(ii) warning about those risks related to the specific public offer of securities, the Issuer, the Issuer's scope of economic activity and the offered securities, which the Issuer is aware of and which it considers essential for the investor to make a reasoned decision;

(iii) warning that by investing in the Bonds, the investor assumes the risks mentioned in the Information Document and if any of these risks occur, the price of the Bonds may decrease and the investor may lose all or part of his or her investment;

(iv) statement that the Information Document is not a prospectus in the meaning of the Prospectus Regulation and the Bank of Latvia has not approved the Information Document.

Issuer:	Lauksaimniecības pakalpojumu kooperatīvā sabiedrība "LATRAPS"
Legal Entity Identifier (LEI):	5299008BB7QQ59AIOT03
Nominal Value of The Issue:	Up to EUR 8,000,000 (eight million Euro)
Number of the Bonds to be Issued	Up to 8,000 (eight thousand)
Currency:	EUR (EURO)
Issue Price:	100% of the Nominal Value, which is EUR 1,000.00 (one thousand Euro).
Nominal Value	Face value of a single Bond, which is EUR 1,000.00 (one thousand Euro).
Minimum Investment Amount:	EUR 1,000.00 (one thousand Euro)
Interest:	7.5% (seven point five per cent)
Maturity:	12 December 2028
Date of Information Document	20 November 2024
Date of Validity of the Information Document	19 November 2025
Form of the Bonds:	The Bonds are issued in a dematerialised form and will be recorded in the Latvian SSS (securities settlement system governed by the Applicable Laws), which will provide the maintaining function for the Bonds. The Bondholders may hold the Bonds through Nasdaq CSD participants participating in the Latvian SSS.
Status and Security:	The Bonds constitute direct, unsecured obligations of the Issuer ranking *pari passu* without any preference among each other and with all other unsecured, unguaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
Listing:	The Issuer shall submit an application to list and admit to trading the Bonds on First North within 6 (six) months from the Issue Date.
Taxation:	All payments in respect of the Bonds by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes,

	duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by laws of the Republic of Latvia. In such a case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the Applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Bondholders in respect of such withholding or deduction.
Risk Factors:	Investing in the Bonds involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds are discussed in Section "RISK FACTORS" below.
Warning	By investing in the Bonds, an investor assumes the risks mentioned in the Information Document and if any of these risks occur, the price of the Bonds may decrease and the investor may lose all or part of his or her investment.
Statement on no Approval from the Bank of Latvia and other regulation authorities:	This Information Document is not a prospectus within the meaning of the Prospectus Regulation and the Financial Instrument Market Law of the Republic of Latvia, the Securities Market Act of the Republic of Estonia, the Law on Securities of the Republic of Lithuania and has not been approved by the Bank of Latvia, the Estonian Financial Supervisory Authority, the Bank of Lithuania or any securities regulation authority of any other jurisdiction as such. The Information Document for the offering and admission is prepared following Article 3(2) of the Prospectus Regulation, Article 16^1 of the Financial Instrument Market Law of the Republic of Latvia, Article 15(6) of the Securities Market Act of the Republic of Estonia, and Article 7(2) of the Law on Securities of the Republic of Lithuania.
Rating:	Neither the Issuer nor the Bonds have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.
Governing Law:	Latvian law
Dispute Resolution:	Any disputes relating to or arising in relation to the Bonds shall be settled solely by the courts of the Republic of Latvia of competent jurisdiction.
Selling Restrictions:	For a description of certain restrictions on offers, sales, and deliveries of the Bonds and on the distribution of the Information Document in the United States of America, the EEA, the UK, the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia and other jurisdictions, see Clause 8 of Section "INFORMATION ON BONDS".

RISK FACTORS

The prospective investors are advised to carefully consider the risk factors and other information provided in this Information Document. Investing in Bonds involves certain risks including but not limited to the risks described herein. Risk factors, understood as sources of uncertainty, are inherent in any business activity. Thus, investment in Bonds is open to various risks which may, independently or collectively, have an adverse effect on the Issuer's and Group's business operations, financial position, or business results and, thereby, the Issuer's and Group's ability to fulfil its obligations under the Bonds as well as the market price and value of the Bonds. As a result, investors could lose a part or all the value of their investments.

The risks and uncertainties described in this Section are not the only risks currently faced by the Issuer and the Group. In addition to the risks listed in this Section "Risk factors", the Issuer and the Group could be exposed to risks, of which the Issuer is not currently aware or which the Issuer considers immaterial at the moment, but which could affect the Issuer's business operations, financial position, or business results and, thereby, the Issuer's and Group's ability to fulfil its obligations under the Bonds as well as the market price and value of the Bonds. Accordingly, each prospective Investor should thoroughly consider all the information in this Information Document, including the risk factors described below.

The risk factors are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Risk categories have been provided for ease of reference and cannot be understood separately from the description of each risk. The Issuer and the Group may face number of the risk factors described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong to more than one category and prospective investors should carefully consider all risk factors set out in this Section.

1. Risk factors relating to the economic and geopolitical environment

Geopolitical risk

Political changes in various regions or countries, as well as decisions impacting specific industries or nations, can have a considerable effect on the operations, profitability, and future growth of both the Group and the Issuer.

The Group is exposed to risks due to its proximity to Russia. Recent military actions by Russia in nearby regions have led to instability and heightened safety concerns for Latvia and the Baltic countries. The geographical closeness of Russia and Belarus to the Baltic states poses a potential risk to regional stability, which could adversely affect the operations of the Group. If military conflict were to arise, it could significantly harm the Group. The geopolitical situation is particularly significant for the Issuer, as Russia and Ukraine play crucial roles in the global agricultural market. Shifts in the political landscape or economic sanctions could directly affect pricing and overall market conditions, potentially posing challenges to the Issuer and business operations.

The introduction of new sanctions, an overall economic downturn, or a shift in investor sentiment towards the Baltics due to geopolitical developments could negatively influence the business results of the Issuer and the Group.

The Issuer considers the geopolitical risk as medium.

Macroeconomic risk

All of the Group's branches and its main operations are located in the Republic of Latvia and the Group derived more than 50% of its revenue during financial year 2023/2024 from the Republic of Latvia, making it particularly susceptible to economic developments in the country. However, given the relatively small size of the economy and its active engagement in international trade, Latvia is not insulated from regional and global macroeconomic fluctuations. The economic health of Latvia is closely tied to the overall performance of the EU and the Eurozone. Consequently, a slowdown in the EU could adversely impact the economy in Latvia, thereby affecting the Issuer's and the Group's business operations.

The Issuer exports large quantities of its grain, primarily to countries in Europe, the Middle East, and Africa, through global traders acting as intermediaries. These intermediaries help reduce risks related to timely settlements and potential changes in legislation and customs tariffs on grain exports. The engagement in international trade, therefore, makes the Issuer's and Group's results of operations susceptible to the health of the wider economy.

Since early 2020, the global economy has faced significant challenges due to the COVID-19 pandemic, the war in Ukraine, and increasing inflationary pressures, prompting global central banks to raise interest rates.

In 2023, the geopolitical situation and increases in European Central Bank interest rates aimed at curbing inflation adversely affected Latvia's GDP, leading to a contraction of 0.3%. However, a positive economic recovery is anticipated for 2024, with the Bank of Latvia forecasting GDP growth of 1.8% and a reduction in inflation from 8.9% in 2023 to 1.5% in 2024.

Recent trends indicate that the Latvian economy is poised for stable growth, driven by a rise in GDP, declining inflation rates and other favourable economic indicators. Nevertheless, as a member of the European Union, Latvia's economic progress is intricately linked to broader European developments and the decisions made to shape them.

If savings are exhausted sooner than expected, this could limit consumption in the upcoming quarters and consequently, a more significant economic recovery might only be anticipated during 2025. The level of uncertainty remains elevated, and there is a possibility that future economic growth rates may be lower than anticipated.

The Issuer considers the macroeconomic risk as low.

Global pandemic risk

The global economy encountered a significant period of uncertainty following the Covid-19 outbreak in March 2020. In response, national authorities swiftly introduced a range of laws and regulations to establish a legal framework that enabled governments to implement measures aimed at curbing the spread and mitigating the effects of the pandemic.

The Issuer acknowledges that disruptions arising from the Covid-19 pandemic, or the potential emergence of a new pandemic, may occur again, potentially affecting future operations and negatively impacting revenue. The precise effects on the Issuer remain uncertain and will depend on the severity of any future situations.

The Issuer considers the global pandemic risk as low.

2. Risk factors relating to the industry in which the Issuer operates

Commodity price risk

The Issuer's revenue is partially dependent on the prices of commodities it sells, such as wheat, rapeseed and others. These prices fluctuate due to factors outside the Issuer's control, including global supply and demand, raw material availability, weather conditions, crop yields, trade disputes between key producing and consuming nations, geopolitical developments, growth of the biofuels industry, production of alternative crops, and government regulations.

On global markets, commodity prices are particularly affected by factors specific to different regions, with grain prices largely driven by expected yields in major wheat-producing countries such as Canada, Russia, Ukraine, Australia, and the USA.

Grain yields depend heavily on regional weather conditions; for instance, floods or severe droughts can lead to crop failures and supply shortages, while favourable weather may result in overproduction, impacting global market prices. During prolonged economic downturns, global demand for agricultural commodities may decrease, while supply could increase due to favourable weather or long-term technological advancements – both of which are beyond the Issuer's influence.

In recent years, pricing fluctuations have been influenced not only by weather but also by pandemics and geopolitical tensions, which have caused disruptions and shifts in supply chains. Additionally, agricultural price trends and government support programs play a significant role in shaping farmers' decisions regarding future production volumes and supply levels.

While prices for these commodities are subject to continuous volatility and have historically experienced significant shifts, there is no guarantee that the Issuer’s commodity hedging strategies will consistently mitigate the impact of such price changes.

A decline in agricultural commodity production or profitability among members would also reduce demand for cooperative services, including grain storage and pre-processing, as well as for seeds, crop protection products, fertilizers, and agricultural machinery. These factors, which are beyond the Issuer’s control, may have an adverse effect on the Issuer’s business performance, financial health, and overall operational outcomes. To avoid pricing fluctuations in the commodity market the Issuer hedges the majority of open positions with financial instruments.

The Issuer considers the commodity price risk as medium.

Seasonality risk

The Issuer requires substantial financing in the period immediately following the harvest (typically from August to December) to purchase raw materials as they become available. To meet its seasonal financing needs, the Issuer rely on short-term credit facilities, which are repaid during the financial year, contingent on the timely settlement of customer payments. If the Issuer is unable to secure short-term financing on favourable terms, or if a significant number of customers fail to meet their payment obligations promptly, the Issuer could face cash flow challenges, which would have a significant negative impact on its business, financial condition, and operational results.

The Issuer considers the seasonality risk as medium.

Latvian and EU agricultural policy

The Issuer’s clients, Latvian farmers, are influenced by both local agricultural policy regulations and broader decisions made at the EU level. Farmers benefit from various forms of financial support, including area payments, EU funds for purchasing fixed assets such as machinery, and, in certain cases, additional funds for crisis relief. While this financial support enhances short-term liquidity and aids in farm modernization, it has diminished in recent years. Additionally, such programs are often announced on a yearly basis, with no guarantee of renewal in subsequent years. Any unforeseen decision by authorities to cancel, suspend, or tighten the provision of subsidies and other forms of support to the agricultural sector could negatively impact the Issuer’s operations. Such actions may reduce financial assistance that the Issuer relies on, potentially affecting its ability to sustain and grow its activities, which could have adverse effects on its overall business performance.

The introduction of new legislation or amendments to existing laws, regulations, and other legal frameworks may compel the Issuer to adjust its business focus or discontinue certain operations. This could, in turn, negatively impact farmers' financial performance, but has a low impact on the Issuer's overall stability.

The Issuer considers the Latvian and EU agricultural policy risk as low.

Crop availability risk

A reduced supply of agricultural commodities due to unfavourable weather could negatively impact the Issuer’s profitability by increasing raw material costs, hindering the procurement, transport, storage, and processing of commodities, and creating an oversupply of processing capacity, which would put downward pressure on margins.

The availability and pricing of agricultural commodities can also be influenced by other factors, such as plant diseases and insect infestations, which can lead to crop failures and reduced harvests. However, taking into account the fact that there is an overproduction of grain in the country as a whole, as well as the fact that the Issuer conducts sales transactions based on the actual volume of purchased production, the impact of reduced harvests on the Issuer's operations is not as significant as the impact of this risk on the crop volume itself.

Additionally, disruptions in transportation services, whether due to weather conditions or other causes, could affect the Issuer's operations, potentially leading to partial harvest losses from the inability to transport and store crops promptly. Any of these factors could have a negative impact on the Issuer's business.

The Issuer may also face the risk of losing stored crops due to catastrophic events such as fires, explosions, or natural disasters. In particular, any event that damages or disables part or all of the storage complex could result in the loss of stored crops and necessitate alternative storage arrangements. Although the Issuer holds business interruption and cargo insurance, interruptions in production capacity or loss of stored crops or storage facilities may lead to significant remediation costs or force the Issuer to sell crops at unfavourable time and prices, potentially impacting its business.

The Issuer considers the crop availability risk as low.

Risk of export and import restrictions

Given that a substantial portion of the Issuer's revenue is generated from the export of agricultural commodities, any policies introduced by the Latvian government or the European Union to restrict such exports, namely, export quotas, higher export duties, or additional taxes, could impact the Issuer's ability to sell or profit from these commodities internationally. Similarly, practices with equivalent effects, such as increased port inspections or additional export license requirements, could also hinder the Issuer's ability to sell or reduce the profitability of its agricultural exports to global customers.

Although restrictions on export volumes may, to some extent, be mitigated by rising global commodity prices or lower domestic purchase prices resulting from oversupply, such limitations could still have a significant negative impact on the Issuer's business, operational results, and financial condition. Similarly, if increases in export duties or other taxes are not balanced by higher prices charged by the Issuer or reductions in domestic purchase prices, this could diminish the profit margins on exported products and materially adversely affect the Issuer's business, financial condition, and operational performance.

In the contrary, official and unofficial policies enacted by other countries or international organizations to restrict imports from specific nations, including Latvia or the European Union, and/or exporters of agricultural commodities, such as qualitative or quantitative restrictions, heightened inspections, and quarantines, or additional sales requirements, may impact the Issuer's ability to sell its agricultural commodities in foreign markets. Such restrictions imposed by other countries or international organizations could negatively affect the Issuer's business.

The Issuer considers the export and import restriction risk as low.

3. Risk factors related to the Issuer's business

Competition risk

The agricultural industry is highly competitive, with numerous multinational and domestic players operating in all areas. Some of these competitors, particularly multinational companies, may possess superior financial, purchasing, marketing and distribution resources than the Issuer. This presents a risk that larger competitors may expand their market presence by offering the Issuer's members more favourable financing or purchasing terms. As a result, the Issuer may struggle to compete effectively with these entities, which could result in a loss of market share, increased costs, and reduced profitability. To counter this risk, the Issuer's management relies on the loyalty of its members and strong corporate governance practices.

Such increased competition could impact the Issuer's business.

The Issuer considers the competition risk as high.

Investment project risk

The Issuer's investment policy encompasses initiatives aimed at enhancing the company's infrastructure and core business, as well as fostering the development of new and innovative business lines. The success of these investments depends on various external factors, including access to affordable capital. Furthermore, investment projects face risks related to delays and cost overruns. Given the dynamic nature of the business environment, certain investment projects may fail to generate positive cash flows or yield the expected returns, potentially adversely affecting the Issuer's future performance.

The Issuer considers the investment project risk as high.

Financing risk of the Production Facility

Successful development of the Production Facility requires the attraction of additional financing sources. While the Group has a well-developed financing strategy for successful implementation of the project there is no guarantee that the Group will be able to secure the financing sources and execute the development plan as currently envisioned. Several factors may influence the Group's capacity to raise the necessary capital, including economic conditions, limited access to funding for commercial banks, the terms of existing financing arrangements or any modifications to them, faster-than-expected expansion or higher capital costs, slower-than-anticipated growth in EBITDA, and regulatory developments. Additionally, restrictive covenants within the financing conditions may hinder the Group from incurring additional external debt to support its capital expenditure program, potentially adversely affecting its ability to successfully execute this project.

The Issuer considers the financing risk of the Production Facility as medium.

Counterparty risk

The Issuer's core business relies on the demand from buyers of agricultural services and the supply of agricultural products. Both large grain buyers and agricultural input suppliers are evaluated according to the Issuer's AML and Sanction screening policies and cooperation risk assessment policy. Local partners – buyers of agricultural services and supply of agricultural products – are also evaluated from the perspective of Issuers AML and Sanction screening policies. Cooperation with local partners includes risks related with potential default of the partner. The Issuer provides risk management ensuring that possible financial problems of its partners do not affect the Issuer's business. Failure to adequately evaluate the Issuer's counterparties may lead to negative effects on the Issuer's results of operations.

The Issuer considers the counterparty risk as medium.

Dependence on managing employees' risk

In the future, the Issuer's operations will be influenced by its capacity to attract, retain, and motivate highly qualified and experienced personnel. There is considerable competition for individuals with the necessary skills and expertise in the Baltics and beyond. Nevertheless, the Issuer has a proven track record in personnel management. The Issuer provides opportunities for education, professional growth, and development, as well as various motivation programs for their employees.

The Issuer considers the dependence on managing employees' risk as medium.

Inventory management risk

Due to the seasonal nature of the agricultural sector, there is a risk of non-operational stock turnover, which is crucial for managing the business's cash flow throughout the season and mitigating the impact of price fluctuations afterward. The Issuer has established target stock values for various product groups, and the prices of most grain products are fixed in relation to global market prices. Failure to conduct appropriate inventory management could lead to an adverse effect on the Issuer's financial performance.

The Issuer considers the inventory management risk as medium.

Risk related to storage assets and machinery

The Issuer's business processes rely on its storage complexes, machinery and equipment. Any failure related to the Issuer’s storage complexes or equipment, leading to total or partial business interruptions would negatively impact the Issuer’s ability to meet its contractual obligations. The Issuer’s facilities may face challenges in sourcing replacement parts in the event of a breakdown. Such failures for any reason could significantly and adversely affect the Issuer's business, financial condition, and operational results.

Crop storage involves substantial risks related to the storage environment, including factors such as moisture, temperature, humidity levels, pests, parasites, and diseases. Excessively high or low levels of moisture, temperature, or humidity can lead to damage to stored crops and seeds. Although the Issuer insures against these risks, any significant damage to the Issuer’s stored rapeseed or grains could adversely affect its business.

The Issuer considers the storage asset and machinery risk as medium.

Logistics risk

The Issuer operates a fleet of trucks, grain hauliers, and other types of road and railway transport to transport crops from its fields and suppliers to processing plants, ports, or storage facilities. Additionally, the Issuer engages third-party providers for transportation services. A worsening condition of Latvia’s physical infrastructure could adversely affect the Issuer’s business, financial condition, and operational results.

Additionally, the Issuer relies on shipping to deliver its products to customers, making it susceptible to fluctuations in freight costs. Disruptions in transportation services due to factors such as adverse weather conditions, labour unrest, or other unforeseen events could hinder the Issuer's ability to supply products to its customers. In the case of shipping, these disruptions may lead to demurrage claims from ship owners for delays in loading and unloading. Additionally, the Issuer may face storage capacity challenges at its terminals if peak production periods coincide with unexpected shipping delays, potentially resulting in storage issues. Such factors, along with increases in freight and transportation costs for various reasons, could adversely affect its business.

The Issuer considers the logistics risk as medium.

Environmental risk

The agricultural business carries several risks, including industrial accidents and environmental hazards. Consequently, the Issuer must comply with a range of laws and regulations in Latvia and the European Union related to environmental protection, occupational health, fire safety, labour standards, sanitation, veterinary practices, and other areas. This includes regulations governing air emissions and the use, storage, treatment, and disposal of hazardous materials, such as fertilizers, pesticides, and fungicides. The requirements outlined in these laws are subject to change, including the introduction of new or additional requirements and evolving interpretations by government agencies or courts, with a trend toward increasing stringency.

Similarly, shifts in public opinion or the influence of environmental campaigns aimed at local production facilities could disrupt the Issuer's operations. The discovery of previously unknown environmental conditions, changes in environmental, health, safety, and other regulations, the enforcement of existing or new laws, and other unforeseen events could lead to significant expenditures and liabilities. These may include the suspension or mandatory decommissioning of operations, the cessation of use of relevant equipment and facilities, and potential fines or penalties. Any of these factors could adversely affect the Issuer's business.

The Issuer considers the environmental risk as medium.

Risk related to commodity trading activities and hedging

As part of its hedging strategy, the Issuer may hold positions in wheat, rapeseed and other commodities, which could result in losses depending on fluctuations in commodity prices. Such losses could negatively impact the Issuer's business, financial condition, and operational results. While the Issuer implements internal limits on long and short positions in its primary commodities and aims to align forward sale contracts for commodities with the timing of its purchases of rapeseed and grain, it may still hold open positions in certain commodities for a brief period. Should the prices of these commodities decline/increase sharply, the value of the Issuer's open positions could also decrease/increase, potentially having a significant adverse effect on its business.

The Issuer considers the commodity trading activity and hedging risk as medium.

IT system and process risk

The Issuer relies on IT systems for various operational functions, including the management of internal financial operations. Therefore, any failures or disruptions in these critical information systems could lead to reduced revenue and increased operating expenses. This could potentially have adverse effects on the Issuer's business, financial health, and operational results. Additionally, cyber-attacks pose a risk of financial loss, operational disruptions, and damage to the Issuer's reputation. To address cybersecurity risks, robust security countermeasures and monitoring tools are implemented. Continuous oversight and adaptation help identify and mitigate potential threats, ensuring a proactive approach to system protection.

The Issuer considers the IT system and process risk as low.

Product safety risk

The Issuer's products must comply with quality standards and regulations and are susceptible to potential contamination, including risks associated with plant pests and diseases. Although this risk can be mitigated through adherence to good product handling practices and thorough inspection, it cannot be entirely eliminated. Contamination can occur after products leave the Issuer's facilities, for instance, due to the actions of subsequent handlers – whether intentional or unintentional – or through cross-contamination when using shared transportation facilities such as port terminals.

Moreover, the shipment of contaminated products may result in product liability claims, fines, heightened scrutiny from regulatory agencies, and product recalls. Such recalls may not fully alleviate the risk of product liability claims and could also generate negative publicity. These consequences could harm the Issuer's reputation, including the strength of the Issuer's name and the demand for its products, ultimately adversely affecting the Issuer's business.

The Issuer considers the product safety risk as low.

Insurance coverage risk

Although the Issuer has insurance policies in place, they may not fully cover losses related to damage to the Issuer's assets or loss of income. Any losses exceeding the coverage provided by insurance contracts could adversely affect the Issuer's business operations, financial position, and cash flows.

In addition to insurance limitations, the Issuer's assets are susceptible to catastrophic events and force majeure occurrences. These events include fires, floods, earthquakes, adverse weather conditions, eminent domain claims, strikes, wars, riots, terrorist acts, and similar risks. Such events could lead to partial or total loss of investments, prolonged periods of lost revenue, and other negative impacts. Some force majeure risks are generally uninsurable, and project agreements may be terminated if the event cannot be remedied within a reasonable timeframe.

Although the Issuer strive to mitigate potential losses from catastrophic events and insurable risks through insurance when available on commercially reasonable terms, this may not always be feasible. Insurance coverage for risks like war, terrorism, earthquakes, hurricanes, or floods might be unavailable, insufficient relative to the insurable object value, or subject to significant deductibles.

If a major uninsured loss occurs, the Issuer could face the loss of both invested capital and anticipated profits from affected investments. Moreover, there is no assurance that risks currently insurable will remain insurable at economically viable rates in the future.

The Issuer considers the insurance coverage risk as low.

Growth and expansion risk

The Issuer plans to continue its growth by attracting more members and consequently expanding its production capacity and increasing sales. However, various factors, including demand for its products and the ability to secure funding, may impact the execution of this strategy. There is no guarantee that the Issuer will be able to achieve its strategic goals. Ongoing growth may also introduce operational and control risks. As the Issuer continues to expand, it will need to respond and adapt to an evolving business environment, including regulatory changes and challenges associated with such growth.

As the Issuer continues to expand its operations and seek additional growth opportunities, its internal controls in particular will need to adapt and respond to the growing demands of its business activities. Efforts to adapt the Issuer’s systems to accommodate growth may lead to challenges regarding the effectiveness of its control systems, potentially resulting in sub-optimal expenditures or other decisions. Failure to maintain robust internal controls as the Issuer expands could undermine investor confidence in the reliability of the Issuer’s financial statements, which may have a negative impact on its business.

The Issuer considers the growth and expansion risk as low.

Operational risk

Issuer’s operations involve not only financial risks but also operational, reputational, and employee safety risks, among others, which can result in unforeseen losses. Operational risk refers to the potential for incurring losses due to inadequate or ineffective internal processes, personnel management, systems, or external factors. This type of risk is inherent to all industry participants and can stem from various sources, including human error, system failures, insufficient training, inadequate internal controls and procedures or external disruptions such as cyberattacks or natural disasters.

The Issuer is committed to maintaining the lowest possible level of risk while ensuring that the associated costs remain reasonable. The internal controls within the Issuer and its risk management practices help the organization minimize operational risks and mitigate potential losses. However, the Issuer's internal controls, procedures, compliance systems, and risk management frameworks may not be sufficient to prevent or detect past or future violations of laws and regulations, nor to effectively manage risks that could significantly impact the Issuer’s business.

The Issuer considers the operational risk as low.

Risk of natural disasters and other business disruption

The Issuer’s operations are susceptible to various disruptions such as fires, floods, power outages, telecommunication failures, terrorist attacks, acts of war, human errors, and similar events. A significant natural disaster like a windstorm, frost, fire, or flood could severely impact the Issuer’s ability to conduct business. Moreover, the insurance coverage may not be adequate to fully compensate for potential losses resulting from such events.

Disruptions caused by terrorism, war, civil unrest, violence, or human error could affect the Issuer’s operations or the broader economy. Any of these occurrences could significantly impact the Issuer’s business.

The Issuer considers the risk of natural disasters and other business disruption as low.

Risks of mass withdrawal of the Existing Members

The Issuer does not see significant risks for its economic activity in connection with the possible withdrawal of members from the cooperative society. The Issuer engages in economic activity not only with its members, but similarly to other market participants, with any Latvian farmer.

The farmer's choice regarding the supplier of agricultural raw materials and the buyer of production is based on economic considerations, including the quality of the offered goods and services, the price of goods and services and other aspects of an economic nature, such as the availability of production pre-processing complexes. Therefore, even when the farmer leaves the cooperative, both agricultural raw materials and production pre-processing services and cooperation with the product buyer will still be needed. Therefore, there is no reason to conclude that the possible reduction in the number of members could significantly affect the scope of the Issuer's economic activity and financial results.

At the same time, the historical activity of the Issuer proves that there are no such circumstances that could contribute to a mass exodus of members from the cooperative society. During the cooperative's twenty-four years of existence, the number of members has had a constant positive trend, and limited departure of members has occurred mainly due to farmers’ liquidation or cessation of economic activity. The departure of members has not been significantly affected by the economic situation in the country, nor by geopolitical developments in the world or any other external events during the last twenty-four years.

The Issuer considers the risk of mass withdrawal of the Existing Members as low.

4. Legal and regulatory risks

Changes in legislation risk

The operations of the Issuer are governed by the laws of each country in which it operates, and may also be influenced by regional or supranational regulations, including EU legislation. Management believes that the Issuer is currently in compliance with all relevant legislative requirements and regulations as of the date of the Information Document. However, changes in laws and regulations may occur, and Management cannot guarantee immediate compliance without potentially significant adjustments if regulations are amended.

For instance, alterations in laws, regulations, or their interpretations regarding agricultural activities or the associated environmental responsibilities could materially affect the operations of the Issuer. Adapting to such changes may incur unforeseen costs that could significantly impact the Issuer’s business.

The Issuer considers the changes in legislation risk as low.

Changes in tax law and practice risk

The Issuer operates in numerous countries, each with its own unique tax regimes. Any modifications to these local tax frameworks or challenges to the existing tax structures of the Issuer's business could materially affect its operational results, profitability, and future development.

Additionally, certain tax positions adopted by the Issuer require management judgment and interpretation of tax legislation. These positions may ultimately prove ineffective or be contested by tax authorities due to potential misinterpretations of tax laws. Such challenges could have detrimental effects on the financial performance and operational stability of the Issuer.

The Issuer considers the changes in tax law and practice risk as low.

5. Risk factors relating to financial matters

Financial leverage risk

The Issuer requires substantial capital to sustain its operations and investments. Currently, the Issuer primarily relies on external financing for its working capital needs while long-term investments are funded through a combination of equity, bank loans, loans from the Existing Members and various government support programs.

The demand for working capital is closely associated with the Issuer's business model, which involves long working capital cycles and the volume of harvested produce purchased. As yields and prices increase, the need for external financing from lenders rises correspondingly. Presently, the working capital loan is structured as a credit line with an annual renewal, with the amount directly tied to working capital balances.

The Issuer's financial leverage has fluctuated from quarter to quarter in recent years, a trend that is expected to continue due to the characteristics of the agricultural business. Presently, the working capital loan is structured as a credit line with an annual renewal, with the amount directly tied to working capital balances. Consequently, the financial leverage of the Issuer typically increases during the first quarter of the fiscal year (July to September). During this period, the balance sheet commonly expands, driven by higher levels of inventory and trade receivables on the asset side, and the credit line and trade payables on the liabilities side. However, the credit line is typically reduced in the subsequent quarters, leading to a decrease in the Issuer's leverage and highlighting the cyclical nature of its operations.

Although the Equity Ratio stood at 32% as of 30 June 2024, the Issuer's financial leverage will increase due to the issuance of the Bonds, which could have negative consequences for its business and operations. These potential consequences include, but are not limited to, the need to allocate a larger portion of cash flow to debt payments, heightened vulnerability to downturns in business or economic conditions, a competitive disadvantage compared to companies with lower leverage, and reduced flexibility in responding to competitive pressures or changes in the business or industry landscape. Any of these factors, or other unforeseen events, could materially and adversely affect the Issuer's operational results.

The Issuer's current financing arrangements contain restrictions and covenants that may hinder its ability to secure new financing in the future or obtain it on more favourable terms. The Issuer's growth may be at risk if credit institutions refuse to increase the credit line or impose higher interest rates for its utilization. Additionally, there are significant risks associated with the potential non-renewal of the credit line, which could hinder the company's ability to finance its operations and pursue expansion. Any delay in acquiring the necessary funding could compel the Issuer to delay or abandon its expansion plans or impose limitations on its day-to-day operations. Such challenges could have a negative effect on the Issuer's operations, financial condition, and business prospects.

The Issuer considers the financial leverage risk as medium.

Credit risk of clients

The Issuer's business model relies on an extended working capital cycle, allowing farmers to purchase inputs such as certified seeds, fertilizers, and crop protection products at the beginning of the season and defer payment until after the harvest.

However, the Issuer faces the risk that farmers may choose to sell their harvest to other traders, as well as the risk that farmers may not produce sufficient yields or encounter other challenges, resulting in an inability to pay for the goods and services received in a timely manner. These risks could negatively impact the Issuer's financial position and future business relationships.

To manage this risk, the Issuer has established a credit policy that outlines the conditions under which goods can be sold on a post-payment basis. Each customer is assigned an individual credit limit, determined by factors such as financial performance, yield potential, payment discipline and the history of cooperation with the Issuer.

Nevertheless, the Issuer is exposed to the credit risk of its customers, as there is a possibility that customers may either fail to make payments or delay payments for goods and services received. Any deterioration in the payment discipline of the Issuer's customers could significantly impact the Issuer's financial condition.

The Issuer considers the credit risk of clients as medium.

6. Risks relating to the Bonds

Liquidity risk

Neither the Issuer nor any individual guarantees a minimum level of liquidity for the Bonds. As a result, Potential Investors should be aware that they may encounter difficulties in selling their Bonds on the secondary market at fair market value, or may be unable to sell them at all.

In light of these considerations, potential Investors are advised to conduct a thorough market analysis and evaluate the current economic conditions that could affect the liquidity of the Bonds. Additionally, Investors should consider the possible impact of external market forces, regulatory changes, or unforeseen economic events that could influence the secondary market for the Bonds.

The Issuer considers the liquidity risk as medium.

Bonds repayment risk

The Bonds will rank *pari passu* with other unsecured liabilities of the Issuer. In case of Issuer's insolvency, Bondholders have the same right to receive their investment as other creditors in the respective claims' group in accordance with the Applicable Laws. Save for mandatory provisions of the Applicable Laws, there are no contracts or other transaction documents, which would subordinate the claims of Bondholders to other unsecured obligations of the Issuer. The Issuer is not prohibited from pledging assets in favour of other creditors. The Issuer has bank loans under the Financial Indebtedness, which have a senior ranking to the Bonds and in the event of insolvency of the Issuer, the Issuer's assets will be used for settling the claims of the Bondholders and other unsecured creditors only after the claims of the secured creditors and other preferential creditors are satisfied.

The Issuer may not have the ability to repay or refinance these obligations. If the Maturity Date occurs at a time when other arrangements prohibit the Issuer from repaying the Bonds, it could try to obtain waivers of such prohibitions from the lenders and holders under those arrangements, or the Issuer and the Group could attempt to refinance the borrowings under the Financial Indebtedness that contain the restrictions. If the Issuer and the Group fail to obtain the waivers or refinance these borrowings, it would be unable to repay the Bonds.

The detailed financing structure of the Group is explained in Clause 4 (THE ISSUER'S FINANCIAL INDEBTEDNESS) of Section "SELECTED FINANCIAL INFORMATION OF THE ISSUER AND THE GROUP".

The Issuer considers the Bonds repayment risk as medium.

Early redemption risk

According to the Information Document, the Bonds may be redeemed prematurely at the initiative of the Issuer. If the early redemption right is exercised by the Issuer, the rate of return from the investment into the Bonds may be lower than initially expected, as the potential Investor might not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on such Bonds being redeemed. The Issuer's redemption right may also adversely impact the Potential Investor's ability to sell such Bonds.

The Issuer considers the early redemption risk as medium.

No limitation on issuing additional debt

The Issuer and the Group are not prohibited from incurring other debt ranking *pari passu* to the Bonds or restricted from granting any security on any existing or future indebtedness. If the Issuer incurs significant additional debt or grants additional security, the Issuer's ability to service its Financial Indebtedness, including the Bonds, might deteriorate, the amount recoverable by the Bondholders in case of insolvency of the Issuer might decrease, and the position and priority of Bondholders might worsen. However, the Issuer and the Group are subject to bank restrictions in the lending agreements on taking on additional debt, which significantly reduces this risk.

The Issuer considers the no limitation on issuing additional debt risk as low.

Delisting risk

After the Bonds registration, the Issuer plans to request admission to trading of the Bonds on the Multilateral Trading Facility (MTF) First North operated by Nasdaq Riga within 6 (six) months from the Issue Date. There is a risk that Nasdaq Riga would not accept the Bonds to be admitted to trading on First North or order to delist the Bonds from the First North before the maturity after the admission to trading has taken place due to changes in Applicable Laws, including Nasdaq Riga regulations, or recommendations by the Bank of Latvia.

The Issuer considers the delisting risk as low.

Price risk

The development of market prices of the Bonds depends on various factors, such as changes of interest rates, central bank policies, overall economic development, or demand for the Bonds. Neither the Issuer, nor any other person undertakes to maintain a certain price level of the Bonds. The potential Investors are thus exposed to the risk of unfavourable price development of their Bonds if they sell the Bonds prior to final maturity. If the potential Investor decides to hold the Bonds until maturity, the Bonds will be redeemed at their Nominal Value.

The Issuer considers the price risk as low.

Foreign exchange risk

The Bonds will be denominated and payable in EUR. If the Bondholders measure their investment returns by reference to a currency other than EUR, an investment in the Bonds will entail foreign exchange-related risks as the value of EUR relative to their reference currency may significantly fluctuate due to economic, political and other factors over which the Issuer has no control. Depreciation of the EUR against the reference currency could lower the effective yield of the relevant Bonds below their stated coupon rate and could result in a loss to Bondholders when the return on such Bonds is translated into the reference currency.

The Issuer considers the foreign exchange risk as low.

Tax risk

Tax rates and tax payment procedures applicable at the time of purchase of the Bonds to tax residents, non-residents of Latvia and residents of other jurisdictions may change. The Issuer will not compensate the increase in taxes to the potential Investors, therefore the potential Investors may receive smaller payments related to Bonds.

Currently, in the Republic of Latvia, amendments to the Law on Personal Income Tax (in Latvian – *Par iedzīvotāju ienākuma nodokli*) are in process, which are expected to increase the tax rate for income from capital, including capital gains, and are planned to enter into force starting from 1st January 2025.

The Issuer considers the tax risk as low.

Resolutions of Bondholders risk

The majority resolution of a Bondholders’ is binding to all Bondholders. Thus, the Bondholder is subject to the risk of being outvoted by a majority resolution of the other Bondholders. As such, certain rights of such Bondholder against the Issuer may be amended or reduced, or even cancelled, without its consent.

The Issuer considers the resolutions of Bondholders' risk as low.

REPRESENTATIONS AND WARRANTIES, RESPONSIBILITY STATEMENT

REPRESENTATIONS AND WARRANTIES

The Issuer shall, in accordance with this Information Document, issue the Bonds and perform the obligations arising from the Bonds to the Bondholders. The Issuer shall be liable to the Bondholders for the due and complete fulfilment of its obligations under the Bonds.

The Issuer represents and warrants to the Bondholders that:

(a) the Issuer and Subsidiaries duly incorporated and validly existing as legal entities in their jurisdiction of incorporation, and operating under the laws of the jurisdiction of their incorporation;

(b) all the Issuer's obligations assumed under the Bonds are valid and legally binding to it and the performance of these obligations is not contrary to Applicable Law, its constitutional documents, or any agreement concluded by it;

(c) the Issuer has all the rights and sufficient authorizations to issue the Bonds and fulfil other obligations under the Bonds;

(d) the Issuer has performed all the formalities required for issuing the Bonds and fulfil other obligations under the Bonds;

(e) all information that is provided by the Issuer to the Bondholders in this Information Document is true, accurate and complete and not misleading in any respect;

(f) the Issuer and its Subsidiaries are solvent, able to pay its debts as they fall due, there are no liquidation or insolvency proceedings or restructuring proceedings pending or initiated against the Issuer or its Subsidiaries;

(g) there are no legal or arbitration proceedings pending or initiated against the Issuer or Subsidiaries, which may have, or have had a significant effect on the Issuer's financial position or profitability;

(h) there are no criminal proceedings pending or initiated against the Issuer or any Subsidiary;

(i) the Issuer and its Subsidiaries for a period of at least 12 months after the end of the offer have sufficient working capital to carry out the planned business operations;

(j) the Issuer shall not, and shall procure that none of its board members, officers, employees, or agents, use the proceeds from the Bonds: (i) to fund, finance, or facilitate any activities or business of or with any person that is, or is owned or controlled by persons that are, or in any country, region or territory, that, at the time of such funding, financing or facilitating is, or whose government is, the target of Sanctions; or (ii) in any other manner that would result in a violation of Sanctions by any person (including, any person participating in the subscription of Bonds, whether as a lender, underwriter, advisor, investor, or otherwise).

The Issuer's representations and warranties above are valid on the Issue Date and will remain valid until the fulfilment of all obligations arising from the Bonds.

RESPONSIBILITY STATEMENT

The Issuer, represented by the members of its management board, accepts responsibility for the information contained in this Information Document and declares that the Issuer and its management board have taken all reasonable care to ensure that the information contained in this Information Document is, to the best of the Issuer's knowledge, true, accurate and complete, not misleading in any respect and no information which may affect its meaning is concealed.

On behalf of LPKS LATRAPS

Roberts Strīpnieks
Chairperson of the Management Board

Ilga Anita Bērzkalna
Member of the Management Board

Ginta Briede
Member of the Management Board

Gundars Ruža
Member of the Management Board

Ģirts Ozols
Member of the Management Board

This document is signed electronically with a secure electronic signature containing a time stamp.

INFORMATION ON BONDS

1. USE OF THE PROCEEDS

1.1. The Issuer expects to raise the total amount of the funds (gross proceeds) up to EUR 8,000,000.00 (eight million Euro) from the issue of the Bonds and net proceeds of approximately up to EUR 7,800,000.00 (seven million and eight hundred thousand Euro) from the issue of the Bonds. Expenses directly related to the issue of the Bonds are estimated approximately EUR 200,000.00 (two hundred thousand Euro), including fees and commissions to be paid to the advisors involved in the offering of the Bonds, Nasdaq CSD and Nasdaq Riga.

1.2. 100% of the net proceeds from the issue of the Bonds will be used by the Issuer to finance the development of the Production Subsidiary. EUR 5,800,000.00 (five million eight hundred thousand Euro) will be directed to the Production Subsidiary in the form of a loan, while EUR 2,000,000.00 (two million Euro) will be invested in the share capital of the Production Subsidiary.

2. GENERAL INFORMATION

2.1. The Bonds are bearer securities and any individual or entity that holds the Bonds in his/her securities account (or investment account as the case may be) has the right to receive Coupon and Nominal Value payments. It is planned to issue the Bonds with a Nominal Value of EUR 1,000.00 (one thousand Euro) for one Bond and the total Nominal Value of EUR 8,000,000.00 (eight million Euro) and the total number of Bonds of 8,000 (eight thousand).

2.2. ISIN (International Security Identification Number) of the Bonds allocated by Nasdaq CSD is LV0000805349.

2.3. The minimum subscription amount for the Bonds during the initial offering is EUR 1,000.00 (one thousand Euro) with the minimum step of EUR 1,000.00 (one thousand Euro).

3. APPLICABLE LAW AND DISPUTE RESOLUTION

3.1. The Bond issue is a public offering arranged in compliance with the Financial Instrument Market Law of the Republic of Latvia, Bank of Latvia Regulation No. 261 of 18 December 2023 "Regulations for preparation and publication of the information document for public offering", the Securities Market Act of the Republic of Estonia, Regulation No. 10 of the Minister of Finance of the Republic of Estonia Requirements for the information document for the offering of securities" (dated 16 May 2024), the Law on Securities of the Republic of Lithuania, the Description of the Requirements for the Preparation of the Information Document, approved by Resolution No. 03-185 of the Board of the Bank of Lithuania, dated 7 December 2023 and other Applicable Laws of the Republic of Latvia that are in force, including regulations of the Bank of Latvia, Nasdaq CSD, and Nasdaq Riga.

3.2. All disputes between any one or more Bondholders and the Issuer shall be settled solely by the courts of the Republic of Latvia of competent jurisdiction in accordance with the Applicable Laws. This Information Document is prepared and signed in English and any translations of this Information Document into any other language are unofficial and made exceptionally for the Potential Investors' convenience. In case of any dispute, interpretation of the provisions of this Information Document in English shall have a priority against an interpretation in any other language.

4. FORM AND ACCOUNTING OF THE BONDS

The Bonds are issued in a dematerialised form and will be recorded in the Latvian SSS (securities settlement system governed by the Applicable Laws), which will provide the maintaining function for the Bonds. The Bondholders may hold the Bonds through Nasdaq CSD participants participating in the Latvian SSS.

5. CURRENCY OF THE BONDS

The currency of the Bonds is EUR (Euro).

6. STATUS OF THE BONDS

The Bonds rank *pari passu* with other senior unsecured obligations of the Issuer. In case of the insolvency of the Issuer, the Bondholders will be entitled to recover their investment on the same terms as other senior unsecured creditors in the respective claims' group according to the relevant Applicable Laws. Save for mandatory provisions of law, there are no contracts or other transaction documents that would subordinate the claims of the Bondholders to other unsecured liabilities of the Issuer.

7. RIGHTS AND RESTRICTIONS CONNECTED WITH THE BONDS

7.1. Each Bondholder has the right to receive Coupon and Nominal Value payments in accordance with Clause 10 (*Coupon*) and Clause 11 (*Repayment of Bonds*), as well as exercise other rights provided in this Information Document and Applicable Laws.

7.2. The Issuer has the right to purchase the Bonds on the secondary market directly from the Bondholders. The Bonds that are purchased by the Issuer are held in the Issuer's securities account and the Issuer has the right to sell the purchased Bonds to Potential Investors and other Bondholders. The Issuer may not cancel the purchased Bonds held in the Issuer's securities account, therefore decreasing the size of the Bonds issue until 28 November 2028, which is 2 (two) weeks before the Maturity Date.

7.3. The Bonds held by the Issuer and Related Parties are not eligible to participate in the voting in accordance with this Information Document.

8. RESTRICTIONS ON FREE CIRCULATION OF THE BONDS

8.1. The Bonds are freely transferable debt securities and may be pledged. However, the Bonds cannot be offered, sold, resold, transferred, or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the Applicable Laws.

8.2. Any Bondholder wishing to transfer or offer the Bonds must ensure that any offering related to such transfer or offer would not be qualified as public offering in the meaning of the Applicable Laws. According to this Information Document, it is the obligation and liability of the Bondholder to ensure that any offering of the Bonds does not fall under the definition of public offering under the Applicable Laws.

9. FIRST SETTLEMENT DATE OF THE BONDS

The First Settlement Date (Issue Date) of the Bonds issue is 12 December 2024, on which the Coupon starts to accrue.

10. COUPON

10.1. Coupon rate

10.1.1. The Coupon rate for the Bonds is 7.5% (seven point five percent) per annum and is fixed until Maturity Date.

10.2. Coupon payment procedure

10.2.1. Coupon payments are made on each Coupon Payment Date. Coupon payments are made 4 (four) times per annum – each 31 March, 30 June, 30 September, and 31 December. The first Coupon payment will be made on 31 March 2025 and the last Coupon payment will be made on the Maturity Date, which is 12 December 2028.

10.2.2. The Coupon record date is the 5th (fifth) Business Day prior to the Coupon Payment Date. At the end of the Coupon record date the list of the Bondholders, who are eligible for the Coupon payments, will be fixed. The Coupon payment shall be made to the Bondholders in accordance with the relevant Bondholders' list, on each Coupon Payment Date for the preceding Coupon period.

10.2.3. The Issuer shall pay the Coupon through the intermediary of Nasdaq CSD and in accordance with the applicable Nasdaq CSD regulations, which regulate the procedure for paying income from debt securities. The Nasdaq CSD regulations applicable on the date of this Information Document are the Nasdaq CSD Rulebook and Corporate Action Service Description.

10.2.4. If the Coupon Payment Date is not a Business Day, the Issuer will make the Coupon payment on the first

Business Day after the Coupon Payment Date. The postponement of the payment date shall not have an impact on the amount payable.

10.2.5. If the Issuer has failed to make Coupon payments in accordance with the deadlines specified in this Information Document, the Bondholders shall have the right to submit claims regarding the payment of the Coupon not earlier than after 10 (ten) Business Days following the payment date of the relevant Coupon.

10.3. Coupon calculation

10.3.1. Quarterly Coupon payments shall be calculated according to the following formula:

CPN = F * C * n / 360, where

CPN – the amount of the Coupon payment in EUR per Bond;

F – Nominal Value of one Bond;

C – annual Coupon rate (%);

n – number of days since the Issue Date or the last Coupon Payment Date (as applicable) calculated on a 30-day basis.

10.4. Accrued Interest Calculation

10.4.1. The first Coupon starts to accrue on 12 December 2024, which is the First Settlement Date of the Bonds issue. The accrued Coupon is calculated presuming there are 360 (three hundred and sixty) days in one year (day count convention – "European 30/360").

Accrued interest between Coupon Payment Dates shall be calculated as follows:

AI = F * C / 360 * D, where:

AI – accrued interest of one Bond;

F – Nominal Value of one Bond at the beginning of the relevant quarter, i.e., the initial Nominal Value at the time of the issue of a Bond, as may be reduced by the redemption or repurchase amounts paid during the previous periods in accordance with this Information Document;

C – annual Coupon rate (%);

D – the amount of days from the beginning of the Coupon accrual period according to the European 30/360-day count method.

11. REPAYMENT OF BONDS

11.1. Repayment at maturity

11.1.1. The Nominal Value of one Bond is EUR 1,000.00 (one thousand Euro) and the Issuer will repay the Nominal Value of the Bonds at the Maturity Date, which is 12 December 2028.

11.1.2. The Issuer will pay the Nominal Value through the intermediary of Nasdaq CSD and in accordance with the applicable Nasdaq CSD regulations. Nasdaq CSD regulations applicable on the date of this Information Document are Nasdaq CSD Rulebook and Corporate Action Service Description. The Nominal Value will be paid on the Maturity Date. The list of the Bondholders eligible to receive the Nominal Value will be fixed at the end of the previous Business Day before the Maturity Date.

11.1.3. If the Maturity Date of the Bonds is not a Business Day, the Issuer will pay the Nominal Value of the Bonds on the next Business Day after the Maturity Date. The postponement of the payment date shall not have an impact on the amount payable.

11.1.4. If the Issuer fails to make the Nominal Value payment in accordance with the deadlines specified in this Information Document, the Bondholders shall have the right to submit claims regarding the repayment of the Nominal Value not earlier than after 10 (ten) Business Days following the Maturity Date.

11.2. Early redemption at the option of the Issuer (call option)

11.2.1. The Issuer may redeem the Bonds, in whole but not in part:

(a) from 12 December 2026 (inclusive) until 11 June 2028 (inclusive) by paying 101% (one hundred and one percent) of the Nominal Value amount plus accrued and unpaid Coupon;

(b) from 12 June 2028 until the day before the Maturity Date by paying 100% (one-hundred percent) of the Nominal Value amount plus accrued and unpaid Coupon.

11.2.2. If the Issuer takes a decision on early redemption of the Bonds, the Issuer shall notify Nasdaq CSD and the Bondholders at least 20 (twenty) Business Days prior to the redemption date of the Bonds, by publishing the notice on the Issuer's webpage and on Nasdaq Riga information system, in case the Bonds are admitted to trading on First North.

11.2.3. If the Issuer redeems the Bonds, the Issuer will pay the redemption payment through the intermediary of Nasdaq CSD and in accordance with the applicable Nasdaq CSD regulations. The Nasdaq CSD regulations applicable on the date of this Information Document are the Nasdaq CSD Rulebook and Corporate Action Service Description. The list of the Bondholders eligible to receive the redemption payment will be fixed at the end of the previous Business Day before the redemption payment date.

11.3. Early redemption at the option of the Bondholders upon De-listing Event or Listing Failure

11.3.1. In case a De-listing Event or Listing Failure has occurred, the Issuer has the obligation to notify the Bondholders by publishing a relevant notice with sufficient details on its webpage no later than 20 (twenty) Business Days after a De-listing Event or Listing Failure has occurred:

(a) De-listing Event or Listing Failure has occurred, and that each Bondholder within a period of 10 (ten) Business Days has the right to require the Issuer to redeem all of such Bondholder's Bonds at a price equal to 100% (one hundred percent) of the Nominal Value plus accrued and unpaid Coupon;

(b) stating the redemption date, which shall be not earlier than 10 (ten) Business Days and not later than 20 (twenty) Business Days from the date such notice is delivered to the Bondholders;

(c) stating the record date;

(d) stating that any Bond redeemed will cease to accrue interest after redemption and any Bonds not redeemed will continue to accrue interest;

(e) describing the circumstances and relevant facts regarding occurrence of a De-listing Event or Listing Failure; and

(f) describing the procedures determined by the Issuer that the Bondholder must follow to have its Bonds redeemed.

11.3.2. To exercise the De-listing Event or Listing Failure put option, the Bondholder must within a period of 10 (ten) Business Days after the date of publication of the Issuer's notice submit to the Issuer a duly signed and completed notice of exercise put option in the form provided by the Issuer. The completed form shall be submitted to the Issuer by the Bondholder directly (physically signed form delivered by post or courier or electronically signed delivered by e-mail) or indirectly via the Bondholder's Custodian. If no response from the Bondholder has been received within the designated time period, it shall be considered that the Bondholder will not execute its put option. No option so exercised may be withdrawn without a prior consent of the Issuer.

11.3.3. If 75 (seventy-five) per cent or more in Nominal Amount of the Bonds then outstanding have been redeemed pursuant to this Clause, the Issuer may, on not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders given within 30 (thirty) days after the redemption of the Bonds pursuant to this Clause redeem on a date to be specified in such notice at its option, all (but not some only) of the remaining Bonds at 100% (one hundred percent) of the Nominal Value plus accrued and unpaid Coupon.

12. FINANCIAL COVENANTS

The Issuer undertakes to comply with the following financial covenants from the Issue Date and for as long as any Bonds are outstanding:

(a) Equity Ratio shall be at least 20% (twenty per cent) on any Measurement Date;

(b) Interest Coverage Ratio shall exceed 2x (two times); calculated for the Relevant Period on any Measurement Date.

13. UNDERTAKINGS

The Issuer undertakes to comply with the following undertakings from the Issue Date and for as long as any Bonds are outstanding:

(a) to ensure that the funds that are raised as a result of the Bonds issue are used only in accordance with Clause 1 (The use of the proceeds);

(b) to ensure that no Change of Control occurs in relation to the Issuer;

(c) not to pay profit or make other distribution of profits to its members except Permitted Distribution;

(d) not to make substantial change to the general nature of the business of the Issuer from that carried on at the Issue Date (including, but not limited to, the commencement of any new business not being ancillary or incidental to the original business in excess of 10% of the Issuer's revenue);

(e) not to initiate or allow initiation of the Issuer's liquidation or similar proceedings and not to reduce the share capital of the Issuer;

(f) not to sell, gift, exchange or otherwise alienate ownership interests in the Production Facility as a result of which the Issuer's ownership interests in the Production Facility would be under 40 % (forty per cent);

(g) not to sell, present, change, rent, invest, or otherwise transfer into utilisation the right to use the trademarks of the Issuer and/or the Subsidiaries;

(h) any transactions with Related Parties should be at Fair Market Value or increasing the potential value for the Group;

(i) not to create and issue any additional Bonds that can be consolidated and become fungible with the Existing Bonds.

(j) to publish unaudited semi-annual reports for 6-month periods ending on 1 July and 31 December for the Issuer with management comments in English, prepared according to the Accounting Principles, by the end of the third month following the end of each respective 6-month period. The reports should also include information whether the Issuer is compliant with the financial covenants set out in Clause 12 (*Financial Covenants*) of this Information Document;

(k) to publish audited annual reports for the Issuer in English, prepared according to the Accounting Principles, within 6 (six) months after the end of each consecutive Financial Year. The annual reports should be audited by the Auditor;

(l) to ensure the admission to trading of the Bonds on First North within 6 (six) months after the Issue Date and ensure maintaining trading of the Bonds on First North after admission.

14. EVENTS OF DEFAULT

14.1. Each of the following events or circumstances shall constitute an Event of Default:

(a) **Non-payment**: the Issuer fails to pay any amount of principal in respect of the Bonds on the due date for payment thereof or fails to pay any amount of Coupon in respect of the Bonds on the due date for payment thereof, unless the payment is made within 20 (twenty) Business Days following the original due date. The Bondholders shall have the right to submit claims regarding failure to make payment not earlier than 20 (twenty) Business Days after the due date of the relevant payment;

(b) **Breach of Financial Covenants**: The Issuer does not comply with any financial covenant set out in Clause 12 (*Financial Covenants*), unless prior to or within 90 (ninety) calendar days of the earlier of:

(i) the date on which the relevant Financial Report is to be published pursuant to this Information Document; and (ii) the date that such a Financial Report was in fact published pursuant to this Information Document for any Relevant Period in which such failure to comply was (or would have been) first evidenced ("**Breach Period**"), the Issuer has received cash proceeds of new injections from the members of the Issuer in a form of equity and/or Subordinated Debt (the "**Equity Cure**"), in an amount at least sufficient to ensure the financial covenants set out in Clause 12 (*Financial Covenants*) would be complied with if tested again as at the last date of the Breach Period.

Any Equity Cure provided to the Issuer in respect of such Breach Period shall be deemed to have been provided during the Breach Period and shall be included (without double counting) in all relevant calculations of the financial covenants set out in Clause 12 (*Financial Covenants*) until the date it was deemed provided falls outside any subsequent Relevant Period.

If after the Equity Cure the relevant financial covenant set out in Clause 12 (*Financial Covenants*) is met, then the requirement thereof shall be deemed to have been satisfied as at the relevant original date of determination of an Event of Default occasioned thereby shall be deemed to have been remedied for the purposes of this Information Document.

(c) **Breach of Undertakings***:* The Issuer does not comply with any undertakings set out in Clause 13 (*Undertakings*), unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 20 (twenty) Business Days after the Issuer becoming aware of the non-compliance.

(d) **Cross Default**:

(i) any Financial Indebtedness of the Issuer is neither paid when due nor within any applicable grace period;

(ii) any Financial Indebtedness of the Issuer is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described);

(iii) any commitment for any Financial Indebtedness of the Issuer is cancelled or suspended by a creditor, as a result of an event of default (however described); or

(iv) any security securing Financial Indebtedness of the Issuer over any asset is enforced by a secured creditor;

provided, however, the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds in total EUR 800,000 (eight hundred thousand Euro) (or the equivalent thereof in any other currency), if there is no dispute on the obligation to pay and that the above does not apply to any Financial Indebtedness owed to the Related Parties or Subordinated Debt.

(e) **Insolvency:**

(i) the Issuer is declared insolvent or bankrupt by a court of competent jurisdiction or admits inability to pay its debts in case of lawful claims, save for the claims by the Related Parties or within the Group;

(ii) the Issuer enters into any arrangement with majority of its creditors by value in relation to the restructuring of its debts or any meeting is convened to consider a proposal for such arrangement; or

(iii) an application to initiate insolvency or restructuring (including procedures such as legal protection process and out of court legal protection process) or administration of the Issuer or any other proceedings for the settlement of the debt of the Issuer is submitted to the court by the Issuer other than (a) the proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 90 (ninety) calendar days of commencement.

14.2. **Establishment of an Event of Default**:

14.2.1. Bondholders representing at least 10% (ten percent) of the principal amount of the outstanding Bonds may by written notice request the Issuer in accordance with Clause 19.3 to initiate voting of the Bondholder in a form of a Bondholder's Meeting or Procedure in Writing as result of which the Bondholders shall vote on declaration of the occurrence of an Event of Default and procedure of collective enforcement of the Bondholders' claims if the Issuer is unable to pay all Bondholders the Nominal Value of the Bonds along with the accrued Coupon and default interest in accordance with Clause 15 (Default Interest) within 20 (twenty) Business Days from the occurrence of the events, i.e., confirmation or non-response referred to in the Clause 14.2.2.

14.2.2. If the Issuer confirms that an Event of Default in accordance with Clause 14.2.1 above has occurred or does not provide any information within 30 (thirty) Business Days, then the Issuer shall pay all Bondholders the Nominal Value of the Bonds along with the accrued Coupon and default interest in accordance with Clause 15 (*Default Interest*) within 20 (twenty) Business Days from the occurrence of any of the aforementioned events, i.e., confirmation or non-response.

14.2.3. If the Issuer is unable to pay within the respective timeframe, the Issuer is obliged to engage an authorized person ("**Trustee**") within a maximum of 30 (thirty) Business Days after the Event of Default has occurred to organize a Bondholder meeting or apply for Bondholders' consent in accordance with Clause 19 (Bondholder's MEETINGS AND DECISIONS).

14.2.4. The Issuer shall publish information regarding the occurrence of an Event of Default and confirmation or denial of occurrence of an Event of Default on the Issuer's webpage and on Nasdaq Riga information system, in case the Bonds are admitted to trading on First North.

15. DEFAULT INTEREST

If the Issuer fails to pay to the Bondholders any amount payable by it under this Information Document, then the Issuer shall pay to the Bondholders default interest (in Latvian – *nokavējuma procenti*) accruing on the overdue amount from the due date up to the date of actual payment at a rate which is 0.05% (zero point zero five per cent) per day.

16. DISCLOSURE OF INFORMATION

16.1. Up until the Maturity Date, the Issuer shall publish all information required by covenants, rules of Nasdaq Riga and Applicable Laws.

16.2. Unless it is provided otherwise in this Information Document, for as long as the Bonds are not admitted to trading on First North, all notices and reports to the Bondholders shall be published on the Issuer's website.

16.3. Unless it is provided otherwise in this Information Document, as of the date when the Bonds are admitted to trading on First North, all notices and reports to the Bondholders shall be published on the Nasdaq Riga website, as well as on the Issuer's website.

16.4. Any notice or report published in a manner prescribed in Clause 16 (*Disclosure of information*) of this Information Document shall be deemed to have been received on the same Business Day when it is published.

17. FORCE MAJEURE

17.1. The Issuer shall be entitled to postpone the fulfilment of its obligations under this Information Document in case the performance is not possible due to continuous existence of any of the following circumstances (a "**Force Majeure Event**"):

(a) action of any authorities, war or threat of war, armed hostility or a serious threat of it, including but not limited to enemy attacks, blockades, military embargoes, actions by a foreign enemy, general military mobilisation, military actions, declared and undeclared war, actions by a public enemy, commotions, acts of terrorism, diversions, piracy, disorders, invasion, revolution, coup, insurrection, mass unrest, expropriation, enforced withdrawal, takeover of enterprises, requisition;

(b) disturbances in postal, telephone, or electronic communications which are due to circumstances beyond the reasonable control of the Issuer and that materially affect the operations of the Issuer;

(c) any interruption of or delay in any functions of measures of the Issuer as a result of fire, frost or other similar disaster;

(d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer; or

(e) any other similar force majeure hindrance.

17.2. In case of occurrence of a Force Majeure Event, the Issuer's fulfilment of the obligations may be postponed for the period of the existence of such respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Issuer shall put all best efforts to limit the effect of the Force Majeure Event and to resume the fulfilment of its obligations as soon as possible.

18. REPRESENTATION OF THE BONDHOLDERS

18.1. Within the framework of the issue, it is not planned, yet not prohibited to create an organization of authorized persons, which would represent the Bondholders. In case of the insolvency of the Issuer each Bondholder has the right to represent his or her own interests in creditors' meetings. The Bondholders will have equal rights for satisfaction of their claims with other creditors in the same claims' group.

19. BONDHOLDER'S MEETINGS AND DECISIONS

19.1. The decisions of the Bondholders (including decisions on amendments to this Information Document) shall be passed at the Bondholders' Meeting or in Procedure in Writing at the choice of the Issuer. However, the Issuer shall have a right to amend the technical procedures relating to the Bonds (including any manifest errors or other inconsistencies) without the decision of the Bondholders, if such amendments are not prejudicial to the interests of the Bondholders.

19.2. The amendment of this Information Document may include an amendment of any conditions, which is not restricted by such characteristics of the Bonds as currency, Coupon rate, Coupon calculation method, Coupon and Nominal Value payments, inclusion of Bonds to regulated or alternative markets, the Maturity Date and other conditions, unless they contradict the Applicable Laws.

19.3. The Issuer shall have a right to convene the Bondholders' Meeting or instigate a Procedure in Writing at any time and shall do so following a written request from the Bondholders who, on the day of the request, represent not less than 10% (ten per cent) of the principal amount of the Bonds outstanding (excluding the Issuer and the Related Parties).

19.4. The Issuer may refrain from convening the Bondholders' Meeting or instigating the Procedure in Writing if (i) the suggested decision does not fall under the competence of the Bondholders, or (ii) the suggested decision is not in accordance with the Applicable Laws.

19.5. In case convening of the Bondholders' Meeting or instigation of the Procedure in Writing is requested to the Issuer by the Bondholders, the Issuer shall be obliged to convene the Bondholders' Meeting or instigate the Procedure in Writing within 1 (one) month after receipt of the respective Bondholders' written request.

19.6. All expenses in relation to the convening and holding the Bondholders' Meeting or a Procedure in Writing shall be covered by the Issuer.

19.7. Only those investors who were appearing in Nasdaq CSD as the Bondholders by the end of the 5th (fifth) Business Day prior to convening the Bondholders' Meeting the Bondholders' Meeting and only those were appearing in Nasdaq CSD as the Bondholders by the end of the 5th (fifth) Business Day after publishing an announcement on instigation of the Procedure in Writing or proxies authorised by such Bondholders, may exercise their voting rights at the Bondholders' Meeting or in the Procedure in Writing. The voting rights of the Bondholders will be determined on the basis of the principal amount of the Bonds held.

19.8. Without amending or varying this Information Document, the Issuer may prescribe such further regulations regarding the convening and holding of the Bondholders' Meeting or the Procedure in Writing as the Issuer may deem appropriate. Such regulations may include e.g. a possibility for Bondholders to vote without attending the meeting in person, holding the Bondholders' Meeting in the form of a video conference etc.

19.9. If the adopted decision of the Bondholders refers to specifications of the Bonds and/or Interest calculation method, as well as the procedure of Interest payments and/or repayment of the Nominal Value, the Issuer shall inform Nasdaq CSD on these changes according to the regulation determined in the Nasdaq CSD rules.

19.10. A Bondholders' Meeting or a Procedure in Writing may make decisions that are binding on the Bondholders on a matter relating to these General Terms and Conditions. Consent of the Majority Bondholders is required to adopt any decision.

19.11. Bonds held by held by the Issuer, its direct or indirect shareholders and the Related Parties will not carry the right to vote at the Bondholders' Meetings and in the Procedure in Writing and will not be considered in determining how many Bonds are outstanding for the purposes of the present Clause of this Information Document.

19.12. The Bondholders' Meeting and the Procedure in Writing can authorise a named person to take any necessary actions to enforce the decisions of the Bondholders' Meeting or the Procedure in Writing.

19.13. A matter decided at the Bondholders' Meeting, or the Procedure in Writing is binding on all Bondholders of the outstanding Bonds, irrespective of whether they were present at the Bondholders' Meeting or participated in the Procedure in Writing. Decisions made at the Bondholders' Meeting or in the Procedure in Writing are deemed to have been received by the Bondholders at the time (i) they have been entered in the issue account maintained by Nasdaq CSD, or (ii) notified to the Bondholders by a notice published on the Issuer's website and the Nasdaq Riga information system, in case the Bonds are admitted to trading on First North (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause), provided that a failure to do so shall not invalidate any decision made or voting result achieved. In addition, the Bondholders are obliged to notify subsequent transferees of the Bonds of the decisions taken at the Bondholders' Meeting or the Procedure in Writing.

19.14. Information about decisions taken at the Bondholders' Meeting or the Procedure in Writing shall be provided to the Bondholders in English and Latvian on the Issuer's website and the Nasdaq Riga information system, in case the Bonds are admitted to trading on First North (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause).

20. PROCEDURE IN WRITTING

20.1. The Issuer may apply for a consent (waiver) itself or through the intermediary of an authorised person (the "**Agent**").

20.2. If a decision of the Bondholders is intended to be passed by the Procedure in Writing, then a respective communication of the Procedure in Writing shall be provided to the Bondholders on the Issuer's website and the Nasdaq Riga information system, in case the Bonds are admitted to trading on First North (any such notice shall be deemed to have been received by Bondholders when sent or published in the manner specified in this Clause). The Issuer shall inform Nasdaq CSD on commencement of the Procedure in Writing in accordance with the Nasdaq CSD rules. Communication to the Bondholders shall include at least the following information:

(a) a description of the requested matter for a decision by the Bondholders;

(b) a justification of the necessity of such decision;

(c) the date when the list of the Bondholders eligible to grant a consent (waiver) (vote) will be fixed;

(d) the term within which a Bondholder can support or reject the offered consent (waiver) (vote);

(e) instructions concerning notification about the support or rejection of the consent (waiver) (vote) and the procedure for filling in the voting form;

(f) notification that a Bondholder willing to grant the consent (waiver) (vote) shall notify the Issuer or the Agent within the term specified in the application. If the Bondholder does not notify the Issuer or the Agent about the approval to grant the consent (waiver) (vote) within the term specified in the application, a Bondholder shall be deemed as not having granted the consent (waiver);

(g) contact details of the Issuer and/or the Agent (telephone number for inquiries, email or address for sending filled in and signed voting forms, list of representative offices and/ or branches of the Issuer and/or Issuer's Agent where the Bondholders can submit the voting forms in person);

(h) other information (if any).

20.3. The term allowed to the Bondholders for deciding upon cast their votes may not be shorter than 14 (fourteen) calendar days after a request for decision was published ("**Minimum voting period**") in a manner stipulated in Clause 20 (PROCEDURE IN WRITTING) of this Information Document.

20.4. The Bondholders shall submit signed voting forms to the Issuer or the Agent, or the Bondholders' respective custodian bank by a deadline set in the application of the consent (waiver). The consent (waiver) (vote) is deemed to be granted, if the Majority Bondholders have voted for granting the consent (waiver) (vote).

20.5. The Issuer or the Agent shall count the received votes and notify the Bondholders of the results of the voting within 1 (one) Business Day after the deadline for submitting the voting forms by publishing a relevant announcement on the Issuer's webpage and on the Nasdaq Riga information system, in case the Bonds are admitted to trading on First North.

20.6. If votes of the Majority of the Bondholders are collected before the end of the Minimum voting period, the Issuer can announce the results of the consent before the end of the Minimum voting period, but in any case not earlier than on the 5th (fifth) Business Day after a request for consent (waiver) (vote) has been published in accordance with Clause 20.2.

20.7. If the granted consent (waiver) refers to specifications of the Bonds and/or Coupon calculation method, as well as the procedure of Coupon payments and/or repayment of the Nominal Value, the Issuer shall inform Nasdaq CSD on these changes according to the regulations determined in the Nasdaq CSD rules.

20.8. If the Issuer offers Bondholders a fee for granting the consent (waiver), the Issuer shall transfer the fee through the intermediary of Nasdaq CSD and in accordance with applicable Nasdaq CSD regulations, which regulate the procedure for paying income from debt securities.

21. BONDHOLDER'S MEETING

21.1. If a decision of the Bondholders is intended to be passed at the Bondholders' Meeting, then a respective notice of the Bondholders' Meeting shall be provided to the Bondholders in English and Latvian on the Issuer's website and the Nasdaq Riga information system, in case the Bonds are admitted to trading on First North (any such notice shall be deemed to have been received by the Bondholders when sent or published in the manner specified in this Clause) no later than 10 (ten) Business Days prior to the meeting. Furthermore, the notice shall specify the time, place and agenda of the meeting, as well as any action required on the part of the Bondholders that will attend the meeting. No matters other than those referred to in the notice may be resolved at the Bondholders' Meeting.

21.2. The Bondholders' Meeting shall be held in Riga, Latvia, and its chairperson shall be appointed by the Bondholders' Meeting based on the proposal from the Issuer. The Bondholders' Meeting shall be chaired by the chairperson of the Bondholders' Meeting.

21.3. The Bondholders' Meeting shall be held in English. Representatives of the Issuer and persons authorised to act for the Issuer may attend and speak at the Bondholders' Meeting.

21.4. Minutes of the Bondholders' Meeting shall be kept, recording the day and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions that were adopted. The minutes shall be signed by the keeper of the minutes, who shall be appointed by the Bondholders' Meeting. The minutes shall be attested by the chairman of the Bondholders' Meeting, if the chairperson is not the keeper of the minutes, as well as by one of the persons appointed by the Bondholders' Meeting to attest the minutes. The minutes from the relevant Bondholders' Meeting shall at the request of a

Bondholder be sent to it by the Issuer.

TAXES

NOTICE

Tax legislation of the Investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Bonds. The following is a general summary of certain tax consideration in Latvia in relation to the Bonds. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Bonds, as well as does not take into account or discuss the tax implications of any country other than Latvia. The information provided in this Section shall not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Bonds applicable to their particular circumstances.

This summary is based on the laws of Latvia as in force on the date of this Information Document and is subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.

Latvia has entered into a number of tax conventions on elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident prospective investor, it should be also examined. The procedures for application of tax conventions are provided in the Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001 (as amended).

DEFINITION OF RESIDENTS AND NON-RESIDENTS

An individual is considered a resident of Latvia for tax purposes if his or her declared place of residence is the Republic of Latvia, or he or she stays in the Republic of Latvia for more than 183 (one hundred and eighty-three) days within any 12 (twelve) month period, or he or she is a citizen of the Republic of Latvia and is employed abroad by the government of the Republic of Latvia. If an individual does not meet any of the above-mentioned criteria, he or she is considered a non-resident for tax purposes.

Any legal entity is considered a resident of Latvia for tax purposes if it is or should be established and registered in the Republic of Latvia according to the Latvian legal acts. This also includes permanent establishments of foreign entities in Latvia. Other legal entities are considered non-residents for tax purposes.

Latvia has entered into a number of tax conventions on elimination of the double taxation, which may provide a more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident Bondholder, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001. For the purposes of exchanging documents, the Bondholder should contact the Issuer *via* the information provided on the Issuer's website and/or Nasdaq Riga website.

TAXATION

Tax consequences in the Republic of Latvia regarding the income derived from Bonds that are issued by a legal entity registered in the Republic of Latvia (not being a credit institution) effective as of the date of the Information Document are as follows:

Legal status of income beneficiary	Bonds that are not in public circulation (not admitted to trading on a regulated market for the purposes of MiFID II)		Conditions
	Interest tax rate	Capital gains tax rate	
Individual resident of Latvia	20%[1]	20%[1]	20% tax from the interest (coupon) income is withheld and transferred to the State budget by an Issuer of Bonds if it is registered in Latvia.

			[1]Exclusively for individual residents (natural person taxpayers), The Law on Income Tax of the Republic of Latvia allows for the postponement of the taxation of income derived from securities by using an investment account regime. Provided that the investment account regime is used at the moment of receiving the respective financial income, the moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e., the amount withdrawn from the account exceeds the amount which had been previously paid into the account). Income from the disposal of Bonds is considered equivalent to an interest income and taxed at 20% rate in Latvia.
Company resident of Latvia	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit)	deferred: 20/80 of the beneficiary's net profit distributed (equals to 20% of the gross profit)	Interest (coupon) income and a capital gain from the Bonds constitute a part of the beneficiary's - Latvian company's overall income. The Corporate Income Tax obligation is deferred to the moment of profit distribution (dividends, interim dividends) or deemed profit distribution (e.g., deemed dividends, non-business expenditure, bad debts provisions/write-off, loans to the related persons, transfer pricing adjustments, liquidation quota) of the beneficiary - Latvian company. The tax is assessed and paid based on the Corporate Income Tax Return filed for a taxation period (a month or year).
Individual non-resident	20% / 5%[2]	20%	20% tax from the interest (coupon) income is withheld and transferred to the State budget by an Issuer of Bonds if it is registered in Latvia. Nonetheless, income from publicly traded financial instruments (interest (coupon) income) is subject to tax exemption. A non-resident individual being a beneficiary of interest (coupon) income or an income from the disposal of Bonds could be obliged to assess and pay tax in their country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia. Provisions of applicable double tax treaty may also provide for a more favourable tax application principle. [2] 5% tax from interest (coupon) income can be withheld and transferred to the State budget by an Issuer of the Bonds who is the resident of Latvia, subject to the Issuer's consent and confirmation and if all of the following three criteria are met: (i) the interest (coupon) payment is made with the intermediation of a financial institution, including the Depository, and the Bonds issue has been arranged by a financial institution that is regulated by a public regulatory authority (such as the Bank of Latvia); (ii) the recipient of such income

			is a resident of the European Union or the European Economic Area and is not engaged in economic activity; (iii) the respective financial instrument is not publicly traded.
Company non-resident	Not taxable in Latvia[3,4]	Not taxable in Latvia[3,4]	Interest (coupon) income and a capital gain derived by a non-resident company (except a company from no-tax or low-tax countries or territories) are not taxable in Latvia. [3]Payments (including interest payments) to non-residents located, registered, or incorporated in a no-tax or low-tax country or territory as defined in the Regulations of the Cabinet of Ministers No. 333 "List of No-Tax or Low-Tax Countries and Territories", adopted on 27 June 2023; effective as of 1 July 2023 are subject to withholding tax of 20% if the payer is a Latvian legal entity. [4]A non-resident company being a beneficiary of interest (coupon) income or a capital gain could be obliged to assess and pay tax in its country of residence at the tax rate specified in the relevant country, which may or may not be higher than the one applicable in Latvia.

Source: Applicable Laws of the Republic of Latvia

TERMS OF THE PUBLIC OFFERING

1.1. General structure of the offering of the Bonds

The Offering of the Bonds consists of (i) a public offering (the "**Retail Offering**") of the Bonds to retail investors and institutional investors (each a "**Retail Investor**") in Latvia, Lithuania, Estonia; (ii) private placement ("**Private Placement**") of the Bonds to institutional investors ("**Institutional Investor**") in certain member states of the EEA and to other selected Investors in each case pursuant to an exemption under Article 1 of the Prospectus Regulation. The Retail Offering and the Private Placement together are referred to as the Offering. The Retail Investor and the Institutional Investor together are referred to as Investors or Bondholders.

The Bondholders shall be prohibited to resell, transfer or deliver the Bonds to any person in a manner that would constitute a public offer of securities in any jurisdiction other than Latvia, Lithuania or Estonia.

For the purposes of the Retail Offering, only such prospective investors will be eligible to participate in the offering who at or by the time of placing their orders have opened securities accounts with entities of their choice, which are licensed to provide such services within the territory of Latvia, Lithuania or Estonia and are members of Nasdaq Riga or have relevant arrangements with a member of Nasdaq Riga ("**Custodian**").

The indicative timetable of the Offering

Start of the Subscription Period:	26 November 2024 at 10:00
End of the Subscription Period:	9 December 2024 at 14:30
Publication of the results of the Offering:	On or about 10 December 2024
Settlement of the Offering:	On or about 12 December 2024

1.2. Subscription period

The Subscription Period is the period during which the persons who have the right to participate in the Retail Offering and Private Placement may submit Subscription Orders for the Bonds. The Subscription Period commences at 10:00 Riga time on 26 November 2024 and terminates at 14:30 Riga time on 9 December 2024 (**"Subscription Period"**).

1.3. Issue Price of the Bonds

The Issue price of the Bonds is equal to 100% of their Nominal Value, which is EUR 1,000 (one thousand euro).

1.4. Subscription for the Bonds

The Investors wishing to subscribe for and purchase the Bonds shall submit their orders to acquire the Bonds (the "**Subscription Orders**") at any time during the Subscription Period.

At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Bonds in a securities account maintained in its name and opened with a Custodian of their choice.

Upon submission of the Subscription Order the Investor shall authorise Nasdaq CSD, Nasdaq Riga and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of the respective Investor's Subscription Order before, during and after the Subscription Period.

An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the Applicable Laws) to submit the Subscription Order. An Investor shall ensure that all information contained in the Subscription Order is correct, complete and legible.

The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible or that has not been completed and submitted and/or has not been supported by the necessary additional documents, requested by the Issuer, during the Subscription Period and in accordance with all requirements set out in the General Terms and Conditions of the Bonds.

All expenses associated with the acquisition and custody of the Bonds shall be the responsibility of the Bondholder, in accordance with the price list of the credit institution or investment service provider through which the Bondholder purchases and holds the Bonds. The Issuer is not obligated to compensate for any such expenses incurred by the Bondholder.

Any consequences of the form of a Subscription Order for the Bonds being incorrectly filled out will be borne by the Investor.

All Subscription Orders shall be binding and irrevocable commitments to acquire the allotted Bonds, with the exceptions stated below. The Subscription Orders shall not be considered valid and shall not be processed in case the purchase amount indicated in the Subscription Orders is less than the Minimum Investment Amount or the Subscription Orders were received after the Subscription Period. The Issuer has no obligation to inform the Investors about the fact that their Subscription Orders are invalid.

By submitting the Subscription Order the Potential Investor confirms that it: (a) has read and understands this Information Document; and (b) agrees and commits to adhere to this Information Document. Article 5f of Regulation (EU) No. 833/2014 (as amended by Council Regulation (EU) No. 2022/328) and Article 1f of Regulation (EC) No. 765/ 2006 (as amended by Council Regulation (EU) No 2022/398) prohibit the sale of euro denominated transferable securities issued after 12 April 2022 or units of undertakings for collective investment (UCIs) providing exposure to such transferable securities, to any Russian or Belarusian national, any natural person residing in Russia or Belarus or to any legal person, entity or body established in Russia or Belarus. This prohibition does not apply to nationals of a Member State or to natural persons holding a temporary or permanent residence permit in a Member State of the European Union.

1.5. Retail Offering

In order to subscribe to the Bonds, a Retail Investor in Latvia, Estonia and Lithuania must have a securities account with a Custodian. A Retail Investor wishing to subscribe for the Bonds should contact its Custodian and submit the Subscription Order using the Subscription Order forms and methods (e.g., physically, over the internet or by other means) made available by the financial institution. Subscription Orders by the Custodians shall be filed through the Nasdaq Riga Auction System.

Retail Investors shall be entitled to place multiple Subscription Orders.

The total amount of the Bonds to be acquired and indicated in each Subscription Order shall be for at least the Minimum Investment Amount.

The Minimum Investment Amount is EUR 1,000.00 (one thousand Euro). The subscription size should be equal to a multiple of the Settlement Unit Multiple.

1.6. Private Placement

In respect of the Private Placement of the Bonds Institutional Investors wishing to purchase the Bonds may submit their Subscription Orders to the Arranger, or their Custodian, which in turn shall submit the orders to the Arranger.

Institutional Investors shall submit their own Subscription Orders or Subscription Orders received from other Investors, if any, to the Arranger.

Institutional Investors shall be entitled to place multiple Subscription Orders.

Institutional Investors shall contact the Arranger for information on detailed rules governing the placement of Subscription Orders, in particular the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an Investor.

1.7. Withdrawal of the Subscription Orders

An Investor may withdraw a Subscription Order for the Bonds by submitting a written statement to the Custodian where the subscription was made at any time until the end of the Subscription Period.

An Investor shall be liable for payment of all fees and costs charged by the Custodian used by the Investor for the subscription of the Bonds in connection with the withdrawal or amendment of the Subscription Order.

Following withdrawal of a Subscription Order, the repayments shall be made (or blocked funds shall be released) in accordance with the Subscription Order within 3 (three) Business Days following submission of a statement regarding withdrawal of the Subscription Order.

1.8. No Assignment or Transfer

The rights arising out of this Information Document in relation to the subscription for the Bonds (including, without limitation, pre-emption rights, rights arising from any Subscription Orders or any acceptance thereof) are not assignable, tradable or transferable in any way and any assigned or transferred rights will not be recognised by the Issuer and will not be binding on the Issuer.

There are no pre-emption rights associated with the Bonds. Therefore, no procedure for the exercise of any right of pre-emption has been adopted or produced for the purposes of the Offering. In addition, subscription rights are non-negotiable and non-tradeable, thus no procedures have been adopted or specific treatment provided thereof.

1.9. Payment for the Bonds

By submitting a Subscription Order, each Retail Investor shall authorise and instruct the Custodian operating the Retail Investor's cash account connected to the Retail Investor's securities account to immediately block the whole subscription amount on the Retail Investor's cash account until the payment for the allotted Bonds is completed or until the funds are released in accordance with this Information Document. The subscription amount to be blocked will be equal to the Nominal amount multiplied by the amount of the Bonds, the respective Retail Investor wishes to subscribe for. A Retail Investor may submit a Subscription Order only when there are sufficient funds on the cash account connected to the securities account or the investment account as the case may be. If the blocked funds are insufficient, the Subscription Order will be deemed null and void to the extent funds are insufficient.

The Retail Investors who have not been allotted any Bonds or whose subscriptions have been reduced will receive reimbursements of the payment made upon placing the Subscription Order (or the blocked funds will be released) in accordance with instructions provided by each such Retail Investor, as required under the procedures applicable in the Custodian with which the Subscription Order was placed. The reimbursement will take place (or the blocked funds will be released) within 10 (ten) Business Days as from the end of the Subscription Period or from the date of the publication of the supplement to this Information Document on the cancellation of the Offering. The payments shall be returned (or the blocked funds will be released) without any reimbursement for costs incurred by the Retail Investors in the course of subscribing for the Bonds and shall be net of all transfer expenses and without interest.

In respect of Private Placement of the Bonds the Institutional Investor shall consent to the obligation to ensure the subscription amount on the settlement date on the "delivery versus payment" method pursuant to the applicable rules of Nasdaq CSD.

Payments for the Bonds are interest free.

1.10. Allotment

On the next Business Day following the end of the Subscription Period the Issuer will decide whether to proceed with the Offering of the Bonds or cancel the Offering.

In case the Offering of the Bonds is cancelled, the Issuer will publish an announcement on the Issuer's website.

In case the Issuer decides to proceed with the Offering of the Bonds the following actions shall be taken on the next 3 Business Days following the Subscription Period or about that date.

Allotment of the Bonds to the Investors

The Issuer will establish the exact amount of the Bonds to be allotted with respect to each Subscription Order.

As a general principle, if the total number of the Bonds subscribed for is equal to or less than the number of the Bonds and the Issuer decides to proceed with the Offering, the Bonds will be allotted based on the Subscription Orders placed.

In case the total number of the Bonds subscribed for is higher than the number of the Bonds and the Issuer decides to proceed with the Offering, the Bonds may be allocated to them in an entirely discretional manner of the Issuer.

The division of the Bonds between the retail and institutional investors has not been predetermined. The Issuer will determine the exact allocation at its sole discretion.

The allocation shall be aimed to create a solid and reliable Investor base for the Issuer.

The Issuer shall be entitled to prefer its Existing Members to other Investors.

Possible multiple Subscription Orders submitted by an Investor shall be merged for the purpose of allocation.

Confirmations

After completion of the allotment, an Investor shall receive a notification about partial or full satisfaction or rejection of the Subscription Order submitted by the Investor and the number of the Bonds allotted to the Investor if any. A confirmation shall be provided by the Custodian where an Investor has submitted his/her/its Subscription Order or the Arranger.

Information about the Results of the Offering

Information about the results of the Offering (amount of the Bonds issued and an aggregate principal amount) shall be published on the Issuer's website.

1.11. Cancellation, Suspension or Postponement of the Offering

The Issuer may cancel the Offering of the Bonds at any time prior to the Settlement Date without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the Subscription Period, or decide that the Offering will be postponed and that new dates of the Offering will be provided by the Issuer later.

In such an event, subscriptions for the Bonds that have been made will be disregarded, and any subscription payments made will be returned (or the blocked funds will be released) without interest or any other compensation.

Any decision on cancellation, suspension, postponement or changes of the dates of the Offering will be published in a manner compliant with Applicable Laws, as well as market practices in Latvia.

The Issuer may also decide on the reduction of the Bonds issue size. Any Bonds that are not issued shall be deleted.

1.12. Settlement and Delivery

The settlement of the Offering will be carried out by Nasdaq CSD. The Bonds allocated to Retail Investors and Institutional Investors will be transferred to their securities accounts (investment accounts as the case may be) through the "delivery versus payment" method pursuant to the applicable rules of Nasdaq CSD simultaneously with the transfer of the payment for such Bonds. The title to the Bonds will pass to the relevant Retail Investors and Institutional Investors when the Bonds are transferred to their accounts. If a Retail Investor or an Institutional Investor has submitted several Subscription Orders through several securities accounts (investment account as the case may be), the Bonds allocated to such Retail Investor or Institutional Investor will be transferred to all such accounts proportionally to the number of the Bonds indicated in the Subscription Orders submitted for each account, rounded up or down as necessary. The settlement will take place on the Issue Date. All paid up Bonds shall be treated as issued.

Dealing with the Bonds may begin when the Bonds allocated to Investors are transferred to their securities account (investment account as the case may be).

1.13. Listing and Admission to Trading

The Issuer shall submit an application to list and admit to trading the Bonds on First North within 6 (six) months from the Issue Date.

The decision as to the listing and admission of the Bonds to trading on Nasdaq Riga shall be adopted by the Board of Nasdaq Riga. The Issuer shall take all the measures, established in Nasdaq applicable rules, needed that the Bonds would be admitted to trading on First North as soon as practicably possible.

The Issuer shall also put its best efforts to ensure that the Bonds remain listed on the First North. The Issuer shall, following a listing or admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Bonds.

The Issuer will cover all costs, which are related to the listing of the Bonds on First North.

The Issuer does not undertake to register the Information Document with the Bank of Latvia or list the Bonds on any regulated market.

The Issuer has not signed any agreement with any person for liquidity maintenance of the Bonds on the secondary market.

GENERAL INFORMATION

GENERAL INFORMATION ON THE ISSUER

The Issuer is Lauksaimniecības pakalpojumu kooperatīvā sabiedrība "LATRAPS", a cooperative society (in Latvian - *kooperatīvā sabiedrība*) registered in the Enterprise Register of the Republic of Latvia under registration No. 58503007191, and registration date of 9 May 2000. LEI code of the Issuer is LEI code 5299008BB7QQ59AIOT03, registered address at Lietuvas iela 16A, Eleja, Elejas rural territory, Jelgava municipality, LV-3023, Latvia. The Issuer has been established for an indefinite time period.

The contact information for the Issuer is the Issuer's website.

The Issuer carries out its activities in accordance with the laws of the Republic of Latvia and other Applicable Laws.

The Issuer is an operational company that holds shares in the Subsidiaries. The Issuer is not dependant on any other company of the Group.

At the date of this Information Document the Issuer has in total 1,220 Existing Members. In accordance with the Articles of Association and Applicable Laws, in particular the Cooperative Societies Law (in Latvian - *Kooperatīvo sabiedrību likums*) no one member exercises decisive ownership or similar rights over the Issuer. Each Existing Member has one vote in the General Meeting of Members. For more detailed description of corporate governance please see Clause 2.1 (Corporate governance) of Section "BUSINESS DESCRIPTION". Taking into consideration the number of the Existing Members, no one Existing Member has ownership or similar rights in the Issuer in excess of 0.5%.

The Issuer will publish the Information Document, any amendments and supplements to the Information Document, audited annual financial statements as at and for the Financial Years from 1 July 2022 until 30 June 2023 and from 1 July 2021 until 30 June 2022 and unaudited financial statements as at and for the Financial Year from 1 July 2023 until 30 June 2024 on the Issuer's website.

DECISIONS OF THE ISSUER ON THE BOND ISSUE

On 30 September 2024 the Issuer's Supervisory Board passed the decision to issue the Bonds and to authorize the Management Board to approve and sign all the documents (including the Information Document) related to the issuance of the Bonds and admission of the Bonds to trading on First North.

On 19 November 2024 the Issuer's Management Board passed the decision to issue the Bonds and to approve and sign all the documents (including the Information Document) related to the issuance of the Bonds and admission of the Bonds to trading on First North.

AUDITOR

The Issuer's financial statements for the Financial Years from 1 July 2022 until 30 June 2023 and from 1 July 2021 until 30 June 2022 have been audited by Sabiedrība ar ierobežotu atbildību "ERNST & YOUNG BALTIC", registration No. 40003593454, registered address at Muitas iela 1A, Riga, LV-1010, Latvia, a member of the Latvian Association of Sworn Auditors (in Latvian - Latvijas Zvērinātu revidentu asociācija), license No. 17 of the Register of Commercial Companies of Sworn Auditors.

The Issuer's General Meeting of Members on 13 December 2023 appointed Sabiedrība ar ierobežotu atbildību "KPMG Baltics", registration No. 40003235171, as the auditor for the Financial Years from 1 July 2023 until 30 June 2024.

ADVISORS INVOLVED IN THE ISSUE

The Issuer has concluded an agreement with the Arranger to organise the Bonds issue, to communicate with Nasdaq CSD, market the Bonds to investors and conduct settlement of the Bonds during the Subscription Period. The Arranger may provide other services to the Issuer in the future and receive remuneration for it. The Arranger may invest its own funds in the Bonds.

Legal advice to the Issuer in respect of the Bonds issue was provided by TGS Baltic zvērinātu advokātu birojs SIA, registration No. 40203331582, registered address at Elizabetes iela 63 - 11, Riga, LV-1050, Latvia.

EXTERNAL AUDIT OF THE INFORMATION INCLUDED IN THIS INFORMATION DOCUMENT

The information included in this Information Document has not been verified by auditors.

STATEMENTS OR REPORTS INCLUDED IN THIS INFORMATION DOCUMENT

This Information Document does not contain any expert statements or reports.

CREDIT RATINGS

No credit rating has been assigned to the Issuer or to the Bonds.

BUSINESS DESCRIPTION

1. OVERVIEW

Lauksaimniecības pakalpojumu kooperatīvā sabiedrība "LATRAPS" (*Agricultural services cooperative society LATRAPS*) is the leading agrobusiness cooperative in the Baltic region, a driving force of modern agriculture, wholly owned by farmers of Latvia.

The Issuer was founded by 12 farms from Dobele and Jelgava municipalities on 22 April 2000 and registered with the Enterprise Register of the Republic of Latvia on 9 May 2000. The founders aimed to make trade transactions more efficient by fostering cooperation, aligning needs, and boosting farm profitability. By coordinating volume purchases of raw materials and securing better prices for grain sales, they sought to enhance value for the cooperative's farmers.

Open to every field crop grower in the country, the Issuer has grown from a 12-member cooperative society to the largest field crop cooperative society in the country, uniting over 1,200 farmers throughout Latvia. The cooperative's farmers cultivate areas ranging from 10 ha to 6,000 ha, and produce a growing variety of grains, pulses, and rapeseed.

1.1. Strategy of the Issuer

With an efficient and reliable supply chain from seed to harvest and a strong presence in global grain markets, the Issuer trades raw materials needed for crop production, provides crop pre-processing and storage services, and sells grains, pulses and rapeseed produced by its members. Support for the production cycle is enhanced by additional services such as crop insurance, logistics, and agricultural machinery sales and service.

The Issuer provides consulting and training services about best practices for sustainable and profitable growth, based on access to leading agriculture products, technologies and services.

Extending the supply chain to downstream products, from the field to the kitchens of the world, the Issuer produces malt, rapeseed oil, and – in the future through its Production Facility – pea protein products.

The Issuer ensures stable and continuous growth for its partners and for the cooperative itself. The Issuer's organization's values – responsibility, collaboration, reliability and excellence – guide its actions and decisions. The Issuer aspires to create a sustainable, knowledge-based and innovative agricultural environment.

1.2. The Issuer's products and services

The primary products and services offered by the Issuer are:

(a) Trade of grain, pulses and rapeseed – purchased from Existing Members and other farmers for domestic sale as well as export through multiple collection centers throughout Latvia. The majority of the Issuer's revenue comes from the sale and export of produce – grain, pulses, and rapeseed;

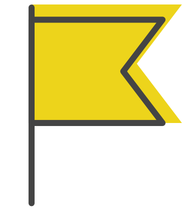
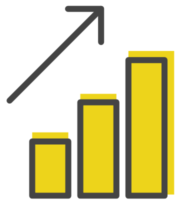
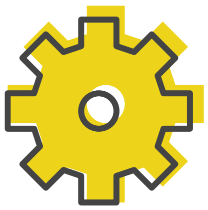
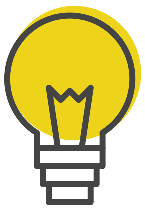
(b) Trade of agricultural inputs like seeds, fertilizers, micronutrients, and plant protection products used in farming to enhance crop growth and yield. This is the second largest business segment of the Issuer, consisting of over 100 various crop care products;

(c) Fuel – since 2012 the Issuer offers differentiated fuel products, with an option to pay a reduced excise tax, to Existing Members and other farmers;

(d) Machinery – in collaboration with top machinery manufacturers and resellers, the Issuer offers agricultural machinery sales and ancillary services such as maintenance and repair services, spare parts supply, warranty services, and financing options. Technical consulting helps maximize farmers' machinery performance and longevity.

(e) Other operations – include logistics services, crop insurance, production of malt, production of rapeseed oil, agronomist consultations.

1.3. Key strengths of the Issuer

	Market leader	The Issuer is the largest farming enterprise in Latvia, with a proven track record of almost 25 years and as a reliable partner for more than 1,200 members
	Consistent financial performance	With steady growth in turnover and consistent bottom-line profitability, the cooperative has shown the ability to manage substantial financial obligations
	Robust corporate governance	A well developed corporate governance framework ensures the long-term stability of the cooperative; most important governance decisions are made via the General Meeting that draws up on vast industry experience
	Industry innovator	Strategic vision and an innovation mindset, backed by a strong strategic partner and various financing partners, are the foundation for a high-value added production plant to serve the structurally growing demand for plant-based protein sources

1.4. The Issuer's geographical markets

The main geographical market for the Issuer is Latvia, constituting around 54% (fifty-four per cent) of the Issuer's sales, other significant geographical markets of the Issuer are EU, Africa, and Middle East constituting less than 46% (forty six per cent) of the Issuer's sales.[1]

1.5. Market overview and competition

The agricultural industry is highly competitive, with numerous multinational and domestic players operating in all areas. The Issuer is regarded as the leading market participant in Latvia, as such it is exposed to overall industry trends, such as:

(a) weather conditions that play an important role on the quantity and quality of harvest, having a knock-on effect on prices;

(b) wheat is the key grain for both the Issuer and Latvian farming in general;

(c) in 2024/25 overall EU cereal production, including wheat, is expected to reach the lowest level in a decade, driven by unfavourable weather conditions and reduced planting areas[2], in the same time, demand remains largely stable, which could potentially lead to upwards pressure on wheat prices and potentially positively contribute to the Issuer's top-line performance.

1.6. Sustainability strategy

The Issuer's sustainability strategy is based on the following motto: "*Cooperation and a joint farmers' market is the only way to interact with the world on equal footing*".

Environment – with the initiation of the Production Facility development, the Issuer encourages alternative protein sources to meat, whose production is one of the biggest contributors to global warming. In addition, the Issuer is

[1] The percentage reflects the situation for the last three Financial Years of the Issuer.

[2] Source: European Commission. Short-term outlook for EU agricultural markets

actively working with scientists and farmers to develop and use more environmentally feasible means of operations for farmers.

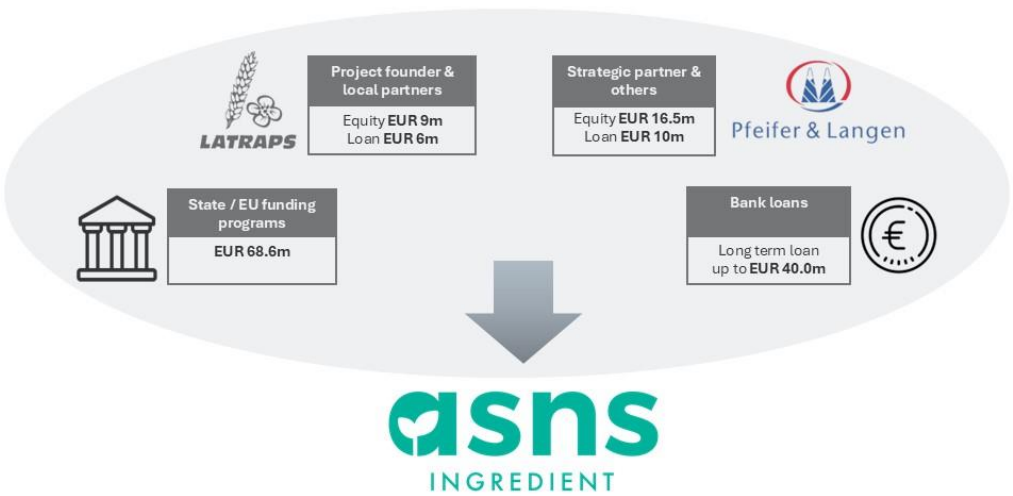
Social – the Issuer's core values include collaboration and common responsibility for each other, which is captured by the ever-growing Existing Member count.

Governance - with each Existing Member having one vote at the General Meeting of Members, the inclusive and robust governance principles coincide with the ESG initiative.

The Issuer is currently carrying out a comprehensive analysis of its Environmental, Social, and Governance (ESG) factors. ESG factors refer to the non-financial aspects of business performance related to environmental sustainability, social responsibility, and ethical governance practices. By conducting this thorough analysis, the Issuer aims to create a report that provides accurate, actionable information for investors and other stakeholders scheduled for release in 2026.

1.7. Production Facility and Production Subsidiary

The main intended operations of the Production Subsidiary are construction and operations of the Production Facility - pea protein plant with a 69,000-ton pea processing capacity, producing the highest quality pea protein isolate and its by-products. In recent years, there has been an increase in demand for alternative protein sources, as they are more environmentally friendly and do not emit as much CO2 as traditional protein sources. Various studies mention that demand is planned to grow at least 12% per year on average over the next 5 years[3]. Based on current financial model the Production Facility should ensure annual turnover of around EUR 75 million (seventy five million Euro) and potential profit of around EUR 7 million (seven million Euro) as well as create new workplaces, increase export and increase demand for peas in Latvian and Baltic markets.



Total expenditure for the Production Facility is calculated to be around EUR 132 million (one hundred and thirty two million Euro), which is expected to be divided among the following avenues of financing:

(a) Investment into the share capital of the Production Subsidiary in the amount of up to EUR 27.2 million (twenty five point five million Euro), of which:

a. EUR 9 million (nine million Euro) shall be invested by the Issuer, of which EUR 5 million (five million Euro) has been already invested while the remaining part will be partially financed by the net proceeds of this Bond issue (EUR 2 million) and partially by unsecured convertible Bonds to the Existing Members (EUR 2 million) issued on 1 November 2024. The Issuer's share in the Production

[3] Markets and Markets and Grand view research

Subsidiary's share capital is expected to constitute 49.9% (forty nine point ninety percent);

b. the Strategic Partner shall invest EUR 16.5 (sixteen million point five Euro) from which EUR 8.2 million (eight point two million Euro) has been already invested. The Strategic Partner's share in the Production Subsidiary's share capital is planned to represent around 47.1% (forty seven point one percent);

c. a potential strategic investor/partner operating in a food raw material supply and end product trading market that directly specializes in the global trade of starch, protein, fiber and would act as a strategic partner for the sale of directly produced end products on the world market may invest EUR 1.5 million (one point five million Euro) representing around 2.8% (two point eight percent) of the planned share capital o f the Production Subsidiary,

d. EUR 0.2 million (zero pint two million Euro) has been already invested by two other agricultural services cooperative societies from Latvia - LAUKSAIMNIECĪBAS PAKALPOJUMU KOOPERATĪVĀ SABIEDRĪBA "BARKAVAS ARODI", registration no. 45403017635, and Lauksaimniecības pakalpojumu kooperatīvā sabiedrība "Durbes grauds", registration no. 42103029905, representing around 0.2% (zero point two percent) of the planned share capital of the Production Subsidiary;

(b) State funding: the project has been approved in several State funding programs, which would make available up to EUR 68.6 million (sixty eight point six million Euro) from various State financing instruments in the form of grants and loans;

(c) debt financing:

a. subordinated loans from the shareholders of the Production Subsidiary – the Issuer in the amount of up to EUR 6 million (six million Euro) (to be financed from the net proceeds of this Bond issue) and Strategic Partner in the amount of up to EUR 10 million (ten million Euro);

b. loans from credit institutions in the amount of up to EUR 40 million (forty million Euro).

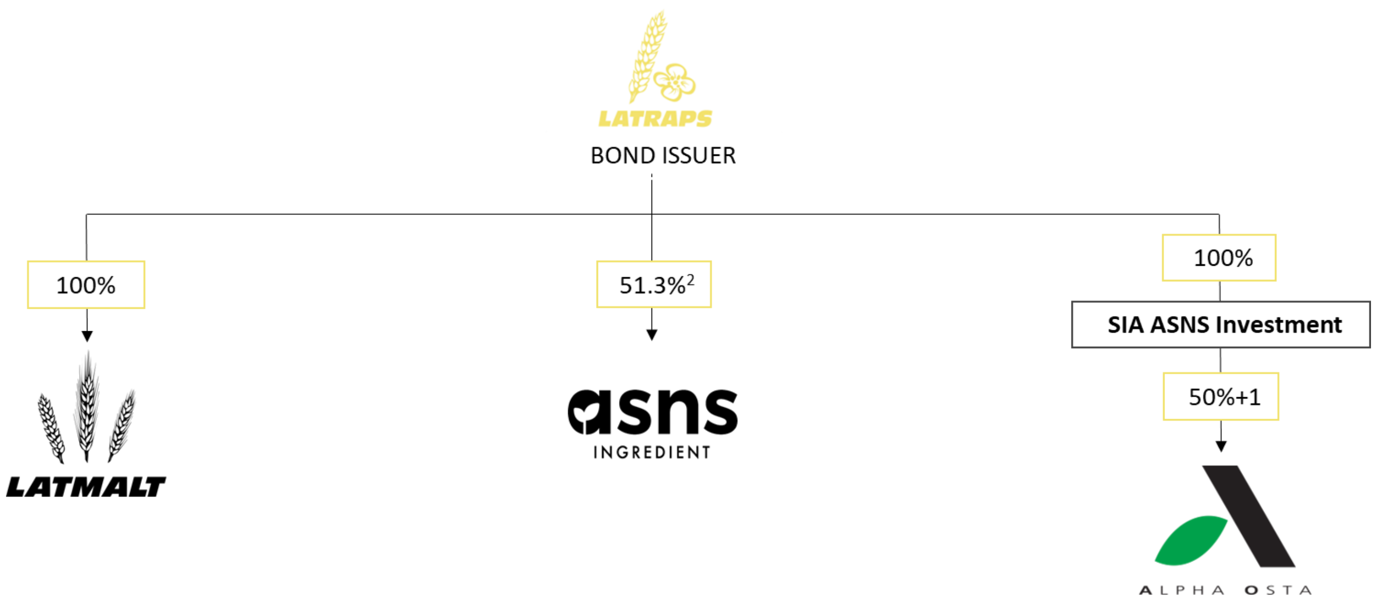
1.8. Existing investments

At the date of this Information Document, the Issuer regards the following existing investments as material:

(i) Investment in the Production Subsidiary and Production Facility as described in Clause 1 "USE OF THE PROCEEDS";

(ii) Investment in Madona grain complex extension finalised in 2024 with a total investment of around EUR 1 million (one million Euro).

2. GROUP STRUCTURE



The Issuer's Group structure above reflects only significant subsidiaries and does not reflect all companies and entities the Issuer has ownership or similar interest in.

2.1. Corporate governance

The Issuer has a corporate governance structure, which consists of the Management Board, Supervisory Board, and the General Meeting of Members as the highest governing body of the Issuer. In accordance with the Cooperative Societies Law and Articles of Association, the Management Board is the executive institution of the Issuer, which carries out general and strategic management, as well as representation of the Issuer. The Management Board is elected by the Supervisory Board.

The Supervisory Board is the oversight body of the Issuer, which represents the interests of the members between General Meetings and supervises the activities of the Management Board in the scope set by the Cooperative Societies Law and the Articles of Association. The Supervisory Board is elected by the General Meeting of Members. In turn, the General Meeting of the Members is the supreme governing and decision-making body of the Issuer.

As of the date of this Information Document, the Issuer has not established an audit committee and has not adopted or implemented a cooperative governance code.

2.2. Management Board of the Issuer

The Management Board of the Issuer serves as the executive body entrusted with the pivotal responsibilities of overseeing and directing the entirety of its business operations. This includes not only the efficient management and representation of the organization but also diligent fulfilment of various obligations.

As of the date of this Information Document the Management Board of the Issuer consists of 5 (five) members:

Name	Position	Short description of CV
Roberts Strīpnieks	Chairperson	Chairman of the Management Board since 2022. 20+ years of experience leading the largest forestry joint stock company in Latvia – Latvijas Valsts Meži.
Ilga Anita Bērzkalna	Member	Head of Development since 2022. 30+ years of experience in project management and development consulting. 15 years at Latvijas Valsts Meži leading innovation and digitalization projects.
Ginta Briede	Member	Head of Grain Sales Department since 2016. 10+ years of experience with the Issuer. Responsible for all grain purchases, logistics and sales.
Gundars Ruža	Member	Chief Financial Officer since 2020. 30+ years of experience in finance and management. Previous role as CFO and COO at Moller Auto for 10 years. Currently appointed as an independent member of the Supervisory Board of AS Latvenergo.
Ģirts Ozols	Member	Head of Agricultural Department since 2006. 18+ years of experience with the Issuer and 26 years experience working in the agricultural field.

2.3. Management board of the Production Subsidiary

The Management Board of the Production Subsidiary serves as the executive body entrusted with the pivotal responsibilities of overseeing and directing the entirety of its business operations. This includes not only the efficient management and representation of the organization but also diligent fulfilment of various obligations.

As of the date of this Information Document the Management Board of the Production Subsidiary consists of 1 (one) member:

Name	Position	Short description of CV

Edgars Ruža	Member	CEO of Asns Ingredient SIA, 25+ years of experience in leading the Issuer.

2.4. Supervisory Board of the Issuer

The main functions of the Supervisory Board are to ensure representation of the interests of the members between General Meetings of Members and supervise the activities of the Management Board, to provide strategic direction for the Group's development, and to supervise key areas of the Group's operations, performance, and compliance. In accordance with the Articles of Association of the Issuer the Issuer's Supervisory Board shall consist of 9 (nine) representatives of the Existing Members.

As of the date of the Information Document, the Supervisory Board of the Issuer consists of 9 (nine) members:

Name	Position	Short description of CV
Valters Bruss	Chairperson	Nominated by the cooperative member ZS "Strazdi." Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Artūrs Akmens	Vice Chairperson	Nominated by the cooperative member z/s «Laši». Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Sandris Bēča	Member	Nominated by the cooperative member LPKS «Durbes grauds». Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Māris Bērziņš	Member	Nominated by the cooperative member z/s «Rīgmaļi». Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Iveta Grudovska	Member	Nominated by the cooperative member z/s «Lielvaicēni». Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Juris Lazdiņš	Member	Nominated on behalf of the cooperative member z/s «Lazdiņi». Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Eduards Šmits	Member	Nominated by the cooperative member z/s «Pīlādži». Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Artūrs Tjušs	Member	Nominated on by the cooperative member z/s «Meža Grumuži». Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Mārtiņš Trons	Member	Nominated on by the cooperative member SIA «Reits. Over 20 years of experience in agriculture industry and managing agricultural businesses and organisations.

2.5. Supervisory Board of the Production Subsidiary

Main functions the Supervisory Board are to ensure representation of the interests of the shareholders including the Issuer and supervise the activities of the Management Board, to provide strategic direction for the Production Subsidiary's and Production Facility's development, and to supervise key areas of the Production Subsidiary's operations, performance and compliance.

As of the date of this Information Document the Supervisory Board of the Production Subsidiary consists of 4 (four) members:

Name	Position	Short description of CV
Gundars Ruža	Chairperson	Chief Financial Officer of the Issuer since 2020. 30+ years of experience in finance and management. Previous role as CFO and COO at Moller Auto for 10 years. Currently also appointed as an independent member of the Supervisory Board of AS Latvenergo.
Ramon Sveder Sieveking	Vice Chairperson	General Counsel and Chief Compliance Officer at Pfeifer & Langen GmbH & Co.
Eduards Šmits	Member	Member of the Supervisory Board on the Issuer. Over 30 years of experience in agriculture industry and managing agricultural businesses and organisations.
Andreas Gerhard Ridder	Member	Chief Finance, Legal and Commercial Officer at Pfeifer & Langen GmbH & Co.

2.6. Conflicts of interest and other declarations

As at the date of this Information Document, the Issuer is not aware of any conflicts of interest or potential conflicts of interest between the Issuer's duties of the members of the management board and their private interests and/or their other duties.

2.7. Issuer's ownership structure

As of the date of this Information Document, the Issuer has in total of 1,220 Existing Members. In accordance with the Articles of Association and applicable laws, primarily the Cooperative Societies Law, no one member exercises ownership or similar rights over the Issuer in excess of 5%. In practice, taking into consideration the number of Existing Members, no one Existing Member has ownership or similar rights in the Issuer in excess of 0.5%.

As of the date of this Information Document, the Issuer is not aware of any arrangements as described in Article 8 of the Financial Instruments Market Law or similar that would give any Existing Member direct and/or indirect control, ownership, or similar rights in excess of 5%.

In accordance with Article 37(1) of the Cooperative Societies Law, each member of the Issuer irrespective of the cooperative shares owned by each member has one vote in the General Meeting of Members.

2.8. Cooperative share option agreements

Cooperative Societies Law and Articles of Association do not prescribe the possibility of introducing cooperative share option agreements, schemes, or similar.

As of the date of this Information Document, the Issuer has not adopted any resolution or decision with similar effect to the cooperative share option agreements, schemes or similar.

2.9. Remuneration policy

At the date of this Information Document, the Issuer has adopted and implemented remuneration principles for the Supervisory and Management Board Members. The General Meeting of Members has adopted regulations on remuneration for the Supervisory Board. The Supervisory Board has adopted regulations for remuneration of the Management Board Members.

2.10. Dividend policy

At the date of this Information Document, the Issuer has not adopted a dividend policy, and payments of dividends are made in accordance with the respective decision of the General Meeting of the Members. Additionally the Issuer requires consent from credit institutions that have provided financing to the Issuer.

2.11. Legal proceedings and arbitration

At the date of this Information Document, the Group or its Management Board Members are not involved in any lawsuits or arbitration proceedings, which may significantly affect or have significantly affected the financial situation or profitability of the Group.

At the date of this Information Document, the Group or its Management Board Members are not and have not been involved in any legal proceedings, any insolvency applications, instituted insolvency proceedings, as well as any legal proceedings in connection with fraud, economic violations, or other violations for a period of at least 5 previous years.

2.12. The Group's AML, CFT, and Sanction screening policies

The Issuer has adopted and abides by Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and Sanctions screening policy, which is designed to ensure that all potential partners meet regulatory standards. The primary components of the policy are sanctions screening, financial checks, public information review, and know-your-customer questionnaires.

The Issuer screens potential partners, as well as their officials and beneficiaries, against sanctions lists (e.g., OFAC, UN, EU). The Issuer reviews the available financial records, credit reports, and other indicators of the partner's financial standing and source of funds. The Issuer reviews publicly available information regarding partners to check for possible public information on news regarding financial crimes, sanction violations, money laundering, and similar. The Issuer requires partners to fill out know-your-customer questionnaires to verify the origins of partner's funds.

2.13. Substantial changes in the financial situation of the Group

As of the publication of the last financial statement, the financial situation or performance of the Group has not worsened. The Group is unaware of any factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Group in the future.

2.14. Important agreements

The Issuer considers the following types of agreements material to its operations, however the Issuer is not aware of any stand alone agreement that should be regarded as material to the operations of the Issuer.

Agricultural raw material purchase contracts
The Issuer enters into an agreement for the purchase of agricultural raw materials from raw material producers in order to ensure the supply of the Issuer's members and clients with raw materials necessary for the agricultural production process. The volume and type of raw material procurement are planned in accordance with the economic activities of the Issuer's clients, as well as statistics of previous periods regarding the sale of raw materials. Agricultural raw material contracts with raw material producers are concluded on the basis of deliveries for a specific agricultural season. The legal and economic aspects of the transaction with raw material producers are discussed in each case individually, taking into account the legal and economic interests of both parties. By concluding such pre-planned long-term cooperation agreements, the Issuer can ensure the constant availability of agricultural raw materials necessary for its economic activities and the possibility of satisfying the Issuer's client's demand.

Agricultural production procurement contracts
The Issuer concludes grain procurement agreements from agricultural producers. Production procurement transactions are concluded both with the Issuer's members and with any other agricultural producer. Production procurement transactions are based on long-term contracts with producers, in each specific situation agreeing on the delivery volumes of products grown in a specific agricultural season and other essential components of the transaction. The Issuer determines the purchase price of agricultural products uniformly for all suppliers of agricultural products, taking into account the production procurement strategy determined for the specific period, agricultural product exchange prices, and other aspects related to price formation. The Issuer, in cooperation with agricultural producers, offers uniform transaction terms and contract forms to all agricultural producers who choose the Issuer as a partner for the sale of products.

Agricultural production sales contracts
After purchasing agricultural products, the Issuer plans and organizes transactions for the further sale of agricultural products, both to companies that use agricultural products in their production process and to large global agricultural product trading companies. The products purchased from farmers are consolidated into larger production volumes and sold both on the domestic market and for sale in the European Union and for export. The sales prices of the products are determined in each case in mutual negotiations with the buyers of the products, subject to the condition

that the Issuer plans and organizes the sale of agricultural products economically justified. The legal and economic aspects of the transaction with the buyers of agricultural products are discussed in each case individually, taking into account the legal and economic interests of both parties.

Additionally, the Production Subsidiary is currently in the development phase and various contracts are being concluded in connection with the Production Facility development.

2.15. Existing securities issued by the Issuer

At the date of this Information Document, the Issuer has issued the Existing Bonds - unsecured bonds in accordance with Applicable Laws. The bonds are not registered with Nasdaq CSD and have limitations on transferability. The bonds are dematerialized bearer securities that can be transferred only between the Issuer's Existing Members or employees without the right to further alienate or pledge them to a third party. The interest on the Existing Bonds is accrued and paid only after their respective maturity dates. Currently there are three separate series of outstanding Existing Bonds:

(i) Existing Bonds with a total nominal value of EUR 2,025,000.00 (two million twenty-five thousand Euro) with the nominal value of each Bond being EUR 9,000.00 (nine thousand Euro) offered in private closed offering to the Existing Members carrying fixed interest rate of 5%, with maturity on 1 November 2029. These Existing Bonds are convertible debt instruments, there are no put options for the Existing Bonds. One month before the maturity of the Existing Bonds the respective Bondholders will have an option to convert the Existing Bonds into shares of an investment fund (or other respective vehicle) with the purpose of holding the Production Subsidiary at predetermined amount;

(ii) Existing Bonds with a total nominal value of EUR 2,450,000.00 (two million four hundred fifty thousand Euro) with the nominal value of each Bond being EUR 1,000.00 (one thousand Euro) offered in private closed offering to the Existing Members carrying fixed interest rate of 5%, with maturity on 22 December 2025. These Existing Bonds are unsecured debt instruments, there are no put options for these Existing Bonds;

(iii) Existing Bonds with a total nominal value of EUR 51,000.00 (fifty one thousand Euro) with the nominal value of each Bond being EUR 1,000.00 (one thousand Euro) offered in private closed offering to the Existing Members carrying fixed interest rate of 4%, with maturity on 22 December 2024. These Existing Bonds are unsecured debt instruments, there are no put options for these Existing Bonds.

2.16. Significant recent and known trends

At the time of signing this Information Document, the Group has no information at its disposal regarding any other known trends that have negatively affected the Group or the activity since the last published audited financial reports, apart from the aforementioned impact.

SELECTED FINANCIAL INFORMATION OF THE ISSUER AND THE GROUP

1. GENERAL

The financial information contained in this Section is extracted from the audited financial statements of the Issuer referring to the Financial Years ending on 30 June 2023, 30 June 2022 and 30 June 2021 prepared in accordance with Latvian Accounting Standards (Latvian GAAP) as set forth in the Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia.

The financial information in this Information Document for the 12-month period ended 30 June 2024 has been derived or taken from the unreviewed interim financial statement of the Issuer for the 12-month period ended 30 June 2024 prepared in accordance with Latvian Accounting Standards (Latvian GAAP) as set forth in the Law on Annual Statements and Consolidated Annual Statements of the Republic of Latvia.

At the date of this Information Document, the Issuer does not prepare consolidated financial reports for the Group, as the Issuer is not obliged to prepare consolidated financial reports according to Applicable Laws. Therefore, the financial information contained in this Section is based solely on the Issuer's standalone financial reports.

The profit / loss forecast has not been carried out.

The Issuer's financial reports will be available on the Issuer's website www.latraps.lv and on Nasdaq Riga website after listing on First North.

2. COOPERATIVE SHARE CAPITAL AND COOPERATIVE SHARES

The Issuer is registered and operating as a cooperative society (*kooperatīvā sabiedrība*). Cooperative shares (in Latvian - *pajas*) of the Issuer have been issued in accordance with the Cooperative Societies Law. Any changes to the nature or scope of the rights attached to the Issuer's cooperative shares, as defined in the Articles of Association, can only be made according to the procedure outlined in the Cooperative Societies Law.

The cooperative share capital of the Issuer as of 4 November 2024 was EUR 783,701 (seven hundred eighty three thousand seven hundred and one Euro), which is composed of 551,902 (five hundred fifty one thousand nine hundred and two) registered cooperative shares with the nominal value of one cooperative share EUR 1.42 (one point forty two Euro). In accordance with the Articles of Association of the Issuer minimum cooperative share capital of the Issuer is EUR 2,845.74 (two thousand eight hundred forty five point seventy four). All cooperative shares have been fully paid up. The form of the cooperative shares is registered shares. Each member in accordance with Article 37(1) of the Cooperative Societies Law irrespective of the number of cooperative shares owned has one vote in the General Meeting of Members. To become a member each potential member must subscribe and pay up at least 250 (two hundred fifty) cooperative shares.

3. ISSUER'S FINANCIAL STATEMENTS

The tables below present key selected financial information for the Issuer and have been derived from the Issuer's audited annual financial statements as at and for the Financial Years from 1 July 2022 until 30 June 2023, from 1 July 2021 until 30 June 2022 and from 1 July 2020 until 30 June 2021, and the Issuer's interim financial statements as at and for the twelve-month period ended 30 June 2024.

The Issuer's financial statements for the Financial Years from 1 July 2022 until 30 June 2023, from 1 July 2021 until 30 June 2022 and from 1 July 2020 until 30 June 2021 have been audited by SIA "ERNST & YOUNG BALTIC", registration no. 40003593454, legal address: Muitas iela 1A, Riga, LV-1010, Latvia, member of Latvian Association of Sworn Auditors (in Latvian - *Latvijas Zvērinātu revidentu asociācija*), license no. 17 of the Register of Commercial Companies of Sworn Auditors.

THE ISSUER'S STANDALONE STATEMENT OF INCOME, EUR'000

The table below sets out information from the Issuer's standalone statement of income for the years ended 30 June

2023, 2022, 2021 and the twelve-month period ended 30 June 2024.

	Year ended 30 June			Twelve-month period ended 30 June
	Audited			Unaudited
Item	2021	2022	2023	2024
Net turnover	**267 264**	**299 482**	**339 133**	**244 621**
Cost of sales	(251 826)	(283 221)	(324 081)	(228 215)
Gross profit	**15 438**	**16 261**	**15 051**	**16 406**
Distribution costs	(9 518)	(9 518)	(9 079)	(9 058)
Administrative expense	(1 694)	(2 029)	(2 178)	(2 538)
Other operating income	2 112	622	1 258	1 307
Other operating expense	(2 092)	(320)	(412)	(520)
Other interest and similar income	421	195	224	364
Interest payable and similar expense	(1 622)	(1 488)	(2 133)	(3 005)
Profit before corporate income tax	**3 045**	**3 724**	**2 732**	**2 957**
Income tax expense	(2)	-	(2)	(138)
Net profit for the year	3 044	3 724	2 730	2 820

THE ISSUER'S STANDALONE STATEMENT OF FINANCIAL POSITION, EUR'000

The table below sets out information from the Issuer's standalone statement of financial position for the years ended 30 June 2023, 2022, 2021 and the twelve-month period ended 30 June 2024.

	Year ended 30 June			Twelve-month period ended 30 June
	Audited			Unaudited
Item	2021	2022	2023	2024
Concessions, patents, licenses, trademarks and similar rights	77	40	66	120
Total intangible assets	**77**	**40**	**66**	**120**
Tangible assets				
Real estate - land plots, buildings- and engineering structures	16 986	17 374	20 461	20 003
Equipment and machinery	5 349	5 415	6 828	6 960
Other fixtures and fittings, tools and equipment	1 496	1 463	1 771	1 922
Construction in progress	1 282	158	321	246
Investment in leased tangible assets	-	-	1	1
Prepayment for property, plant and equipment	3	6	67	42
Total tangible assets	**25 116**	**24 417**	**29 449**	**29 175**
Non-current financial assets				
Investment in related companies	4 756	5 000	6 650	8 103
Other securities and investments	2 684	416	416	416
Loans to related companies	416	3 833	4 809	3 349
Other loans and non-current receivables	1 274	1 725	-	-
Total Non-current financial assets	**9 131**	**10 974**	**11 875**	**11 867**
TOTAL NON-CURRENT ASSETS	34 324	35 431	41 391	41 161
Inventories				

Raw material	35	77	36	28
Finished goods and goods for sale	14 039	22 574	26 464	27 719
Prepayment for inventories	57	1 326	1 309	223
Total inventories	**14 131**	**23 977**	**27 809**	**27 970**
Trade receivables	47 055	70 546	54 503	45 080
Other receivables	1 173	139	557	661
Prepaid expenses	56	48	57	648
Accrued income	3	8	85	462
Total receivables	**48 288**	**70 740**	**55 202**	**46 851**
Cash	2 470	2 725	1 947	3 065
TOTAL CURRENT ASSETS	64 889	97 443	84 959	77 887
TOTAL ASSETS	99 213	132 874	126 349	119 048
Equity				
Share capital	706	716	773	775
Reserves	19 408	22 453	25 680	28 021
Retained earnings from previous years	-	-	712	548
Profit for the reporting period	3 044	3 724	2 730	2 820
Total equity	23 157	26 893	29 894	32 164
Other provisions	91	321	360	173
Total Provisions	91	321	360	173
Non-current liabilities				
Bond-secured loans	3 132	3 132	2 501	2 450
Loans from credit institutions	3 120	1 794	-	9 131
Other loans	2 822	4 574	4 774	922
Deferred income	4 374	4 919	6 704	6 568
Total non-current liabilities	13 449	14 419	13 978	19 070
Current liabilities				
Bond-secured loans	100	-	631	51
Loans from credit institutions	31 838	44 838	33 670	26 799
Other loans	1 732	252	78	167
Prepayments received from customers	97	20	23	14
Trade payables	26 440	43 758	43 221	30 160
Taxes payable	457	693	395	1 331
Other liabilities	337	239	577	4 858
Deferred income	630	340	1 633	2 561
Accrued liabilities	883	1 099	1 417	1 545
Settlement for prior years' distributed profits	2	2	472	153
Total current liabilities	62 516	91 241	82 117	67 640
Total liabilities	75 965	105 659	96 096	86 711
TOTAL EQUITY AND LIABILITIES	99 213	132 874	126 349	119 048

THE ISSUER’S STANDALONE STATEMENT OF CASH FLOWS, EUR’000

The table below sets out information from the Issuer’s standalone statement of cash flows for years ended 30 June 2023, 2022, 2021 and the twelve-month period ended 30 June 2024.

	Year ended 30 June			Twelve-month period ended 30 June
	Audited			Unaudited
Item	**2021**	**2022**	**2023**	**2024**
Cash flow from operating activities				
Profit or loss before corporate income tax	**3 045**	**3 724**	**2 732**	**2 957**
Adjustments for:				
Corrections of decrease in value of fixed assets	4 553	1 466	1 543	1 972
Corrections of decrease in value of intangible assets	72	62	64	64
Result on the elimination of property, plant and equipment and intangible assets	-	584	(5)	(349)
provisions (except for bad debts)	(99)	230	851	624
correction of subsidies, grants, EU structural funds payments received	-	(183)	(558)	(846)
adjustment to expenditure on leased property, plant and equipment	-	262	-	-
Other interest and similar income	(421)	(195)	(224)	(364)
interest payments and similar charges	1 622	1 488	2 133	3 005
Profit or loss before adjustments for the effects of changes in working capital and short-term payables	**8 772**	**7 437**	**6 535**	**7 062**
Decrease or (increase) in accounts receivable balances	6 087	(22 249)	15 820	8 351
Decrease or (increase) in inventory balances	3 677	(10 050)	(4 644)	(971)
Increase or (decrease) in balances payable to suppliers, contractors and other creditors	1 914	15 725	(280)	(9 951)
Gross operating cash flow	**20 450**	**(9 137)**	**17 431**	**4 491**
Expenses for interest payments	(1 622)	(1 488)	(2 133)	(3 005)
Expenses for corporation tax payments	(1)	-	(2)	(138)
Net cash flow from operating activities	18 828	(10 625)	15 296	1 349
Cash flow from investing activities				
Acquisition of shares in associates, associates or other companies	(3 138)	(244)	(1 650)	(1 452)
Acquisition of property, plant and equipment and intangible assets	(1 172)	(1 471)	(1 586)	(1 505)
Proceeds from sale of property, plant and equipment and intangible assets	(232)	96	241	39
Loans issued	(1 657)	(1 599)	-	-
Proceeds from repayment of loans	-	-	749	1 460
Interest received	421	195	224	364
Cash acquired on a business combination	-	-	35	0
Net cash flow from investing activities	(5 778)	(3 024)	(1 985)	(1 093)
Cash flow from financing activities				
Borrowings received	(14 989)	13 970	-	2 512
Repayment of loans	-	-	(15 664)	(631)
Contributions to equity	1 541	12	54	(550)
Dividends paid	-	-	(29)	(769)
Subsidies, grant, EU Structural Funds payments received	225	183	1 551	300

Expenditure on leased asset buy-back	(297)	(262)	-	-
Net cash flow from financing activities	(13 519)	13 903	(14 088)	862
Net cash flow for the period	(470)	255	(778)	1 118
Cash and cash equivalents at the beginning of the reporting period	2 940	2 470	2 725	1 947
Cash and cash equivalents at the end of the reporting period	2 470	2 725	1 947	3 065

4. THE ISSUER'S FINANCIAL INDEBTEDNESS

The Issuer's goal is to achieve a balanced financing structure to provide the Issuer with flexibility and support its growth plans.

THE ISSUER'S FUNDING STRUCTURE AS OF 30 JUNE 2024, EUR'000

Funding type	Funding amount	Explanation
Share capital	775	Paid-in cooperative share (in Latvian - *pajas*) capital of the Issuer.
Reserves	28 021	Reserves specified in the Issuer's Articles of Association and other reserves (including undistributed profits of the Issuer).
Retained earnings of previous years	548	Retained earnings.
Profit for the reporting period	2 820	Profit for the Financial Year.
EU support payments and subsidies	5 778	Co-financing by EU structural funds, reflected under Deferred Revenue in the Issuer's balance sheet.
Total Equity	37 942	
Loans from credit institutions	35 930	Credit line of 26.8 million EUR from AS Luminor banka issued to LPKS LATRAPS and secured with a commercial pledge over 135 million EUR. The Issuer typically extends the credit line as it approaches its maturity. Long term bank loan of 9.1 million EUR from AS Luminor banka maturity on 30 April 2026. Both credit line and long term bank loan are secured with mortgage over 130 million EUR.
Existing Bonds	2 501	Debt under the Existing Bonds from the Existing Members. The Existing Bonds in the amount of EUR 51 thousand with maturity 22 December 2024 and in the amount of EUR 2 450 thousand with maturity on 22 December 2025. The interest on the Existing Bonds is accrued and paid only on maturity.
Other loans	5 328	Long term loans from the Existing Members in the amount of EUR 5.04 million from which EUR 2.5 million with maturity on 30 December 2024, EUR 1.5 million with maturity at the end of March 2025.The interest on loans from the Existing Members is accrued and paid only on maturity Car leasing from SIA Luminor Līzings and SIA Swedbank Līzings.
Total Financial Indebtedness	43 759	

After the Twelve-month period ending 30 June 2024, the Issuer has additionally concluded the following financing agreements:

- AS SEB banka has granted a EUR 20 million credit line to the Issuer, which supplements the existing credit line provided by AS Luminor bank. The credit line is intended to finance working capital during the harvest season - the purchase of grain from farmers, as well as the purchase of fertilisers and plant protection products. The additional credit line will allow the Issuer to fully meet the farmers' working capital needs and to implement the Issuer's plans and for this year.
- LPKS LATRAPS has issued convertible bonds, which were placed among the Existing Members and employees and are intended to finance a part of the Issuer's equity contribution in the Production Subsidiary. The interest on convertible bonds will not be paid during its term, as it is accrued until maturity and the Existing Members will have an option to convert the bonds into the shares of the Production Subsidiary. For more details please see with Clause 2.15 (Existing securities issued by the Issuer) of Section "BUSINESS DESCRIPTION" of this Information Document.

5. ALTERNATIVE PERFORMANCE MEASURES (APM)

This Information Document includes certain references to alternative performance measures (APMs) derived from the Issuer's financial information shown in the table below. This information should be viewed as supplemental to the Issuer's financial information. Investors are cautioned not to place undue reliance on this information and should APMs, as calculated by the Issuer, may differ materially from similarly titled measures reported by other companies, including the Issuer's competitors.

The APMs presented in this Section are not defined in accordance with IFRS. An APM should not be considered in isolation from, or as substitute for any analysis of, financial measures defined according to IFRS. The following tables present the selected APMs of the Issuer for the indicated periods or as of the indicated dates:

Selected Alternative performance measures

	Year ended 30 June			Twelve-month period ended 30 June
	Audited			Unaudited
APM's	**2021**	**2022**	**2023**	**2024**
Gross margin %	5.8%	5.4%	4.4%	6.7%
EBITDA EUR'000	5 779	6 023	5 689	6 787
EBITDA margin %	2.2%	2.0%	1.7%	2.8%
Net Financial Indebtedness EUR'000	40 275	51 864	39 707	40 694
Net Financial Indebtedness / EBITDA (x)	7.0	8.6	7.0	6.0
Net Financial Indebtedness / Total Equity (x)	1.5	1.7	1.1	1.1
Financial Covenants				
Equity Ratio %	28%	23%	28%	32%
Interest Coverage Ratio (x)	4.8	4.7	3.0	2.6

Gross margin

Gross margin is a financial metric that measures a company's profitability by calculating the difference between revenue and the cost of goods sold (COGS), expressed as a percentage of revenue. It represents the portion of revenue that exceeds the direct costs associated with producing goods or delivering services.

EBITDA and EBITDA margin

EBITDA is calculated as described in the "DEFINITIONS" Section of this Information Document.
EBITDA margin is expressed as EBITDA as a percentage of revenue.

Net Financial Indebtedness

Net Financial Indebtedness is calculated as the Issuer's Financial Indebtedness net of Cash and Cash Equivalents.

Net Financial Indebtedness to EBITDA

Net Financial Indebtedness to EBITDA ratio is calculated as the Net Financial Indebtedness of the Issuer divided by EBITDA for the Relevant Period, as defined in the "DEFINITIONS" Section of this Information Document.

Net Financial Indebtedness to Total Equity

Net Financial Indebtedness to Total Equity ratio is calculated as the Net Financial Indebtedness of the Issuer divided by the Total Equity, as defined in the "DEFINITIONS" Section of this Information Document.

Equity Ratio

Equity Ratio is calculated as described in the "DEFINITIONS" Section of this Information Document.

Interest Coverage Ratio

Interest Coverage Ratio is calculated as described in the "DEFINITIONS" Section of this Information Document.

6. TRANSACTIONS WITH RELATED PARTIES

Considering that the Members of the Issuer's Supervisory Board are owners and officials of the Existing Members, it can be concluded that the Issuer enters into agreements and transactions with Related Parties of the Supervisory Board Members. Such contracts are concluded within the framework of the Issuer's ordinary business activities, within the scope of which the Issuer enters into agreements with Existing Members and Clients, various agreements related to the Issuer's core business, including agricultural raw material sales agreements and agricultural product purchase agreements. The aforementioned transactions with companies related to the Issuer's Supervisory Board Members are concluded on the same principles as with any other Issuer's client. Considering that the number of Existing Members whose related persons are appended as Issuer's Supervisory Board Members is less than 0.5% of the total number of Existing Members, the proportion of such transactions is not significant for the Issuer's operations.

Additionally, bond purchase transactions and loan agreements are also concluded with individual Existing Members including Existing Members who are related persons to the Issuer's Supervisory Board Members and Issuer's Management Board Members. Within the framework of such transactions, no special rules apply to the Existing Members who are related persons to the Issuer's Supervisory Board of Management Board Members and transactions are concluded on the same principles with any other Existing Member.