



**LATRAPS**

LPKS

**BOND INVESTOR  
PRESENTATION**

November 2024

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## Target market

The target market assessment by the product manufacturer Signet Bank AS 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 Directive 2014/65/EU (MiFID II); (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients, and retail clients are appropriate.

Any person subsequently offering, selling, or recommending the Bonds (a Distributor) 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.



# **Executive summary**

**Business overview**

**Market overview**

**Corporate governance**

**Financial highlights**

**Transaction overview**

**ASNS project**

# Key highlights

LATRAPS

Consistent membership growth and export-focus underpin the success of LATRAPS



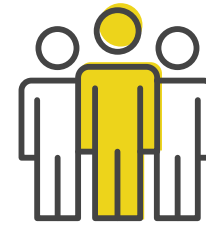
**245m**

Revenue



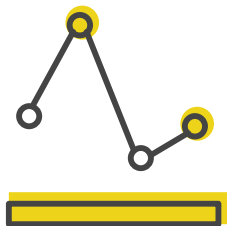
**20%**

Grain market  
share in Latvia



**1220**

Members



**€7m**

EBITDA



**€120m**

Total assets



**31**

Export countries

Source: LATRAPS data as of June 30, 2024 covering the preceding 12 months period, which corresponds to the end of LATRAPS financial year

# Executive summary

LATRAPS

Since 2000, LATRAPS has a track-record of consistent growth and robust profitability

- LATRAPS has grown into the **leading market player** in Latvia and one of the largest exporters of grain in the Baltics
- **Steady growth in membership**, exceeding 1,200 members
- **Farmers** are at the center of LATRAPS operations – the cooperative provides all necessary services for grain production, storage, processing, and sale, among other operations
- LATRAPS owns **8 grain acceptance and pre-processing service centers** throughout Latvia, one **rapeseed production plant, and a malting plant**
- **Robust corporate governance framework**, ensuring long-term stability of the cooperative
- **Consistent profitability** over the years, as a result of well-developed risk management policies
- **Demonstrated support from LATRAPS members** – in the last 5 years the cooperative has raised EUR 6m through private bond placements, most of which already have been repaid
- **Bond financing** will be used to develop the pea protein isolate production plant, serving the growing demand for plant-based proteins

\* Accounting year for LATRAPS is from July to end of June. E.g. 2022/2023 data is for period 01.07.2022-31.06.2023

# Executive summary

LATRAPS

Since 2000, LATRAPs has a track-record of consistent growth and robust profitability

EUR, millions	2020/21	2021/22	2022/23	2023/24
Revenue	267.2	299.5	339.1	244.6
EBITDA	5.8	6.0	5.7	6.8
Net profit	3.0	3.7	2.7	2.8
Total assets	99.2	132.8	126.3	119.0
Equity ratio <sup>1</sup>	28%	23%	28%	32%

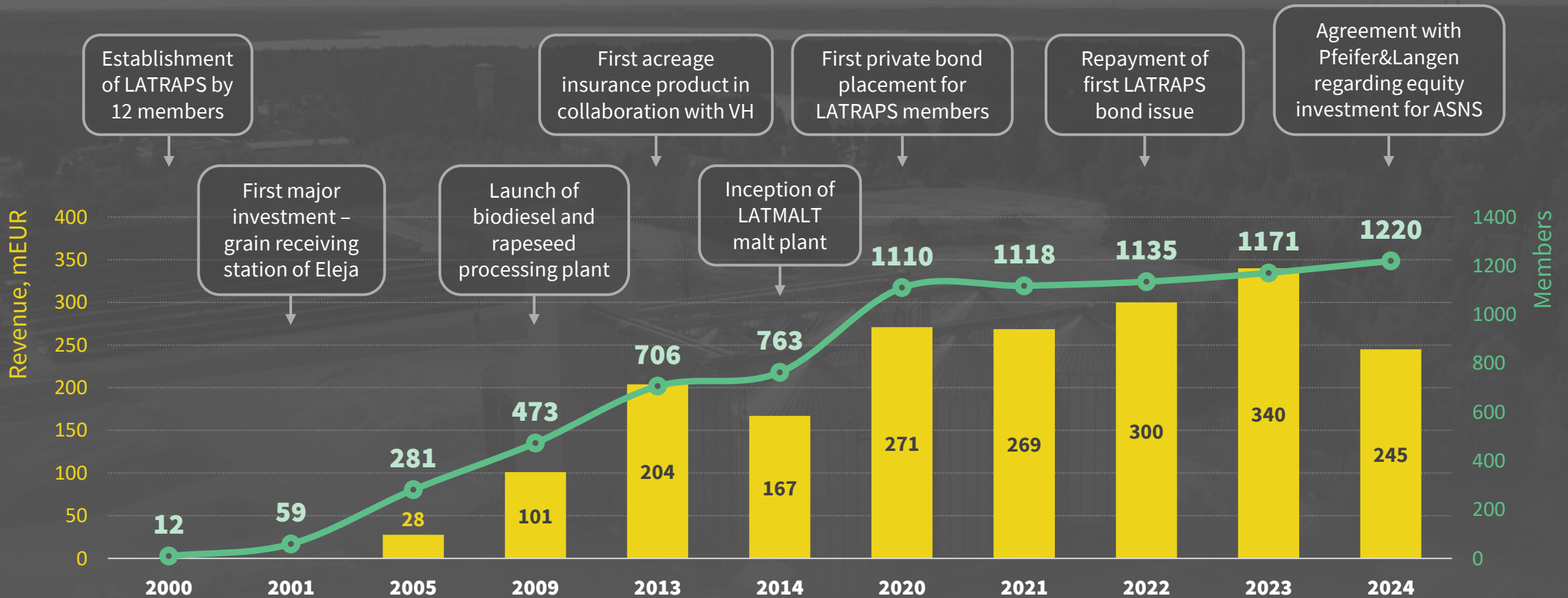


<sup>1</sup>Equity ratio = Total shareholder's equity adjusted by deferred revenue / Total Assets

# Story of LPKS LATRAPS

LATRAPS

Continuous expansion drives member benefit



**Executive summary**

**Business overview**

**Market overview**

**Corporate governance**

**Financial highlights**

**Transaction overview**

**ASNS project**





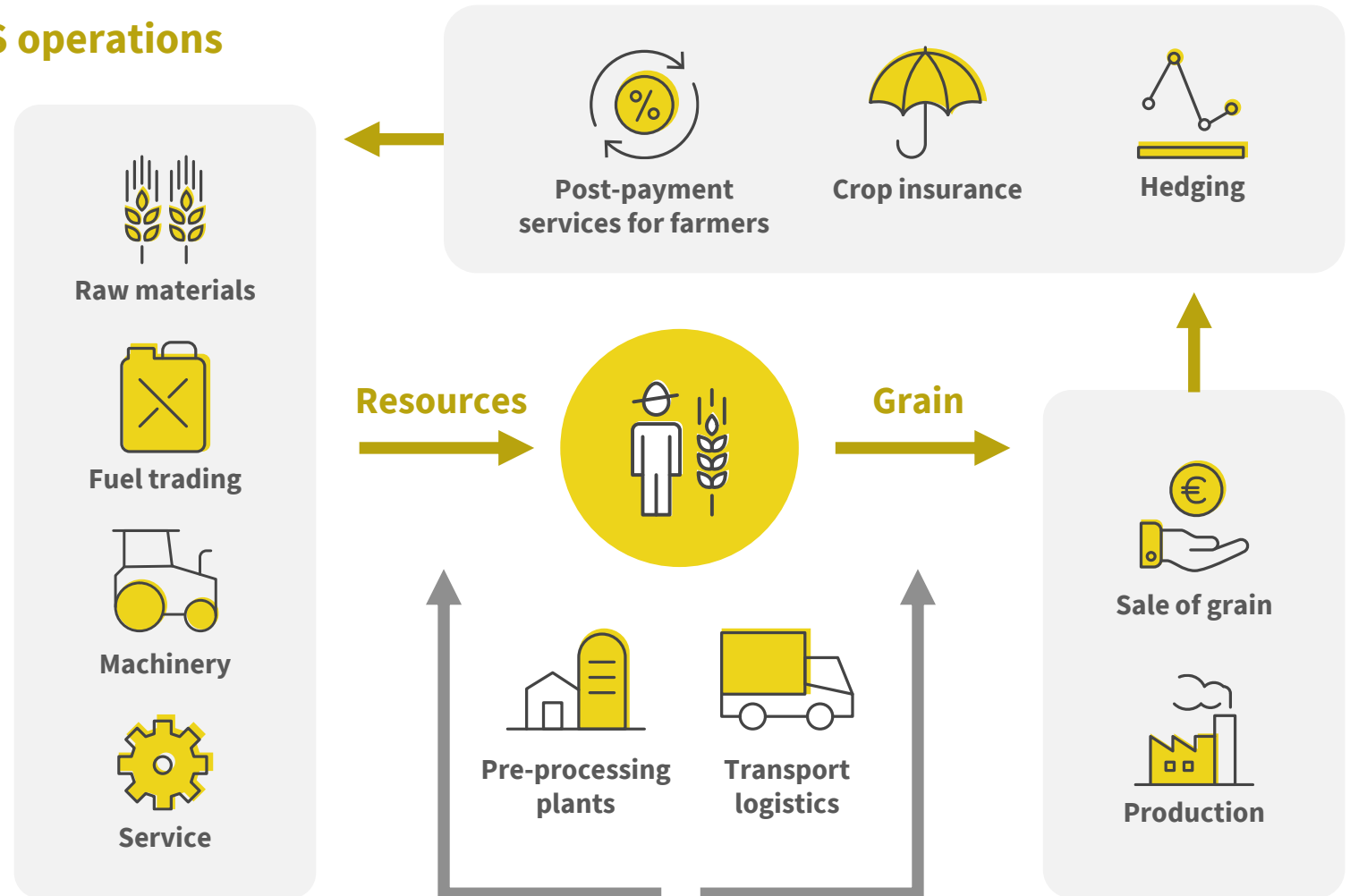
# Partners for farmers

LATRAPS

## Farmer – the main focus of LATRAPS operations

LATRAPS offers all necessary services for farmers:

- Transportation of produce
- Reliable counterparty for selling produce
- Access to raw materials & input necessities
- Financial instruments for hedging purposes
- Financing of operations through post payment mechanism
- Crop insurance services in cooperation with German insurance company Vereinigte Hagel



# Operations

Majority of revenues comes from sale and export of clients' production: grain, peas, beans, and rapeseed



**Sale of grain, peas, beans, and rapeseed** – Grain purchase from Latvian farmers for sale and export through 26 acceptance points throughout Latvia, with wheat contributing 60% of total grains sold. In the last 3 years LATRAPS has sold on average 620 tonnes of produce.



**Crop care products** – second largest business segment of LATRAPS, it provides 100+ various crop care products.



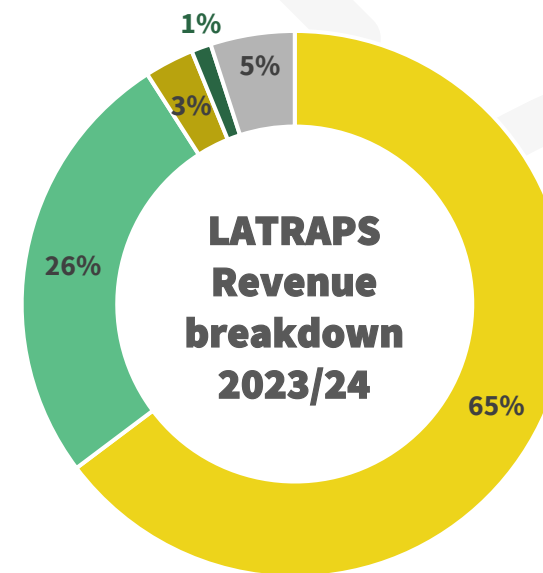
**Fuel** – since 2012, LATRAPS offers its members and other farmers differentiated fuel products, with an option to pay a reduced excise tax



**Machinery** – in collaboration with top machinery providers, LATRAPS offers its members/clients machinery sales, maintenance, and repair services



**Other operations** – crop insurance, production of rapeseed oil, logistics, etc.



- Sales and export of grain, beans and rapeseed
- Crop care products
- Fuel
- Machinery (sales, service, repair, transport services)
- Other operations

# Locations

LATRAPS

## Conveniently serving farmers in all of Latvia

- **8 grain acceptance and pre-processing service centers** throughout Latvia
- 2 LATRAPS customer service centers in Barkava and Rēzekne
- **26 grain acceptance centers** throughout Latvia in collaboration with partners, such as LPKS Durbes Grauds, LPKS VAKS and LPKS Barkavas Arodi
- **Rapeseed oil production plant** in Eleja
- **Malting plant LATMALT** in Staļģene
- **ASNS Ingredient** (under construction)



# Pre-processing and production plants — LATRAPs

Around 30% of total Latvian agriculture land is managed by members of LATRAPs

**8**

grain intake and pre-processing service branches domestically

**€50m+**

Total investment in grain pre-processing complexes

**€10m**

Expected investment in new and existing plants during the next 5 years

**220**

Plant capacity, thousands of tonnes

**€12m**

crowd financing from LATRAPs members

**31%**

of the accepted rapeseeds are processed in the LATRAPs oil plant



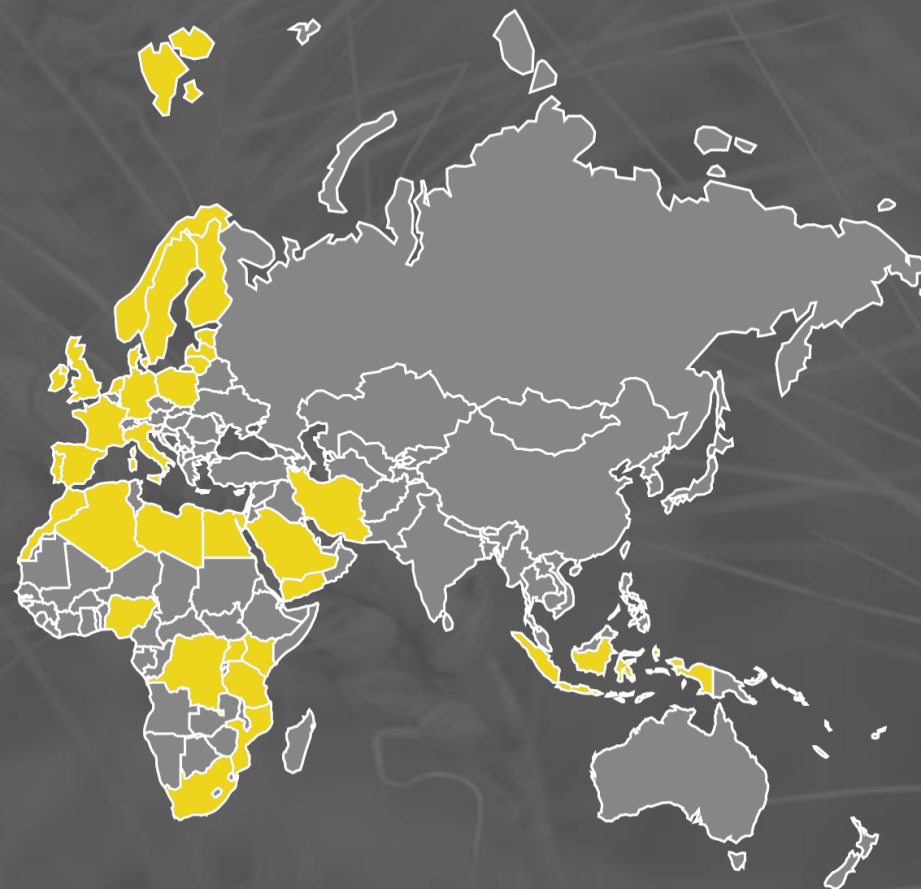
# Geographic breakdown of revenue

LATRAPS

LATRAPS exports to more than 30 countries with exports constituting almost half of total revenue

LATRAPS leverages large European or global export partners (international agriculture trading corporations) to facilitate world-wide scope of operations and reduce counterparty risks

**Largest export partners include: Eurafrique, Cargill, ADM, Cefetra, Bunge, Seabord and Holbud**



LATRAPS revenue by geography, last 3 years average

**54%**

Inside Latvia



**46%**

Outside Latvia



**Executive summary**

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**Business overview**

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**Market overview**

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**Corporate governance**

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**Financial highlights**

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**Transaction overview**

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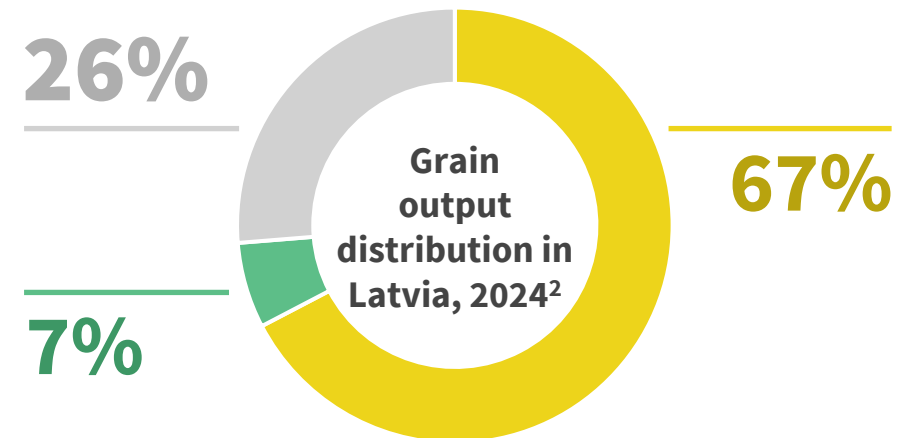
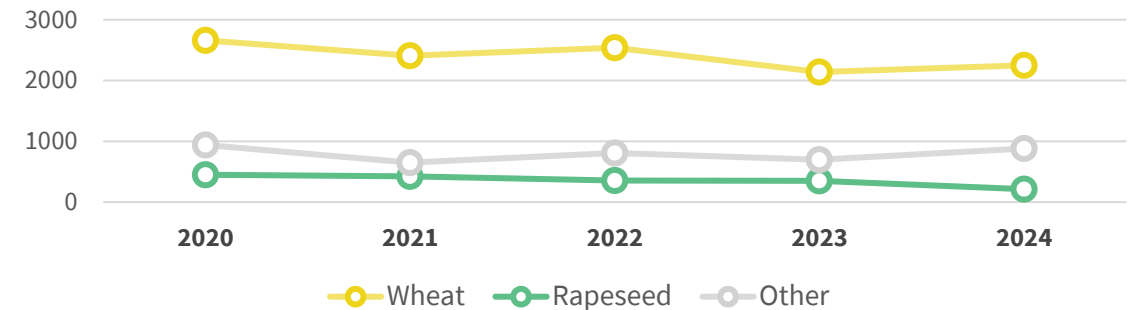
**ASNS project**

# Market overview

## As the leading market player, LATRAPS is exposed to overall industry trends

- Weather conditions play an important role on the quantity and quality of harvest, having a knock-on effect on prices
- Wheat is the key grain for both LATRAPS and Latvian farming in general
- In 2024/25 overall EU cereal production, including wheat, is expected to reach the lowest level in a decade<sup>1</sup>, driven by unfavourable weather conditions and reduced planting areas (harvest 7% below 5-year average)
- At the same time, demand remains largely stable, which could potentially lead to upwards pressure on wheat prices and potentially positively contribute to LATRAPS top-line performance
- Latvia's 2024 wheat harvest is expected slightly above previous year's level

Development of grain harvest in Latvia, thousands of tonnes



<sup>1</sup> Source: European Commission. Short-term outlook for EU agricultural markets

<sup>2</sup> 2024 data is based on CSB (Central Statistics Bureau of Latvia) estimates as at 30.08.2024

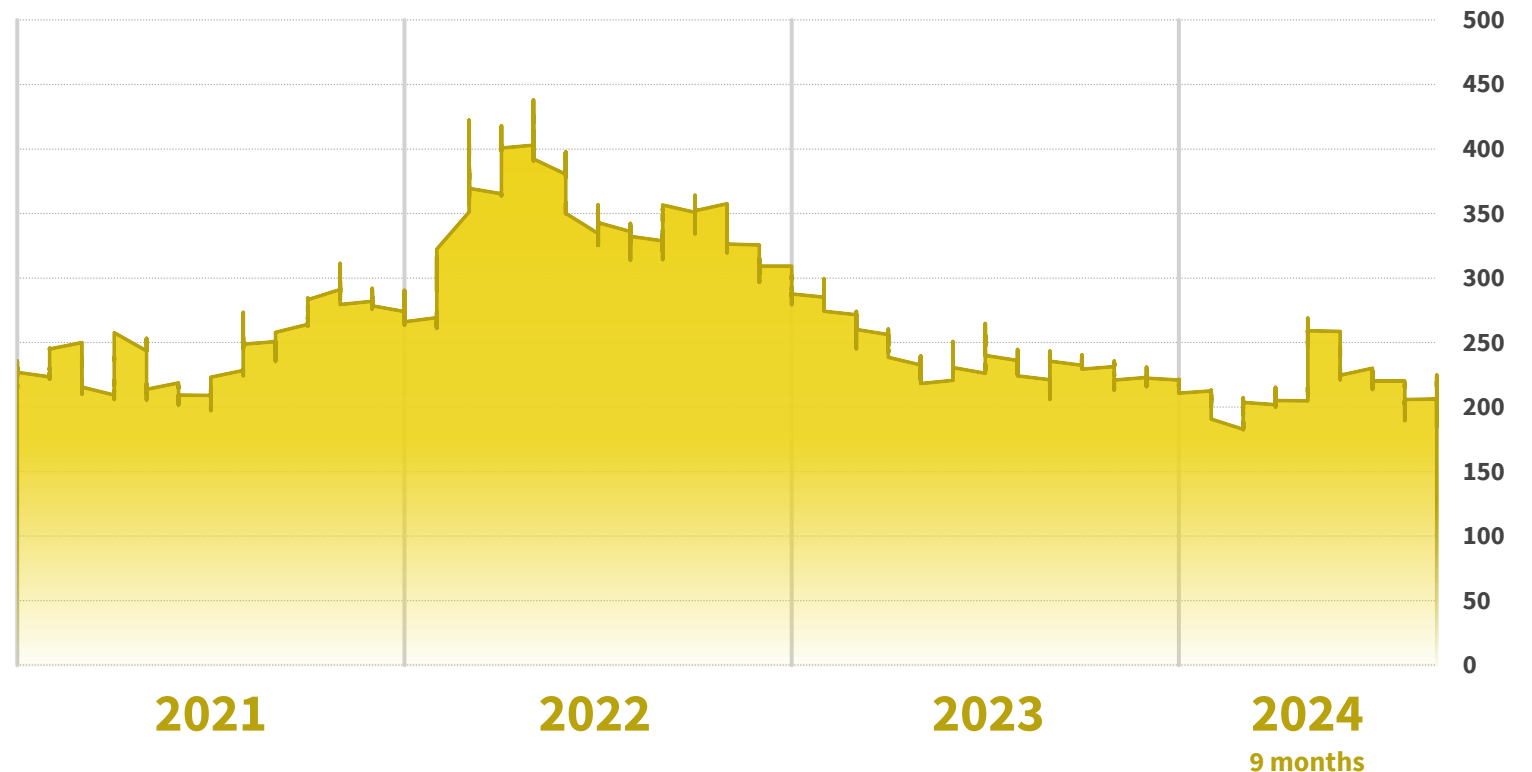
# Market overview

LATRAPS

## Limited impact from commodity price fluctuations on LATRAPS profitability

- While LATRAPS revenue base is directly impacted by changes in commodity prices, as c. 2/3 of revenue stems from grain sale, the impact on Group's profitability is limited
- The Group actively uses **hedging instruments** to lock-in the price of commodities and mitigate the impact from commodity price fluctuations
- Over the past few years, fluctuations of LATRAPS key grain commodity prices have been significantly impacted by geopolitical events (war in Ukraine)

Wheat price dynamics, Euronext MATIF, EUR / tonne<sup>1</sup>



<sup>1</sup> Source: Euronext. This index is widely used to proxy the price of wheat



**Executive summary**

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**Business overview**

---

**Market overview**

---

**Corporate governance**

---

**Financial highlights**

---

**Transaction overview**

---

**ASNS project**

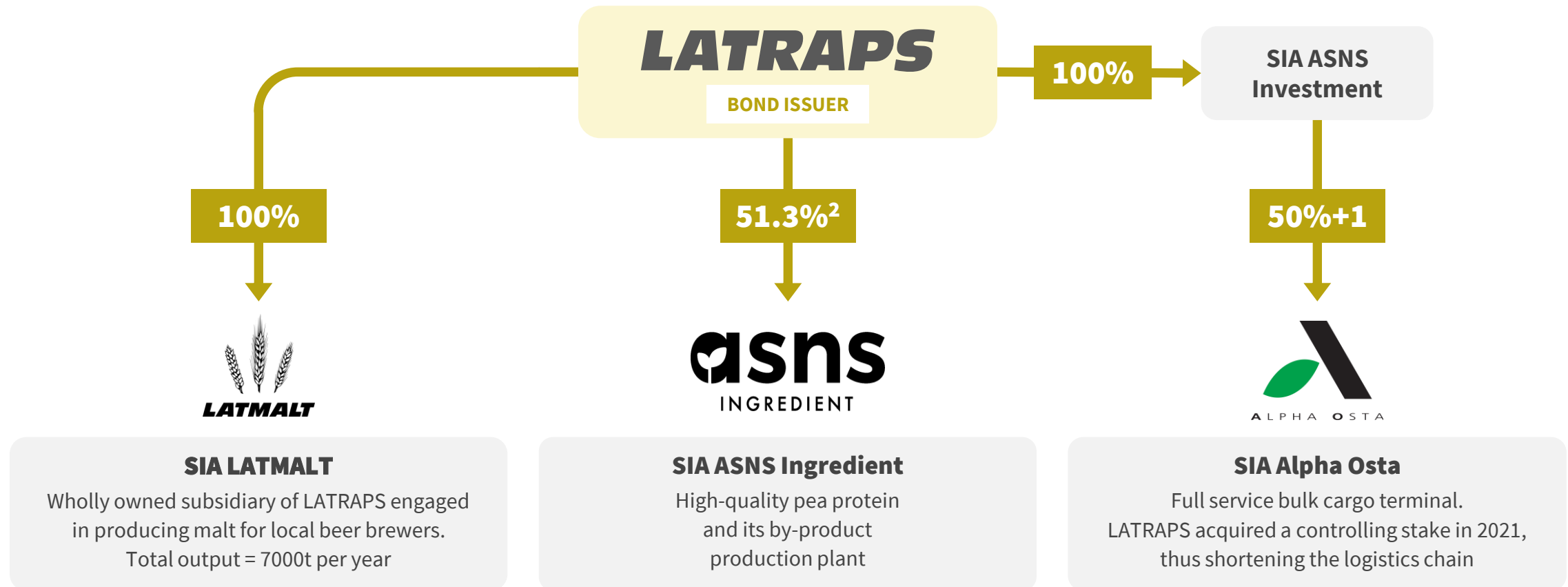


**LATRAPS**

# LATRAPS Group Structure

LATRAPS

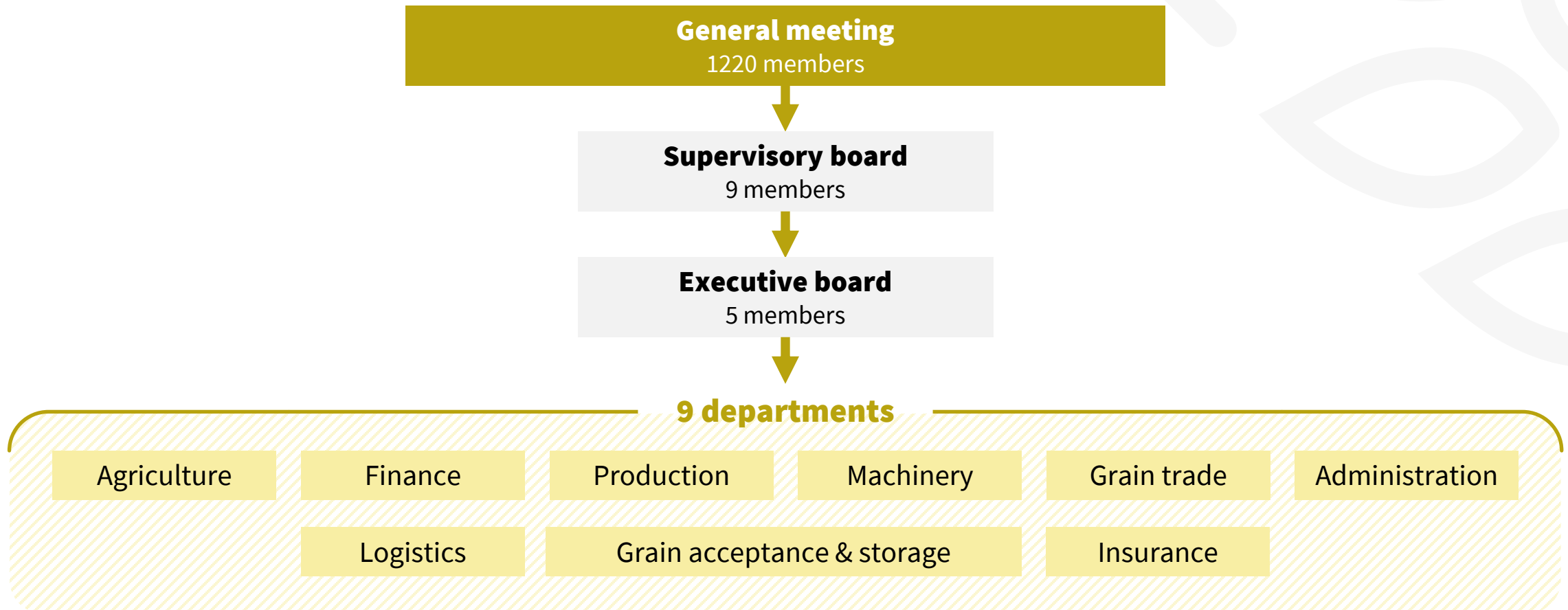
Simple and transparent Group structure<sup>1</sup>, with core operations concentrated in Latvia



<sup>1</sup> The Group structure chart only displays significant subsidiaries of the Group, <sup>2</sup> 48.7% stake is owned by Pfeifer & Langen – a strategic partner for LATRAPs

# Governance structure

Well developed corporate governance framework serves the interests of all stakeholders



# LATRAPS members

## The core decision-making mechanism: 1 member – 1 vote

**General meeting of members** – the highest administrative and decision-making body of the cooperative:

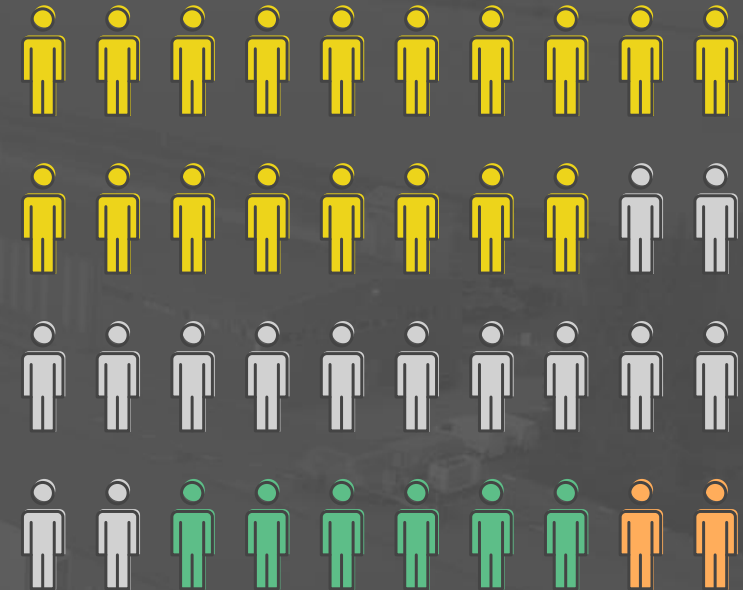
- Election of the **Supervisory Board**
- Revision and acceptance of **annual reports**
- Distribution of **profits**
- Development of **new business lines**

**Each member**, irrespective of their stake in the cooperative, **has 1 vote** in the General meeting of members

The existing corporate governance framework benefits LATRAPS in **2 main ways**:

- Members' industry expertise and their stake in the cooperative provides for **safe and diligent governance**
- Sense of **equality and inclusion** between members

## 1220 Members



● ZEMGALE 44,37%

● LATGALE 33,4%

● KURZEME 15,63%

● VIDZEME 6,6%

# Supervisory board

LATRAPS

Brings together highly respectable industry professionals



**Valters Bruss**  
Chairman  
z/s «Strazdi»



**Artūrs Akmens**  
Deputy Chairman  
z/s «Laši»



**Artūrs Tjušs**  
z/s «Meža Grumuži»



**Mārtiņš Trons**  
SIA «Reits»



**Juris Lazdiņš**  
z/s «Lazdiņi»



**Iveta Grudovska**  
z/s «Lielvaicēni»



**Eduards Šmits**  
z/s «Pīlādži»



**Sandris Bēča**  
LPKS «Durbes grauds»



**Māris Bērziņš**  
z/s «Rīgmaļi»

z/s – farm undertaking or in Latvian «zemnieku saimniecība»

# Management board

**LATRAPS**

**LATRAPS is led by experienced professionals with deep industry knowledge and proven management skills**



**Roberts Strīpnieks**

**CEO**

Chairman of the Management Board  
since 2022

**+20 years** of experience leading the largest forestry joint stock company in Latvia – Latvijas Valsts Meži



**Ginta Briede**

**Head of Grain Sale**

+10 years with LATRAPS

Head of Grain sale for 8 years

Responsible for all grain purchases, logistics and sales



**Gundars Ruža**

**CFO**

+30 years of experience in finance and management

With LATRAPS since 2020

Previous role as CFO and COO at Moller Auto for 10 years

Currently an independent member of the Supervisory Board of AS Latvenergo



**Ģirts Ozols**

**Head of Agriculture**

With LATRAPS for almost 19 years

26 years of experience in the field



**Ilga Bērzkalna**

**Head of Development**

+30 years of experience in project and development management

15 years at Latvijas Valsts Meži leading innovation and digitalization projects

## Cooperation and a joint farmers' market – interaction with the world on an equal footing

**Environment** – LATRAPs actively works with researchers to develop more environmentally feasible solutions for farmers and educates farmers on more effective use of resources. With the initiation of ASNS project, the company encourages alternative protein sources to meat, whose production is one of the biggest contributors to global warming.

**Social** – LATRAPs core values include collaboration and common responsibility for each other, which is captured by the ever-growing member count

**Governance** – with each member having 1 vote in the general meeting of members, the Group has established inclusive and robust corporate governance principles

**This year, LATRAPs is dedicating significant effort to conduct a thorough study and analysis of its ESG factors. This initiative will provide a comprehensive foundation for a high-quality ESG report scheduled for release in 2026, reflecting LATRAPs' commitment to sustainable practices and long-term value creation.**

## LATRAPS' values



Collaboration



Excellence



Reliability



Responsibility

**Executive summary**

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**Business overview**

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**Market overview**

---

**Corporate governance**

---

**Financial highlights**

---

**Transaction overview**

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**ASNS project**





# Key financial highlights

## Stable financial performance throughout the years

LATRAPS revenue in 2023/24 has experienced a drop relative to last year:

- Explained by the **low harvest in Latvia – down 13%** from last year and **decreasing** grain, predominantly, **wheat price**

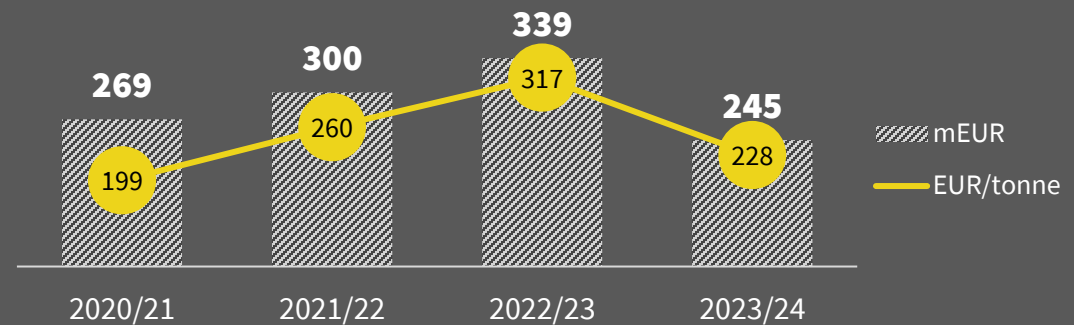
**Adjusted EBITDA** increased by **21%** in 2023/24, driven by higher gross margin

- Due to effective risk management policies (use of hedging instruments), commodity price fluctuations only affect top line and have a limited impact on the Issuer’s profitability

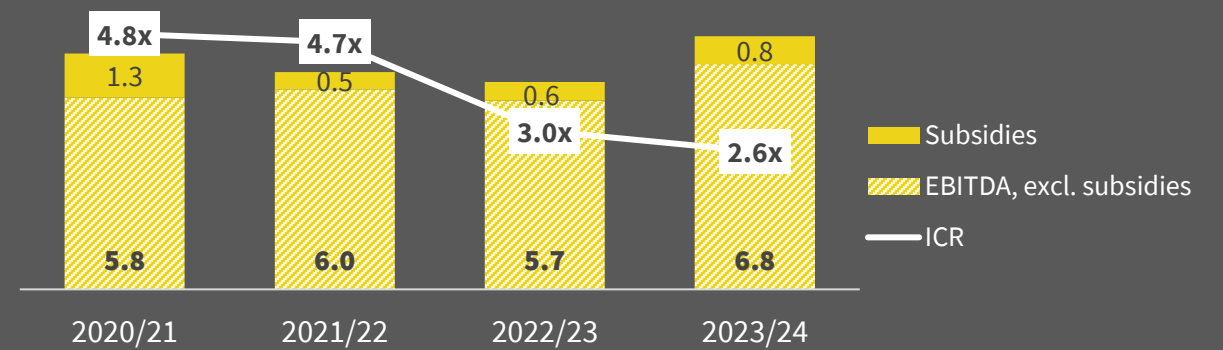
**Interest Coverage Ratio** has been affected by increase in overall interest rate environment

- Current ICR levels comfortably exceed minimum covenant requirements
- As the Issuer expects a relatively stable average debt level in the future, the ICR should gradually improve along with decreasing interest rates

Revenue (mEUR) and average wheat selling price EUR/tonne



EBITDA<sup>1</sup> (mEUR) and Interest Coverage Ratio (x)



<sup>1</sup> EBITDA is reduced by the amount of Subsidies that are recorded in the Issuer’s P&L statement every year. Subsidies include government and members’ contributions that support production plant development and are recognized in income in proportion to the depreciation of assets. All financial ratios are calculated based on EBITDA excluding subsidies.

# Key financial highlights

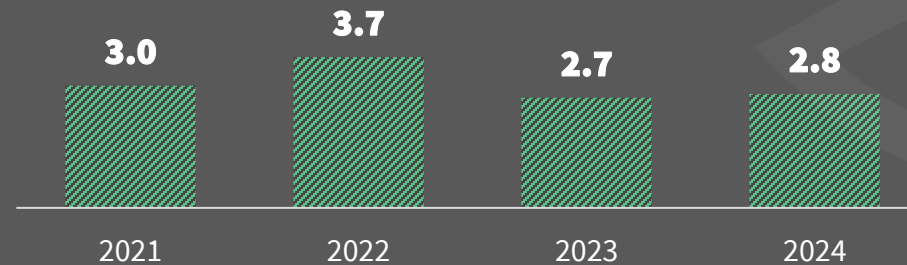
## Stable financial performance throughout the years

LATRAPS bottom-line profitability has been largely stable over the last 4 years

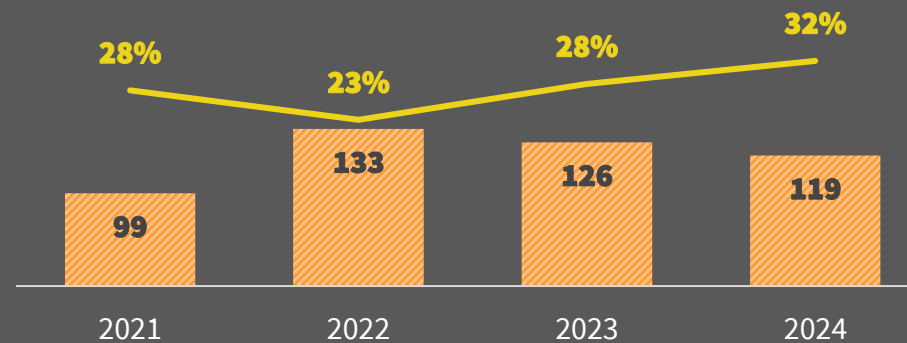
The stable net profit has contributed to the expanding equity base, as most of the profit is reinvested

- **Equity ratio** has increased from 23% in FY 21/22 to **32% in FY 23/24**, comfortably covering the covenant level of 20%
- 2021/22 decrease in the Equity Ratio has been driven by the rapid expansion of the Issuer's asset base

Net profit (mEUR)



Total assets (mEUR) and Equity Ratio<sup>1</sup> (%)



<sup>1</sup>Equity ratio = Total shareholder's equity adjusted by Deferred Revenue / Total assets

# Asset overview

## Asset composition varies significantly based on seasonality and is dominated by liquid current assets

While overall asset base remains rather stable, asset composition fluctuates significantly based on seasonality

- Farmers typically deliver and sell grain in August and September

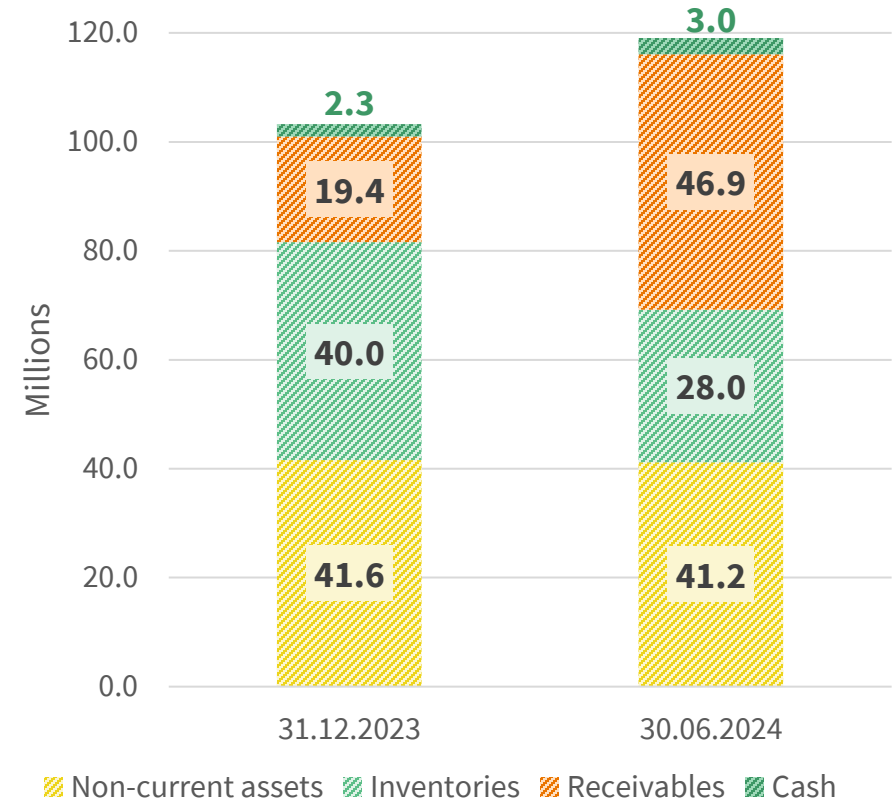
**Inventory** mostly consists of liquid grain purchased from members and other farmers

**Receivables** comprise 40% of the assets as of 30 June 2024

- The position drops significantly towards the end of the year, indicating the delivery of grain by farmers
- The receivables mostly comprise receivables from farmers and other trade partners (e.g. such as egg, livestock producers and export partners)
- LATRAPS has well-developed credit risk evaluation policies in place to assess debtors
- The Issuer has a diversified debtor portfolio with largest debtor accounting for only 7% of the receivables
- Demonstrated high debtor quality. As of 30 June 2024, 94% of all receivables have been collected in time (DPD <30 days)

**Non-current assets** represent an efficient and well-invested asset base of tangible fixed assets (EUR 29.3m) and investments in subsidiaries (EUR 11.9m )

LATRAPS asset breakdown



# Funding profile

## Well diversified funding structure

**Equity:** stable and growing own capital base, reaching EUR 32 million as of 30 June 2024

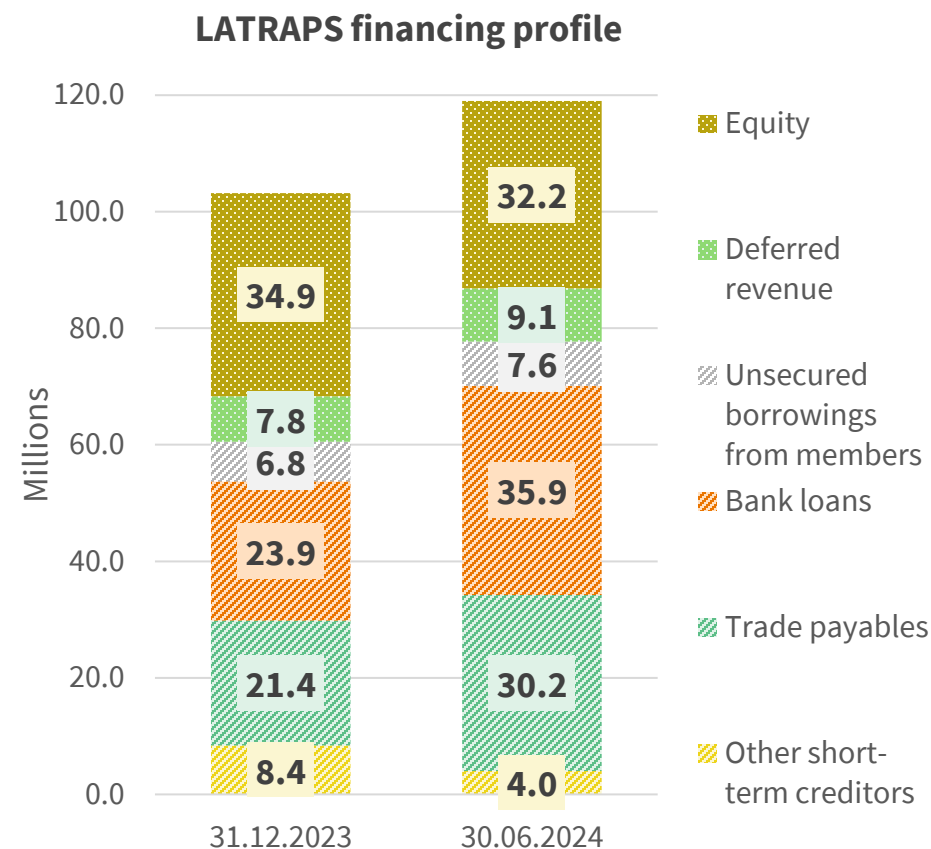
A significant part of funding comes from various **support programs** (mostly government subsidies) reflected under Deferred revenue and partially included in adjusted equity

**Unsecured borrowings from members:** LATRAPs capitalizes on the strong member network and uses unsecured loans and internally placed bonds to members as a part of long-term financing strategy

**Bank loans:** syndicated loan facility from Luminor and SEB

- Long-term loan and credit line with maximum limit of EUR 55m
- The amount outstanding varies greatly, based on seasonality, with the maximum reached prior to the harvest season

**Trade payables:** highly seasonal, predominantly composed of payables to farmers (members) who tend to keep their cash with the Issuer and payables to suppliers (predominantly large international corporations, e.g. Bayer, BASF, and others)



# Income statement

**LATRAPS**

## Consistent bottom-line profitability characterizes LATRAPS financial performance

EUR thousands	30.06.2021 Audited <sup>5</sup>	30.06.2022 Audited	30.06.2023 Audited	30.06.2024 Unaudited
Net turnover	267 264	299 482	339 133	244 621 <sup>1</sup>
Cost of sales	(251 826)	(283 221)	(324 081)	(228 215)
<b>Gross profit</b>	<b>15 438</b>	<b>16 261</b>	<b>15 051</b>	16 406
Distribution cost <sup>2</sup>	(9 518)	(9 518)	(9 079)	(9 058)
Administrative expenses	(1 694)	(2 029)	(2 178)	(2 538)
Other operating income <sup>3</sup>	2 112	622	1 258	1 307
Other operating expense	(2 092)	(320)	(412)	(520)
<b>EBIT</b>	<b>4 246</b>	<b>5 016</b>	<b>4 640</b>	<b>5 597</b>
Other interest and similar income	421	195	224	364
Interest payable and similar expense <sup>4</sup>	(1 622)	(1 488)	(2 133)	(3 005)
<b>Profit before tax</b>	<b>3 045</b>	<b>3 724</b>	<b>2 732</b>	<b>2 957</b>
Corporate income tax expense	(2)	0	(2)	(138)
<b>Net profit for the year</b>	<b>3 044</b>	<b>3 724</b>	<b>2 730</b>	<b>2 820</b>

<sup>1</sup> The significant drop in revenue mostly due to grain price decline and lower trading volumes due to weaker harvest

<sup>2</sup> Majority of the expenses related to logistics

<sup>3</sup> Represents mostly Subsidies recognized as income in tandem with depreciation

<sup>4</sup> Interest payment increase has been driven by the 3M EURIBOR increase

<sup>5</sup> The financial reports are audited by Ernst & Young. Reporting in accordance with the Latvian local accounting standards

# Balance sheet

**LATRAPS**

## Steady growth in tangible assets coincide with the expansion of operations

EUR thousands	30.06.2021 Audited	30.06.2022 Audited	30.06.2023 <sup>1</sup> Audited	30.06.2024 Unaudited
Concessions, patents, licenses, trademarks and similar rights	77	40	66	120
Tangible assets	25 116	24 417	29 449	29 175
Non-current financial assets <sup>2</sup>	9 131	10 974	11 875	11 867
<b>Total non-current assets</b>	<b>34 324</b>	<b>35 431</b>	<b>41 391</b>	<b>41 161</b>
Inventories <sup>3</sup>	14 131	23 977	27 809	27 970
Receivables <sup>4</sup>	48 288	70 740	55 202	46 851
Cash	2 470	2 725	1 947	3 065
<b>Total current assets</b>	<b>64 889</b>	<b>97 443</b>	<b>84 959</b>	<b>77 887</b>
<b>Total assets</b>	<b>99 213</b>	<b>132 874</b>	<b>126 349</b>	<b>119 048</b>

<sup>1</sup> The financial reports are audited by Ernst & Young. Reporting in accordance with Latvian local accounting standards

<sup>2</sup> Non-current financial assets include share capital in related companies and loans to related companies.

<sup>3</sup> Inventories mainly include grain at cost

<sup>4</sup> Accounts receivables vary greatly with seasonality and approach their maximum towards the end of the financial year (30 June)

# Balance sheet

**LATRAPS**

EUR thousands	30.06.2021 Audited	30.06.2022 Audited	30.06.2023 <sup>1</sup> Audited	30.06.2024 Unaudited
Share capital	706	716	773	775
Reserves	19 408	22 453	26 228	28 569
Profit for the reporting year	3 044	3 724	2 893	2 820
<b>Total equity</b>	<b>23 157</b>	<b>26 893</b>	<b>29 894</b>	<b>32 164</b>
Other provisions	91	321	360	173
Unsecured bonds to members <sup>3</sup>	3 132	3 132	2 501	2 450
Loans from credit institutions	3 120	1 794	0	9 131
Other loans <sup>2</sup>	2 822	4 574	4 774	922
Deferred income	4 374	4 919	6 704	6 568
<b>Total non-current liabilities</b>	<b>13 449</b>	<b>14 419</b>	<b>13 978</b>	<b>19 070</b>
Unsecured bonds to members <sup>3</sup>	100	0	631	51
Loans from credit institutions	31 838	44 838	33 670	26 799
Accounts payable <sup>4</sup>	26 440	43 758	43 221	30 160
Other current liabilities	4 138	2 645	4 595	10 630 <sup>5</sup>
<b>Total current liabilities</b>	<b>62 516</b>	<b>91 241</b>	<b>82 117</b>	<b>67 640</b>
<b>Total liabilities</b>	<b>75 965</b>	<b>105 659</b>	<b>96 096</b>	<b>86 711</b>
<b>Total equity &amp; liabilities</b>	<b>99 213</b>	<b>132 874</b>	<b>126 349</b>	<b>119 048</b>

<sup>1</sup> The financial reports are audited by Ernst & Young. Reporting in accordance with the Latvian local accounting standards

<sup>2</sup> Other loans mostly comprise of unsecured long-term loans from members, 7% comprises of leases.

<sup>3</sup> Private placement of bonds solely to LATRAPS members with restricted transferability and maturity in 2025.

<sup>4</sup> Accounts payable comprises payables to members, who tend to retain their cash with the Issue, and trading partners

<sup>5</sup> Other current liabilities increased in 2024 due to member loans approaching maturity and were moved from non-current liabilities (other loans) to other current liabilities

An aerial photograph of an industrial facility, likely a refinery or chemical plant, featuring several large, circular, metallic storage tanks arranged in a row. A paved road or walkway runs alongside the tanks. In the background, there are more industrial structures and a green tractor. To the right of the image, there is a decorative graphic consisting of several vertical, teardrop-shaped elements in a bright yellow color, arranged in a pattern that suggests a stylized plant or a series of leaves.

**Executive summary**

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**Business overview**

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**Market overview**

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**Corporate governance**

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**Financial highlights**

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**Transaction overview**

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**ASNS project**



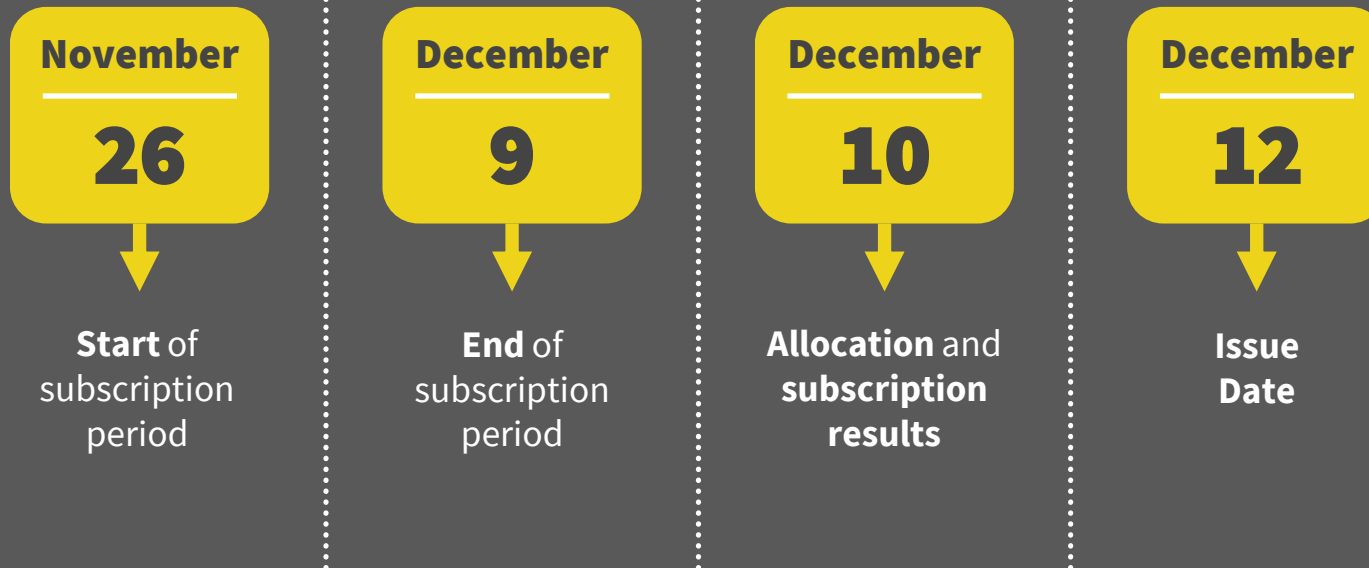
# Bond Term-sheet

**LATRAPS**

<b>Issuer</b>	LPKS LATRAPS
<b>Type of notes</b>	Senior unsecured bonds
<b>ISIN</b>	LV0000805349
<b>Issue size</b>	Up to EUR 8,000,000
<b>Coupon rate</b>	7.5%
<b>Maturity</b>	4 years, bullet repayment
<b>Type of placement</b>	Public offering in Latvia, Estonia and Lithuania
<b>Nominal value; Minimum investment amount</b>	EUR 1,000
<b>Use of proceeds</b>	Financing the development of SIA ASNS Ingredient
<b>Call option</b>	@101% after Year 2; @100% 6 months before maturity
<b>Financial covenants</b>	Adjusted Equity / Assets ratio > 20%; Interest Coverage Ratio > 2x
<b>Arranger</b>	Signet Bank AS
<b>Admission to trading</b>	Nasdaq Baltic First North within 6 months from the issue date
<b>Legal counsel</b>	TGS Baltic

# Bond issue timeline & use of proceeds — LATRAPs

## Overview of the key dates



## Use of proceeds

100% of proceeds from the bond issuance is directed towards financing the development of SIA ASNS Ingredient

The proceeds from the bond issue will be transferred to SIA ASNS Ingredient in the form of a loan (EUR 6m) and the remaining part as investment into equity. The bonds will be serviced from the cash flows of LATRAPs

**Listing on Nasdaq** Baltic First North in 1H 2025: within 6 months after the issue date

<sup>1</sup>48.7% stake is owned by Pfeifer & Langen – a strategic partner for LATRAPs

# Risk factors

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In the next slide is a list of the risk factors that are material for the assessment of the market risk associated with the Notes and risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Should one or more of the risks listed materialise, this may have a material adverse effect on the cash flows, results of operations, and financial condition of the Issuer and the Group. Moreover, if any of these risks materialise, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the prospective investors could lose all or part of their investments.

Before deciding to purchase the Notes, prospective investors should carefully review and consider the following risk factors, in addition to all other information presented in the Information Document and consult with their own professional advisors if necessary.

Moreover, prospective investors should bear in mind that several of the described risk factors can occur simultaneously and together with other circumstances could have a potentially stronger impact on the Issuer or the Group. This is not an exclusive list of risk factors, and additional risks, of which the Issuer is not presently aware, could also have a material adverse effect on the Issuer and the Group.

## **Important note**

The risks indicated in this section, if some or all of them materialise, may reduce the Issuer's ability to fulfil its obligations or cause its insolvency or restructuring in the worst-case scenario. This section may not feature all the potential risks, which may affect the Issuer and the Group.

# Risk factors

## Risk factors relating to the economic and geopolitical environment

- Geopolitical risk
- Macroeconomic risk
- Global pandemic risk

## Risk factors relating to the industry in which the Issuer and the Group operate

- Commodity price risk
- Seasonality risk
- Latvian and EU agricultural policy
- Crop availability risk
- Risk of export and import restrictions

## Risk factors related to the Issuer's business

- Counterparty risk
- Competition risk
- Investment project risk

- Financing risk of the Production Facility
- Dependence on managing employees' risk
- Inventory management risk
- Risk related to storage assets and machinery
- Logistics risk
- Environmental risk
- Risk related to commodity trading activities and hedging
- IT system and process risk
- Product safety risk
- Insurance coverage risk
- Growth and expansion risk
- Operational risk
- Risk of natural disasters and other business disruption
- Risks of mass withdrawal of the Existing Members

## Legal and regulatory risks

- Changes in legislation risk
- Changes in tax law and practice risk

## Risk factors relating to financial matters

- Financial leverage risk
- Credit risk of clients

## Risks relating to the Notes

- Liquidity risk
- Notes repayment risk
- No limitation on issuing additional debt
- Delisting risk
- Price risk
- Foreign exchange risk
- Early redemption risk
- Tax risk
- Resolutions of Noteholders risk

**Executive summary**

**Business overview**

**Market overview**

**Corporate governance**

**Financial highlights**

**Transaction overview**

**ASNS project**



# ASNS project

LATRAPS

## First pea protein isolate production plant in Northern and Eastern Europe serving the growing demand for plant-based protein sources

- ASNS Ingredient will be the most modern pea protein isolate production plant in the world at the time of opening, using innovative technology to reach high sustainability level
- Construction of the production facility expected to start by the end of 2024 with launch expected in the beginning of 2027
- Total project investment estimated at EUR 132m, with significant part of funding coming from government debt financing and support programs
- Production capacity of 69 thousand tonnes, with possibility to expand to 120 thousand tonnes with additional investments
- Highly reputable strategic equity partner and future protein buyer Pfeifer & Langen who has invested EUR 8m in the project to date



- Structurally growing demand for plant-based protein as consumers are becoming more health and environment conscious
- Clear economic and social benefits in the form of new jobs and increased economic growth for the region and the country

# Funding for ASNS plant

## Well-developed funding strategy, supported by strong strategic equity partners

Project supported by experienced strategic equity partner – German company **Pfeifer & Langen**. Group includes one of the leading sugar producers in Europe and large snack and protein product producers with 150+ years of history and 2023 annual turnover in excess of EUR 7bn.

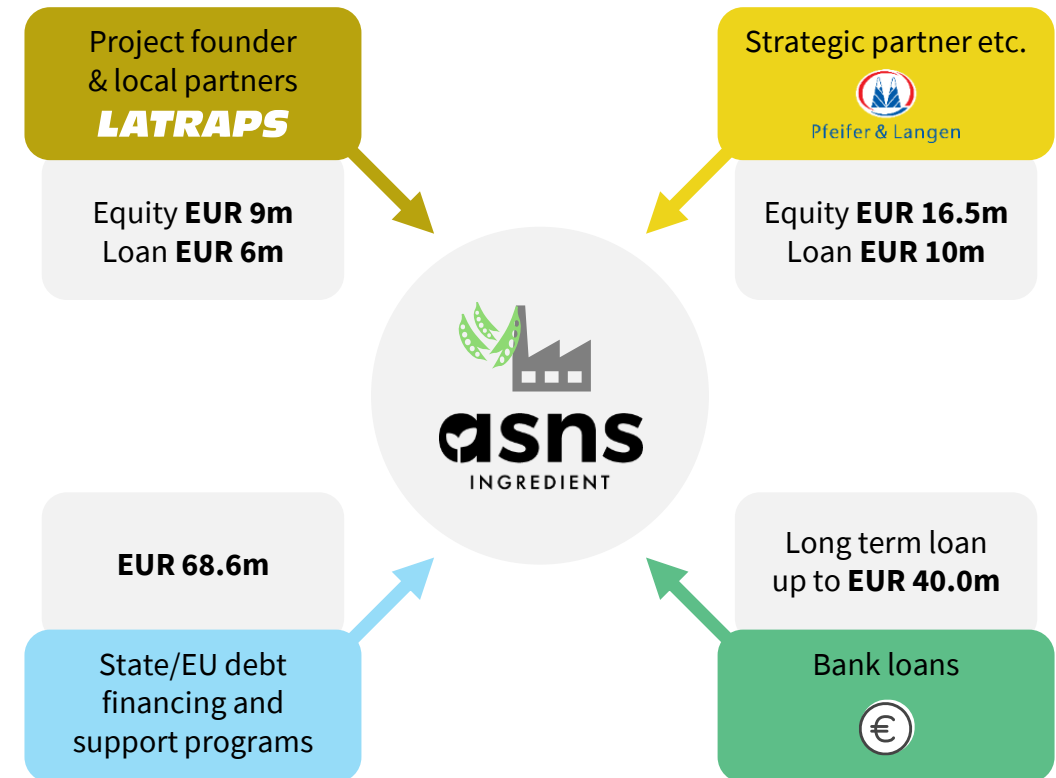
Other project partner - a major European commodity and food trader – will not only invest in the project but also be the distributor of the production

Total contribution from LATRAPs includes EUR 15m, of which EUR 5m has already been invested

- Bonds will help finance part of LATRAPs contribution to the project, while the rest has been financed by its members through a convertible bond
- Of the remaining EUR 10m, EUR 4m will be invested in equity, while EUR 6m as a debt

After project fundraising, LATRAPs equity stake in ASNS Ingredient will be below 50%, therefore, the subsidiary will not be consolidated within the Group; however, together local partners will have the majority stake

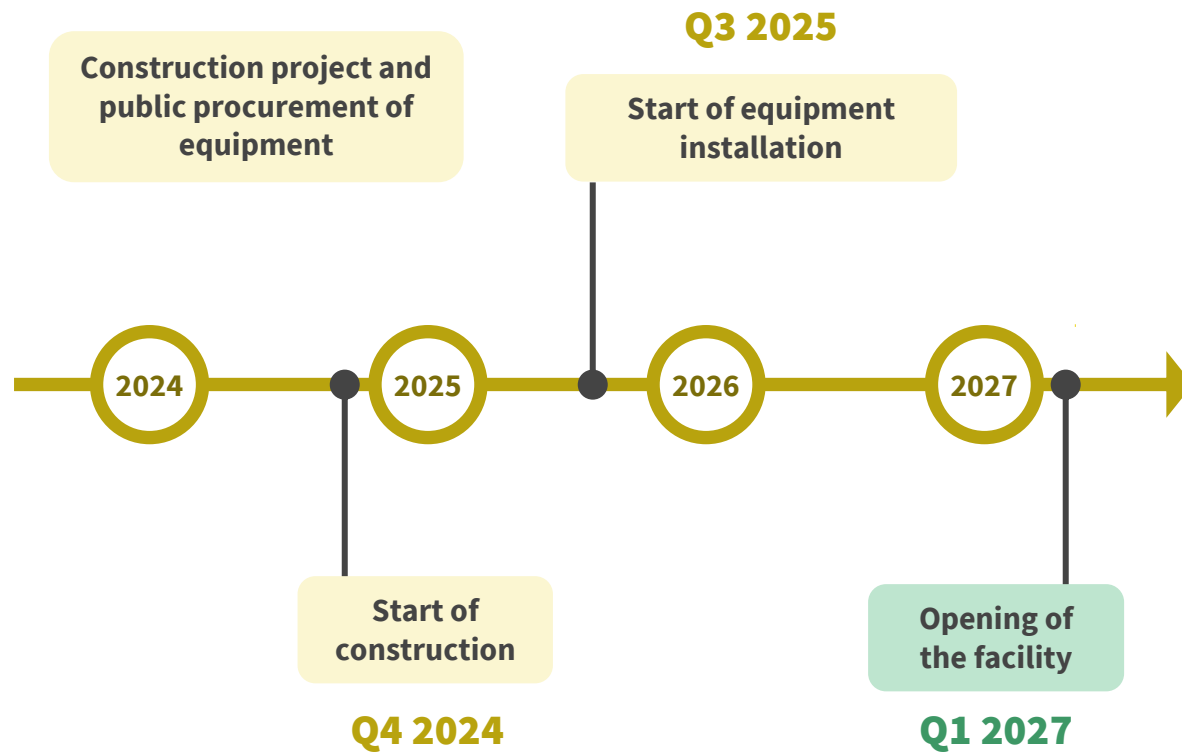
## Expected sources of financing of ASNS, EUR m



# Funding for ASNS plant

Well-developed funding strategy, supported by strong strategic equity partners

## Project timeline





# Location of ASNS plant

## Plant to be located in Jelgava municipality

### Greenfield property and entire plant construction

**Area:** Total area 11.5 ha

**Location:** Jelgava (city with 55 th. citizens, 40 km from the capital city)

**Logistics:** One of the main railway and road junctions, distance to Riga port and main airport 40-50km.

**Existing resources:** All necessary communications, roads and railroads are available at the land plot or next to it

### Advantages:

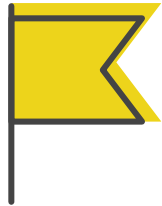
- Perfect location in terms of logistics
- Railway line close to plant, can be attached
- Possibility to tailor and design the plant according to exact needs and planned capacities



# Key investment considerations

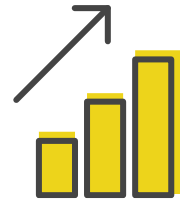
LATRAPS

Opportunity to invest in Latvia's agricultural leader



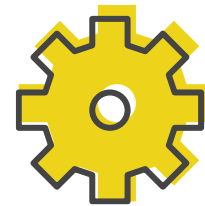
## Market leader

LATRAPS is the largest farming enterprise in Latvia, with a proven track record as a reliable partner for more than 1200 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

Well-developed corporate governance framework, as most important governance decisions are made via the meeting of members with vast industry experience, ensuring long-run stability of the cooperative



## Industry innovator

Development of a high value-added production plant to serve the structurally growing demand for plant-based protein sources, backed by the support from a strong strategic partner and various financing partners

# LATRAPS

Gateway to the world



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