



Annual Report for 2023

Limited Liability Company “ALPPES Capital”
Unified registration number 52103097551



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Management report

The Company’s operating activity

The main activity of the Company is the activity of holding companies, within which the Company holds shares and stocks of the previously acquired investment companies, and makes regular investments in both private and publicly listed companies in Latvia and abroad, investments in bonds and various debt securities, as well as issuing loans mainly to related companies in order to achieve the goal of operating activity – capital appreciation and profit generation as a return on the investments made, including interest and dividend income.

Financial results of the company's operation

	2023 EUR	2022 EUR
Revenue	23 669 203	2 990 443
Profit for the reporting period	16 767 424	11 509 565
Equity	90 371 587	49 039 465
Total assets	93 860 917	58 722 332

Events in the reporting year

Summary

The main activity of the company is the activity of holding companies and its main income is dividend and interest income received from subsidiaries and associates. In 2023, the Company received dividends from several associates amounting to EUR 21.2 million, as well as interest income in the amount of EUR 0.9 million.

The financial result of the Company's operations in the period from January 1, 2023 to December 31, 2023 was a profit of EUR 16.8 million.

The company's equity at the end of the reporting period reached EUR 90.4 million.

The total amount of the company's assets as of 31.12.2023. reached EUR 93.9 million.

Investments

With the goal of expanding and diversifying the company's asset and investment portfolio, in the reporting year the Company made investments both in several existing associated and related companies, and made new investments by purchasing shares and becoming a shareholder in several other companies operating in various sectors both in Latvia and abroad.

In addition, the Company also made long-term investments in several alternative investment funds managed by Merito Partners. Investments were made in the following alternative investment funds managed by Merito Partners: Merito Sustainable Energy Fund I, Merito Self Storage Fund, Merito Growth Capital Fund and Merito Real Estate Special Fund I.

Merito Sustainable Energy Fund I develops projects in the field of renewable energy and is one of the largest renewable energy investors in Latvia.

Merito Self Storage Fund develops the largest network of storage facilities in the Baltic States.

Merito Special Real Estate Fund I is developing a real estate project in Old Riga.

Finally, Merito Growth Capital Fund invests in various companies that operate in the field of retail and services in Latvia and several other EU countries.

Total investments in investment funds managed by Merito Partners during 2023 amount to EUR 10.4 million.

As of the end of the reporting period, the Company is the largest or significant shareholder in various companies and groups of companies that perform economic activity in various sectors in more than 25 countries around the world. More than 5,000 employees work in these companies.

Disposal of shares and realization of investments

During the reporting period, all shares of SIA Roibox owned by the Company were successfully disposed of, making a profit of EUR 0.7 million.

In addition, in 2023 several historical unsuccessful investments in the amount of 2.2 million EUR were also written off.

Changes in corporate and company structure

In 2023, the Company was reorganized by merging SIA L24 Finance, AS ALPS Investments and SIA Liepaja Investments with the Company.

As of the date of approval of this report, the Company's management concludes that the going concern principle is applicable in the preparation of the financial statements.

Company's shares

The company does not own and did not own its own shares in the reporting year.

Company's branches and representative offices in foreign countries

The company does not have branches or representative offices in foreign countries.

Significant risks and uncertain circumstances

Despite the uncertain economic and geopolitical situation in Latvia and around the world, the Company has had a financially successful year 2023.

The management of the Company is expressing cautious forecasts, believing that it will be able to overcome the uncertain economic situation and will end the year 2024 with no worse results compared to the financial year 2023. This conclusion is based on information that is available at the time of signing these financial statements and the impact of future events on the Company's operations in the future may differ from management's assessment.

Management of the significant financial risks

The most significant financial risks of the company are related to financial instruments. The main purpose of these financial instruments is to ensure the income of the Company's operating activity. The main financial risks related to the Company's financial instruments are interest rate risk, liquidity risk, issuer risk, market risk, currency risk and price risk.

The Company constantly pays close attention to all risks related to financial instruments, as well as evaluates their suitability for achieving its goals.

The reporting period is from January 1, 2023 to December 31, 2023.

Events after the balance sheet date until the signing of the annual report

In the period from the last day of the reporting period to the date of signature of these financial statements, there have been no events and significant risks, as a result of which adjustments should be made to these financial statements or which should be explained in these financial statements.

Board

Aigars Kesenfelds
Chairman of the Board

January 23, 2024

Balance Sheet



Balance Sheet

ASSETS		Note	31.12.2023. EUR	31.12.2022. EUR
I. Non-current assets				
I. Intangible assets				
2. Concessions, patents, licences, trademarks and similar rights			45	0
3. Other intangible assets			474	595
	Intangible assets total	1	519	595
II. Fixed assets				
6. Other fixed assets and inventory			14 764	13 089
	Fixed assets total	2	14 764	13 089
III. Long-term financial investments				
1. Investments in subsidiaries	3	0	1 457 346	
3. Investments in associates	3	50 770 707	41 962 702	
4. Loans to associates	4	703 050	1 016 822	
5. Other securities and investments	5	29 547 769	2 408 560	
6. Other loans and other long-term receivables	6	92 608	129 106	
	Long-term financial investments total		81 114 134	46 974 536
	Non-current assets total		81 129 417	46 988 220
II. Current assets				
I. Inventory				
1. Raw materials		27	0	
	Inventory total	7	27	0
II. Receivables				
1. Trade receivables		10 114 896	271 754	
2. Receivables from related companies		0	901 610	
3. Receivables from associate companies		1 340 956	2 500 093	
4. Other receivables		551 905	605 944	
6. Short-term loans to stockholders, shareholders or management		0	7 104 395	
7. Prepaid expenses		2 587	0	
	Receivables total	8	12 010 344	11 383 796
IV. Cash	9	721 129	350 316	
	Current assets total		12 731 500	11 734 112
	Total assets		93 860 917	58 722 332

The accompanying notes on pages 16 to 31 form an integral part of these financial statements.

Balance Sheet

EQUITY AND LIABILITIES		Note	31.12.2023. EUR	31.12.2022. EUR
I. Equity				
1. Share capital	10	40 820 845	38 121 000	
6. Retained earnings (uncovered losses) of previous years		32 783 318	-591 100	
7. Profit or loss of the reporting year		16 767 424	11 509 565	
Equity total		90 371 587	49 039 465	
III. Liabilities				
I. Non-current liabilities				
3. Loans from credit institutions	11	1 286 866	0	
4. Other loans	12	892 950	0	
9. Payables to associate companies	13	0	3 163 958	
11. Other payables	14	4 938	742	
Non-current liabilities total		2 184 754	3 164 700	
II. Current liabilities				
4. Other loans	15	1 264 080	2 077 700	
6. Trade payables to suppliers and contractors	16	7 887	15 026	
10. Taxes and mandatory state social insurance contributions	17	20 443	1 325	
11. Other payables	18	12 166	4 424 017	
14. Accrued liabilities	19	0	99	
Current liabilities total		1 304 576	6 518 167	
Liabilities total		3 489 330	9 682 867	
Total equity and liabilities		93 860 917	58 722 332	

The accompanying notes on pages 16 to 31 form an integral part of these financial statements.

Profit and Loss Statement

Profit and Loss Statement

(by function of expenses)

	Note	2023 EUR	2022 EUR
1. Net turnover			
b) from other types of principal activity	20	23 669 203	2 990 443
2. Costs of goods sold or services provided	21	-24 387 615	-2 980 274
3. Gross profit or loss		-718 412	10 169
4. Selling expenses	22	-43 673	-262
5. Administrative expenses	23	-247 763	-25 952
6. Other operating income	24	3 640 515	0
7. Other operating expenses	25	-7 512 656	-97 323
8. Income from investments			
b) investments in associates		21 226 235	11 184 749
9. Income from other securities and loans that have been included in long-term financial investments:			
b)from associates and other companies as well as securities and other long-term receivables		0	8 642
10. Other interest and similar income:			
a) from related companies		0	46 507
b) from other persons		866 694	725 164
11. Interest and similar expenses:			
b) to other persons		-416 938	-342 566
12. Profit or loss before corporate income tax		16 794 002	11 509 728
13. Corporate income tax for the reporting year		-26 578	-163
14. Profit or loss after calculation of corporate income tax		16 767 424	11 509 565
16. Profit or loss for the reporting year		16 767 424	11 509 565

The accompanying notes on pages 16 to 31 form an integral part of these financial statements.

Statement of Cash Flows

Statement of Cash Flows

(by indirect method)

	2023 EUR	2022 EUR
I. Cash flows from operating activities		
1. Profit or loss before corporate income tax and extraordinary items	16 794 002	11 509 728
Adjustments:		
a) depreciation of fixed assets;	20 221	3 056
b) amortization of intangible assets;	468	10
e) income from investments in subsidiaries and associates;	-21 226 235	-11 184 749
h) changes in value of investments and securities;	12 015 149	-8 642
i) interest and similar expenses.	-449 756	-429 705
2. Profit or loss before adjustments to current assets and current liabilities	7 153 849	-110 302
Adjustments:		
a) (increase)/decrease in trade and other receivables	-26 970 360	16 407 687
b) (increase)/decrease in inventory balances	-27	0
c) increase/(decrease) in trade and other payables	-440 7167	-10 685
3. Gross cash flow from operating activities	-24 223 705	16 286 700
4. Interest payments	-416 938	- 342 566
5. Corporate income tax payments	-15 186	-163
8. Net cash flow from operating activities	-24 655 829	15 943 971
II. Cash flows from investing activities		
1. Purchase of stocks and shares in subdiaries, associates and other companies	-20 872 086	-11 511 843
2. Proceeds from sale of investments and securities	-318 546	1 776 235
4. Purchases of fixed and intangible assets	-22 288	-15 107
6. Loans repaid	1 379 696	3 762 878
7. Interest received	866 694	772 271
8. Dividends received	21 226 235	11 184 749
9. Net cash flow from investing activities	2 259 705	5 969 183
III. Cash flows from financing activities		
1. Proceeds from the issuance of shares and bonds or equity shares	2 699 845	244 005
2. Retained earnings of merged companies	38 216 153	0
3. Loans received	5 366 612	0
4. Loans repaid	-7 164 373	-5 605 356
5. Dividends paid	-16 351 300	-16 201 612
7. Net cash flow from financing activities	22 766 937	-21 562 963
IV. Result of fluctuations of foreign currency exchange rates	0	0
V. Net increase/(decrease) in cash and cash equivalents	370 813	350 191
VI. Cash and cash equivalents at the beginning of the period	350 316	126
VII. Cash and cash equivalents at the end of the period	721 129	350 316

The accompanying notes on pages 16 to 31 form an integral part of these financial statements.

Statement of Changes to the Shareholders' Equity



Statement of Changes to the Shareholders' Equity

Type of change	Share capital EUR	Reserves defined in laws EUR	Revaluation reserve EUR	Other reserves EUR	Retained earnings EUR	Total EUR
Balance as of 31.12.2021.	38 021 000	0	0	0	-735 105	37 285 895
Increase/ decrease of share capital	100 000					100 000
Merged companies' retained earnings					144 005	144 005
Dividends					0	0
Net profit or loss of the reporting year					11 509 565	11 509 565
Balance as of 31.12.2022.	38 121 000	0	0	0	10 918 465	49 039 465
Increase/ decrease of share capital	2 699 845					2 699 845
Merged companies' retained earnings					32 764 853	32 764 853
Dividends					-10 900 000	-10 900 000
Net profit or loss of the reporting year					16 767 424	16 767 424
Balance as of 31.12.2023.	40 820 845	0	0	0	49 550 742	90 371 587

The accompanying notes on pages 16 to 31 form an integral part of these financial statements.

Notes to the financial statements

Notes to the financial statements

General information

Name of the Company	SIA "ALPPES Capital"	
Legal status of the Company	Limited Liability Company	
Registration No., place and dates	52103097551, Liepaja, 21.08.2019.	
Legal address	12 Juras street, Liepaja	
Board	Aigars Kesenfelds	Chairman of the Board
Shareholders	Aigars Kesenfelds 100%	
Core business activities	Activities of holding companies (6420 NACE 2.red.) Other credit granting (6492 Nace 2.red.) Other financial service activities, except insurance and pension funding (6499 Nace 2.red.)	
Reporting year	01.01.2023.	31.12.2023.
Information about associates	Wash and Drive SIA / 97A Krasta street, Riga, owned 50% of shares WD-25 SIA / 97A Krasta street, Riga, owned 50% of shares Longo Group AS / 72A Mukusalas street, Riga, owned 45% of shares WD-20 SIA / 97A Krasta street, Riga, owned 50% of shares V38 SIA / 20–9 Krišjāņa Barona street, Riga, owned 40% of shares Eleving Group S.A. / 8–10, Avenue de la Gare, Luxembourg, owned 43.67% of shares PUZZLE INTERNATIONAL AS / Alberta iela 13, Rīga, owned 47.47% of shares PUZZLE FINANCE AS / 13 Alberta street, Rīga, owned 35.75% of shares CI HOLDING AS / 13 Alberta street, Rīga, owned 45.55% of shares Nomo.lv AS / 13 Alberta street, Rīga, owned 50% of shares Mintos Holdings AS / 50 Skanstes street, Rīga, owned 30.54% of shares	
Information about other companies	DelfinGroup AS / 50A Skanstes Street, Riga, owned 29.32% of shares Goindex UAB / Lvivo g. 25–701, LT-09320 Vilnius, owned 1% of shares Vorto SIA / 2 Ziedleju street, Marupe, owned 15.53% of shares Grenardi Group AS / 17A-11 Lielirbes street, Rīga, owned 3.1% of shares	

Auditor	Marija Jansone Certified auditor of the Republic of Latvia LACA Certificate No. 25	AS Nexia Audit Advice 31-14 Baznicas Street, Riga Latvia, LV – 1010 Reg No 40003858822 License No. 134
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Notes to the financial statements (continued)

Basis of preparation of the financial statements

The Company's financial statements (hereafter – financial statements) have been prepared in accordance with the law "Accounting Law", the Law on Annual Reports and Consolidated Annual Reports, Cabinet of Ministers Regulation No.775 of December 22, 2015 "Application of the Law on Annual Reports and Consolidated Annual Reports".

The financial statement have been prepared under the historical cost basis. The monetary unit used in the financial statements is the currency of the Republic of Latvia, the euro (EUR). Compared to the previous reporting year, the accounting and valuation methods used by the Company have not changed.

The profit or loss statement is classified by function of expense.

Applied accounting principles

The annual report is prepared in accordance with the following principles:

- a) the assumption that the Company will continue as a going concern;
- b) consistent valuation principles with those used in the prior year;
- c) items are valued in accordance with the principle of prudence:
 - the financial statements reflect only the profit generated to the balance sheet date;
 - all expected risk amounts and current or prior year losses are taken into consideration, even if discovered within the period from the last day of the reporting year to the date of preparing these financial statements;
 - all amounts of impairment and depreciation are calculated and taken into consideration irrespective of whether the financial result was a profit or loss;
- d) revenues and expenses for the reporting year are taken into consideration irrespective of the payment date or the date when the invoice was received or issued, income and expenses are matched;
- e) assets and liabilities are valued separately;
- f) the opening balance agrees with the prior year closing balance;
- g) all items having a material impact on the evaluation or decision making by the users of the financial statements are presented, immaterial items are aggregated and their details are disclosed in the notes;
- h) business transactions are recorded according to their substance and economic reality and not merely their legal form.
- i) items in the balance sheet and profit and loss statements are valued at acquisition or production cost. The acquisition cost of goods or services is the purchase price of a good or service (less any discounts received), to which additional expenses related to the purchase are added. The cost of production is the cost of purchasing raw materials, basic materials and auxiliary materials and other expenses that are directly related to the production of the relevant object. The cost of production may also include parts of costs that are indirectly related to the production of the object, as long as these costs are attributable to the same period.

Contingent liabilities and assets

There are no contingent liabilities recognized in these financial statements. Contingent liabilities are recognized, only when the possibility of the outflow of assets becomes sufficiently justified. Contingent assets in these financial statements are not recognized, but are reflected only when, the possibility that the economic benefits arising from a transaction will inflow into the Company becomes sufficiently justified.

Currency and foreign exchange revaluation

The functional currency of the company and the currency used in the financial statements is the currency of the Republic of Latvia, the euro. All transactions in foreign currencies are revalued into euro at the official exchange rate of the European Central Bank, valid at the beginning of the day of the transaction. Monetary assets and liabilities expressed in foreign currency are converted into euro according to the applicable foreign exchange rate effective at the end of the last day of the reporting year.

Non-current and current classification

Non-current items include amounts that are due to be received, paid or written-off later than one year after the end of the respective reporting year. Amounts receivable, payable or written-off during the year are reported as current items.

Related party transactions

Related parties are the shareholders of the Company, members of the Board (Company's highest management authorities) and companies that control and have significant influence over the Company in making business decisions, and close family members of the above individuals, as well as companies controlled by them or which have a significant influence over them. Related parties also include companies in which the Company has significant influence or control.

Related companies

Related company is a company that is directly or indirectly controlled by another company (parent company – more than 50% of the voting rights in this company). The parent company controls the financial and business policy of the subsidiary. The company recognizes income from the investment only when it receives a distribution of profits generated after the acquisition date. The distribution received in excess of this profit is treated as the cost of recovery of the investment and is reflected as a reduction of the cost of acquisition of the investment in the capital of related companies.

Associate companies

An associate company is a company in which another company has investments in shares and whose operating and financial policy is subject to significant influence by that other company, which is ensured by not less than 20% and not more than 50% of the voting rights of the shareholder.

Own Shares and Participation in Other Companies

The Company indicates the acquired own stocks or shares in the balance sheet item "Own stocks and shares", but investments in the share capital of other companies indicates in the balance sheet items "Participation in the capital of related companies", "Participation in the capital of associated companies" or "Other investments and securities".

Intangible and fixed assets

All intangible and fixed assets are initially valued at cost.

Acquired assets are recognized as fixed assets if their value exceeds 100 euros. Acquired assets under 100 euros are listed as low-value inventory.

The acquisition value of fixed assets consists of the purchase price, import duties and non-deductible purchase taxes, other costs directly attributable to the acquisition, costs attributable to bringing the asset to its location and prepare it in working condition for its intended use.

Only the rights acquired for consideration are reflected as "Concessions, patents, licenses, trademarks and similar rights".

Intangible and fixed assets are stated at cost less accumulated depreciation. Depreciation for fixed and intangible assets is calculated using the straight-line method over the useful life period of the respective fixed and intangible assets to write down the value of the fixed and intangible asset to its estimated residual value at the end of the useful life period, using the management's determined depreciation rates.

Depreciation is calculated starting from the first day of the next month after the intangible or fixed asset is put into operation for its intended purpose. Land is not depreciated. Depreciation is calculated separately for each part of the fixed asset, the cost of which is significant in relation to the total cost of this fixed asset. If the Company separately depreciates some parts of the fixed asset, then the remaining parts of the same fixed asset are also depreciated separately. The remaining balance consists of those parts of the fixed asset that are not individually important. Depreciation of the remaining parts is calculated using approximation methods to truly reflect their useful lives.

If any events or changes in circumstances indicate that the carrying value of fixed assets may be irrecoverable, the value of the respective fixed assets is reviewed to determine their impairment. If there are indications of irrecoverability and if the asset's carrying amount exceeds the estimated recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The recoverable amount of the fixed asset is the greater of the net realizable value and the value in use.

Gains or losses from the sale of fixed assets are reflected in the profit or loss statement of the relevant period.

The costs of repair and renewal works that increase the useful life or value of fixed assets are capitalized and written-off over their useful life. The other costs of repair and renovation works are recognized as expenses of the reporting period.

Development costs

Development costs are costs that are directly attributable to development activities or that can be reasonably linked to these activities.

Inventory

Inventories are recorded at the lower of their cost and net-realizable value under the periodic inventory count method.

The costs incurred in bringing the inventories to its present location and condition are accounted for as follows:

- materials and purchased goods are accounted for according to their acquisition costs using a weighted-average price method.

Net realisable value is the estimated selling price in the ordinary course of business less the expected completion and sales costs. Net realisable value is recognised as cost less any provisions for slow-moving inventory.

Receivables

Receivables are recorded at the original invoice amount, assessing each debtor separately and concluding that the debt is expected to be repaid, bad debts are written off. Provisions for doubtful debts are made in cases where management believes that the collection of the full amount of the debt is doubtful. Debts are written off if their recovery is considered impossible.

Other receivables

In the item "Other receivables", the company includes receivables that cannot be presented in other items, including overpaid taxes, debit balances of payables.

Prepaid expenses and deferred income

Payments made before the balance sheet date but relating to subsequent years are presented as "Prepaid expenses".

Payments received before the balance sheet date, but relating to subsequent years are presented as "Deferred income".

Cash

Cash and cash equivalents consist of current bank account balances and cash at the cash register.

Share capital

"Share capital" presents the amount of shares according to the amount registered in the Commercial Register.

Payables

The Company indicates accounts payable according to supporting documents; liabilities that fall due later than 12 months after the balance sheet date are recorded as long-term liabilities.

Loans and borrowings

Loans and borrowings are recorded at their original amount, based on the expected repayment period - non-current or current liabilities.

Lease

Finance lease transactions, within which the Company is given all the risks and rewards arising from the ownership of the leased object, are recognized in the balance sheet as fixed assets for an amount that corresponds to the fair value of the leased property at the beginning of the lease, or, if it is less, for the present value of the minimum lease payment. Finance lease payments are divided between finance expenses and amortization of the liability to ensure a constant interest rate on the balance of the liability. Finance costs are included in the profit or loss statement as interest costs.

If there is sufficient reason to believe that at the end of the lease period, the relevant leased object will become the lessee's property, the estimated time of use is assumed to be the useful use of this asset. In all other cases, capitalized leased assets are depreciated using the straight-line method over the shorter of the estimated useful lives of the assets or the lease period.

Lease of assets, in which practically all the risks arising from the ownership rights are retained by the lessor, is classified as an operating lease. Lease payments under an operating lease are expensed over the lease term using the straight-line method. The Company's liabilities arising from operating lease agreements are reflected as off-balance sheet liabilities.

Provisions

Provisions are recognized when the Company has a current obligation (legal or constructive) as a result of a past event, and there is a probability that the fulfilment of these obligations will require an outflow of economic benefits from the Company, and the amount of the obligation can be estimated reliably. If the Company expects that the expenses required to settle a provision will be partially or fully reimbursed, for example, within the framework of an insurance contract, the reimbursement of these expenses is recognized as a separate asset only when it is virtually certain that these expenses will be reimbursed. The costs associated with any provision are reflected in the statement of profit or loss less the amounts that have been recovered.

Accrued income

Accrued income is recognized if the Company has legally or otherwise justified revenue arising from past events, and it is probable that the revenue will flow to the Company, and this revenue can be reliably estimated and measured.

Accrued liabilities

Accrued liabilities are recognized if the Company has a legal or other constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Prepayments received from purchasers

Prepayment received from purchaser is a payment, according to the concluded agreement, the purchaser makes to the seller before he receives goods or services.

Other payables

In the item "Other payables", the company includes payables that cannot be presented in other items, as well as credit balances of receivables.

Dividends

Dividends are payments made by the Company to its shareholders. Dividends are paid to the shareholder in proportion to the nominal value of the shares held by him.

Taxes and statutory social insurance contributions

The Company reconciles tax information with the tax administration. In the composition of liabilities, the Company shows only tax payables, all overpayments are presented as other receivables.

Recognition of revenue

Revenue is recognised when it is probable that future economic benefits associated with the item of revenue will flow to the entity, and the amount of revenue can be reliably estimated, net of value-added tax and sales discounts. The following conditions are also taken into account when recognising revenue:

Sale of goods

Revenue from the sale of goods is recognised if all of the following conditions are met:

1. The Company has transferred the significant risks and rewards of ownership of the goods to the buyer;
2. The Company does not retain ownership rights and effective control over the goods sold;
3. It is probable that the Company will receive business-related economic benefits;
4. The costs incurred or to be incurred concerning the transaction can be reliably measured.

The Company reflects the sale of goods taking into account the economic nature of the transaction, not merely the legal form.

Provision of services

Revenue from services is recognized in the period in which the services are rendered.

Revenue from services and related costs are recognized by reference to the stage of completion of the transaction at the balance sheet date.

If the outcome of a transaction involving a service cannot be estimated reliably, revenue is recognized only to the extent of the costs recognized that are recoverable.

Other income

Other income is revenue that is not included in net turnover, is generated as a result of or related to principal activity or directly arises from it. Other income is recognized as follows:

- income from fines and penalties – at the time of receipt;
- income from the sale of fixed assets – net value, profit or loss from the sale of fixed assets is calculated as the difference between the book value of the fixed asset and the proceeds from the sale and is included in the income statement for the period in which they arose;
- foreign exchange gains – net worth, foreign exchange gains or losses are calculated as the difference between foreign exchange gains and losses and are included in the profit or loss statement in the period in which they arise;
- interest income from credit institutions registered in the Republic of Latvia on current account balances – at the time of receipt;
- income from dividends – at the moment when the legal right to receive them arises;
- other income – as it arises.

Expense recognition

Expenses are recognized and accounted for on an accrual basis, which requires that expenses are recognized in the period in which they are incurred, regardless of the receipt or payment of cash.

Expenses consist of an outflow of economic benefits resulting from the use of assets, depreciation, disposal or the incurrence or increase of liabilities and which reduces equity.

Expenses are recognized in accordance with the established procedure if:

- the use of resources has occurred or is expected;
- the amount of the expense can be reliably estimated.

Corporate income tax

Corporate income tax is determined in accordance with the Corporate Income Tax Law (in force from 01.01.2018) and Cabinet of Ministers Regulation No. 677 of 14 November 2017 “Regulations on the Application of the Provisions of the Corporate Income Tax Law”. The law provides for the deferral of tax payment until the moment when profit is distributed or otherwise directed to expenses that do not ensure the further development of the taxpayer, i.e., the application of the tax is postponed from the moment of profit generation to the moment of profit distribution. Thus, tax will have to be paid regardless of the amount of income generated during the year only if the taxpayer distributes profit in dividends or has equivalent distributions, incurs expenses not related to economic activities, makes increased interest payments, provides loans to related parties, etc.

Events after the balance sheet date

The financial statements reflect events after the balance sheet date that provide additional information about the Company's financial position at the balance sheet date (adjusting events). If the events after the end of the reporting year are not adjusting, they are reflected in the notes to the financial statements only if they are significant.

	31.12.23. EUR	31.12.22. EUR
Average number of employees	7	1

Notes to the balance sheet

In the reporting year reorganization of ALPPES Capital SIA by a way of merger occurred that has resulted in changes in the item Retained earnings (uncovered losses) of previous years at at 31.12.2023 as follows:

Liepaja Investmets SIA	-77 685 EUR	Commercial Register decision from 01.12.2023.
ALPS Investmets AS	-2 081 952 EUR	Commercial Register decision from 18.12.2023.
L24 Finance SIA	34 924 490 EUR	Commercial Register decision from 22.12.2023.

1. Overview of intangible assets

	Licenses and similar rights	Other intangible assets	Total
Initial cost as of 31.12.2022.	0	605	605
Additions in the year	392	0	392
Initial cost or revalued amount as of 31.12.2023.	392	605	997
Accumulated amortization as of 31.12.2022.	0	10	10
Amortization expense	180	121	301
Increase	167		167
Accumulated amortization as of 31.12.2023.	347	131	478
Net carrying amount as of 31.12.2022.	0	595	595
Net carrying amount as of 31.12.2023.	45	474	519

2. Overview of fixed assets

	Real estate	Equipment and machinery	Other fixed assets	Construction in progress	Prepayments	Total
Initial cost as of 31.12.2022.	0	0	16 295	0	0	1 848
Additions in the year			21 896			21 896
Disposal or write-off in the year			3 313			3 313
Revalued in the year						0
Initial cost or revalued amount as of 31.12.2023.	0	0	34 878	0	0	34 878
Accumulated depreciation as of 31.12.2022.	0	0	3 206	0	0	3 206
Amortization expense			12 487			12 487
Increase			5 324			5 324
Write-off in the year			903			903
Revalued in the year						0
Accumulated amortization as of 31.12.2023.	0	0	20 114	0	0	20 114
Net carrying amount as of 31.12.2022.	0	0	13 089	0	0	13 089
Net carrying amount as of 31.12.2023.	0	0	14 764	0	0	14 764

3. Overview of long-term financial investments

	Investments in subsidiaries	Investments in associates	Total
Initial cost as of 31.12.2022.	1 457 346	41 962 702	43 420 048
Additions, improvements	2 139 260	9 898 648	12 037 908
Disposal or write-off	3 596 606	867 143	4 463 749
Reclassification	0	223 500	223 500
31.12.2023.	0	50 770 707	50 770 707

4. Loans to associates

	31.12.23. EUR	31.12.22. EUR
Long-term loans with a final repayment term in September, 2025	703 050	1 016 822
Total	703 050	1 016 822

5. Other securities and investments

	31.12.23. EUR	31.12.22. EUR
Investments in funds	10 437 052	1 402 594
Financial instruments - securities	18 792 017	395 632
Investments in companies with under 20% of total shares held	318 700	610 334
Total	29 547 769	2 408 560

6. Other loans and other long-term receivables

	31.12.23. EUR	31.12.22. EUR
Loans to legal persons with a repayment term until 2025	92 608	129 106
Total	92 608	129 106

7. Inventory

	31.12.23. EUR	31.12.22. EUR
1) raw materials and materials consist of purchased and unused fuel for vehicles in the reporting year	27	0
Total	27	0

8. Receivables

	31.12.23. EUR	31.12.22. EUR
1) trade receivables are evaluated and expected to be recoverable	10114896	271 754
2) receivables from group companies - loans to subsidiaries	0	901 610
3) receivables from associate companies - short-term loans	1 340 956	2 500 093
4) other receivables - settlements with share buyers	509 342	467 051
short-term loans to legal persons	42 000	100 000
security deposits, guarantee expenses	563	38 893
5) short-term loans to company's owners (shareholders)	0	7 104 395
6) prepaid expenses - domain name registration and use		
insurance costs (paid)	205	0
subscription costs	357	0
rent	2 025	0
Total	12 010 344	11 383 796

9. Cash

	31.12.23. EUR	31.12.22. EUR
Cash on current accounts	721 129	350 316
Total	721 129	350 316

10. Information about share capital

The registered and fully paid share capital of the Company at January 1, 2023 consisted of 38 121 000 ordinary shares with a nominal value of 1.-EUR. The share capital has been increased in the reporting year. According to the decision of Commercial Register from 18.12.2023 the reorganization of AS ALPS Investments has taken place by merger, simultaneously increasing the share capital of SIA ALPPES Capital with a property investment of EUR 2,652,000, which consists of 2,652,000 shares. According to the decision of Commercial Register from 22.12.2023, the reorganization of SIA L24 Finance has taken place by merger, simultaneously increasing the share capital of SIA ALPPES Capital with a property investment of EUR 47,845, which consists of 47,845 shares. Registered and fully paid share capital of the Company at December 31, 2023 consists of 40820845 ordinary shares with a nominal value of 1.- EUR.

11. Loans from credit institutions (non-current)

	31.12.23. EUR	31.12.22. EUR
2. AS Signet Bank overdraft agreement from 15.12.2023 with a final repayment term of January 1, 2026	1 286 866	0
Total	1 286 866	0

12. Other loans (non-current)

	31.12.23. EUR	31.12.22. EUR
Loans with repayment terms later than a year, but no more than 5 years	892 950	0
Total	892 950	0

13. Debts to associated companies (non-current)

	31.12.23. EUR	31.12.22. EUR
Debts to associated companies with a repayment term of 2024.	0	3 163 958
Total	0	3 163 958

14. Other payables (non-current)

	31.12.23. EUR	31.12.22. EUR
Liabilities to the creditor with a repayment term of 2025.	4 938	742
Total	4 938	742

15. Other loans (current)

	31.12.23. EUR	31.12.22. EUR
Short-term loans from legal persons	1 264 080	2 077 700
Total	1 264 080	2 077 700

16. Trade payables to suppliers and contractors

	31.12.23. EUR	31.12.22. EUR
Payables for services received for the needs of business activity with a repayment term in the next reporting year	7 887	15 026
Total	7 887	15 026

17. Taxes and mandatory state social insurance contributions

	31.12.23. EUR	31.12.22. EUR
State mandatory social insurance contributions	5 825	852
Personal income tax	3 223	473
Corporate income tax	11392	0
Risk fee	3	0
Total	20 443	1 325

18. Other payables

	31.12.23. EUR	31.12.22. EUR
Assignment of claim agreement liabilities	0	4 420 867
Wages and deductions from salaries	12 166	1 765
Settlements with leasing companies in the next reporting period	0	1 385
Total	12 166	4 424 017

19. Accrued liabilities

	31.12.23. EUR	31.12.22. EUR
Accrued liabilities for services received, that relate to the reporting year, but invoices received in the next reporting year	0	99
Total	0	99

Notes to the profit and loss statement

20. Revenue

	31.12.23. EUR	31.12.22. EUR
Income from sale of shares	3 618 670	200 047
Income from office services	11 850	0
Coupon income	52 838	64134
Income from sale of securities	19 985 845	2 726 262
	Total	2 990 443

21. Costs of goods sold or services provided

	31.12.23. EUR	31.12.22. EUR
Acquisition cost of sold of shares and securities	23 975 899	2 905 388
Salaries to employees	193 502	26 900
Health insurance contributions	2 433	0
Social insurance contributions	46 043	6 346
Depreciation of fixed assets	8 268	0
Low-value inventory	177	1 866
Insurance contributions (except for employee insurance)	247	0
Communication services (phone; mob. phone; internet; mail)	10 516	1 893
Utility costs	6 730	2 239
Security services	372	0
Rent costs (premises, land, equipment, transport, etc.)	58 590	14 419
Maintenance costs	675	3112
Costs of maintenance and repairs of fixed assets	8 605	4 807
Car maintenance and repair costs	27 824	0
Bank charges	37119	9 811
Other expenses (bank; legal services; business trips, stationery, etc.)	10 615	3 493
	Total	2 980 274

22. Selling expenses

	31.12.23. EUR	31.12.22. EUR
Advertising costs	43 582	262
Other selling expenses (state fees, etc.)	91	0
Total	43 673	262

23. Administrative expenses

	31.12.23. EUR	31.12.22. EUR
Salaries to employees	64 443	1 043
Health insurance contributions	547	0
Social insurance contributions	14 169	246
Outsourced accounting and office services	4 213	4 700
Audit services	23 716	3 630
Bank charges	88 478	0
Legal service expenses	29 031	10 484
Depreciation of fixed assets	4 520	3 056
Other administrative expenses	18 646	2 793
Total	247 763	25 952

24. Other operating income

	31.12.23. EUR	31.12.22. EUR
Other income	3 640 515	0
Total	3 640 515	0

25. Other operating expenses

	31.12.23. EUR	31.12.22. EUR
Losses from investments	2 195 859	0
Fines and penalties paid	347	7
Losses from differences in market/stock exchange price fluctuations	5 054 868	0
Donations	68 400	14 000
Net losses from sales of fixed assets	194	8
Losses from disposal of fixed assets	387	
Compensations	92 486	83 308
Amounts irrecoverable from debtors	6 248	0
Losses from assignment transactions	93 867	0
Total	7 512 656	97 323

26. Information on profit or loss from disposal of fixed assets

	Carrying amount at the time of disposal EUR	Disposal proceeds EUR	Sales costs EUR	Gross gain or loss EUR	Gain or loss on sales of fixed assets EUR
Other fixed assets	2,023	-1,829	0	0	-194

27. Financial risk management

The Company's most significant financial instruments are loans and cash. The main purpose of these financial instruments is to ensure the financing of the Company's operating activities.

Financial risks

The main financial risks associated with the Company's financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Company is exposed to interest rate risk related to its long-term borrowings.

Liquidity risk

The Company manages its liquidity risk by maintaining an adequate amount of cash or ensuring adequate financing.

Credit risk

The Company is exposed to credit risk through its issued loans and cash. The Company controls its credit risk by constantly evaluating the payment history of customers and setting credit terms for each customer individually. In addition, the Company continuously monitors receivable balances to minimize the possibility of bad debts.

28. Events after the reporting period

In the period from the last day of the reporting year to the date of signing this financial report, there have been no events that would have required adjustments or additional information to be disclosed in this financial report.

Board/ chief accountant prepared
the Company's annual report for 2023
and signed it on January 23, 2024.

Chairman of the Board
Aigars Kesenfelds

Chief accountant
Inga Kestere



Limited Liability Company “ALPPES Capital”
Unified registration number 52103097551