

LIMITED LIABILITY COMPANY L.J.LINEN

(UNIFIED REGISTRATION NUMBER 40003669025)

ANNUAL REPORT 31 DECEMBER 2024

(20TH FINANCIAL YEAR)

PREPARED IN ACCORDANCE WITH THE LAW OF THE REPUBLIC OF LATVIA

ON ANNUAL REPORTS AND CONSOLIDATED ANNUAL REPORTS

TOGETHER WITH INDEPENDENT AUDITORS' REPORT*

Riga, 2025

*This version of the financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

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GENERAL INFORMATION

Name of the company	SIA L.J. LINEN
Legal status of the company	Limited liability company
Registration number, place and date of registration	40003669025, Riga, 8 March 2004
Registered office	Antonijas iela 5, Riga, Latvia, LV-1010
Board Members	Jānis Kuļikovskis, appointed on 22 April 2010, right to represent the Company individually, Chairman of the Board Zane Kuļikovska, appointed on 2 August 2018, right to represent the Company individually Līvija Kuļikovska, appointed on 22 April 2010, right to represent the Company jointly with at least one Board Member Ivanda Leja, appointed on 19 June 2023, right to represent the Company jointly with at least one Board Member Tomass Riekstiņš, appointed on 19 June 2023, right to represent the Company jointly with at least one Board Member, resigned on 28 January 2025.
Parent company	LIONPRO B.V (100%) Reg. No 86402250 Barbara Strozzilaan 101 1083 HN Amsterdam, Netherlands Since 20 December 2023
Subsidiaries	AROWANA EXIM PTE. Ltd. (100%) 156 Macpherson road 09-01, PSL Industrial Building, Singapore, 348528 Reg. number 201530946D Acquired on 13 December 2022 LIONPRO CHILE SpA (100%) Av. Américo Vespucio Sur 100, piso 11, comuna de Las Condes, Ciudad de Santiago, Región Metropolitana Reg. number: 23507 Established on 10 July 2024

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LIONPRO VIETNAM COMPANY LIMITED (100%)
 Room328Register08, 3rd floor, Worc@Q2 Building, No.21,
 Vo Truong Toan Street, Thao Dien Ward, Thu Duc City, Ho
 Chi Minh, Vietnam
 Reg. number: 0318672571
 Established on 17 September 2024

LIONPRO (CAMBODIA) CO., LTD. (100%)
 Exchange Square, House no. 19&20, 14th Floor, Office 1431
 Register 02, Street 106, Phum 2, Sangkat Wat Phnom, Khan
 Daun Penh, Phnom Penh12210 Phnom Penh
 Reg. number: 1000409738
 Established on 6 August 2024

Associates

LIONPRO (THAILAND) CO., LTD (49%)
 38 Moo 5 Tambon Sawai Chik, Mueang Buri Ram, Buri Ram,
 Thailand31009 Buri Ram
 Reg. number: 0315567002626
 Established on 19 December 2024

Financial year

1 January 2024 – 31 December 2024

Auditors

Iveta Vimba
 Latvian Certified Auditor
 Certificate No 153

SIA Ernst & Young Baltic
 Muitas iela 1A, Rīga
 Latvia, LV – 1010
 License No 17

MANAGEMENT REPORT

General corporate information

SIA L.J. LINEN (hereinafter - the Company) is engaged in the sale of animal by-products and the provision of a tailored agricultural supply chain to market leaders. The Company provides a seamless, full-cycle door-to-door sales and delivery service. The Company is a bridge between raw material producers and producers of animal feed, organic fertilizers and biofuels. The primary objective of the Company and its Group is to enhance feed availability by ensuring an efficient supply chain, strategic warehousing solutions, and a steady supply of high-quality raw materials at a competitive price. The Company targets developing markets with poorly developed supply chains intending to improve them.

Overall performance and financial position of the Company

In 2024, the Company closed the year with a net profit of EUR 2 423 561, which represents a significant increase compared to 2023. This growth can be attributed to the recovery of the market for a specific product group from the crisis experienced in 2023, price stabilization, and the business stabilization of the Company's subsidiaries and related companies in foreign markets, where the Group's related companies are engaged in the distribution of core business products. Compared to 2023, the Company's net turnover increased by EUR 11.6 million, and gross profit rose by EUR 1.8 million. The gross profit margin also improved from 10% in 2023 to 12% in 2024. In 2024, the Company achieved a record-breaking product sales and shipment volume, totaling 132 thousand tons, which accounts for 10% of the total exports of this specific product group from the European Union.

During 2024, the Company established three new subsidiaries in Asia and Latin America, with plans to develop them and supply products for sales in local markets in 2025.

In 2024, the management team decided that the Company would become the central distributor of the LIONPRO Group, taking over the central procurement of products and raw materials. These will be distributed domestically through its subsidiaries in foreign regions. In 2025, the Company plans to merge these subsidiaries into its structure, thereby becoming the parent company of seven additional foreign entities.

Risks

The Company's operations expose it to several financial risks, including credit risk, liquidity risk and foreign currency risk. The most significant financial instruments for the Company are trade receivables, a bank credit line, and trade payables.

Foreign currency risk

The Company's financial assets, primarily related party receivables, are directly exposed to foreign exchange rate fluctuations. To mitigate this risk, the Company maintains a fixed EUR/USD exchange rate at least one quarter in advance. This approach ensures a stable and predictable EUR cash flow, which is used to settle trade payables within Europe, independently of external market conditions.

Interest rate risk

Interest rate risk arises from fluctuations in interest rates that may affect the Company's net income and future cash flows. The Company's policy is to ensure that the majority of its borrowings are maintained at fixed interest rates. The applicable interest rates on the Company's borrowings are disclosed in Note 22.

Management report (cont'd)

Liquidity risk

Liquidity risk refers to the Company's ability to meet its current and non-current liabilities in time. The Company manages this risk by ensuring adequate capital through loans or equity, maintaining sufficient cash reserves, planning the maturity of receivables, and developing and analyzing future cash flow projections.

Credit risk

The Company is exposed to credit risk arising from its receivables and cash and cash equivalents. The Company's receivables primarily consist of amounts due from customers for goods sold and receivables from related companies, which reflect both goods sold, goods in transit, and goods stored in the warehouses of foreign affiliates. The Company manages credit risk by continuously assessing the creditworthiness of customers and setting individual credit terms. Additionally, it monitors the assets of related companies, including both their external liabilities and the age structure of these liabilities, as well as the age structure and average turnover of goods in their warehouses.

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Credit risk associated with cash and cash equivalents is limited, as the counterparties are banks and payment systems. To mitigate this risk, the Company distributes its cash across multiple banks.

Capital management

The Company's objective is to maintain an optimal capital and funding structure that ensures the lowest possible cost of capital. Capital risk is monitored using a capitalization ratio, calculated as the adjusted equity relative to the Company's assets. The companies will monitor their equity based on a capitalization ratio of no less than 40%, as outlined in the credit line agreement, effective as of 1 December 2024.

Further development

The Company's plan for 2025 is to expand into new markets in Asia, South Africa, and South America, diversify its product range, and establish distribution centers in existing markets. This strategy aims to enhance accessibility in regions with underdeveloped infrastructure, reduce delivery times, minimize supply chain disruptions, and ensure a steady supply of feed ingredients to local farmers, as well as to smaller livestock, poultry, and fish producers. One of the Company's strategic goals is to become a one-stop shop and offer competitive, stable prices for raw materials that remain unaffected by global market fluctuations. To achieve its strategic development objectives, the company plans to issue bonds in 2025.

Jānis Kuļikovskis
Chairman of the Board

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STATEMENT OF PROFIT OR LOSS

	Notes	2024 EUR	2023 EUR
Net turnover	3	46 942 420	35 132 830
Cost of sales	4	(41 651 834)	(31 632 228)
Gross profit or loss		5 290 586	3 500 602
Distribution costs	5	(1 678 896)	(1 523 514)
Administrative expense	6	(1 358 233)	(1 249 131)
Other operating income	7	643 259	476 122
Other operating expense	8	(172 389)	(2 519 281)
Other interest and similar income:	9	5 482	163 223
Interest and similar expense:	10	(251 122)	(428 321)
Profit or loss before corporate income tax		2 478 687	(1 580 300)
Income tax expense		(55 126)	(16 703)
Profit or loss after corporate income tax		2 423 561	(1 597 003)
Net profit or loss for the reporting year		2 423 561	(1 597 003)

The accompanying notes form an integral part of these financial statements.

Jānis Kuļikovskis
Chairman of the Board

Katrīne Embure
Chief Accountant

31 MARCH 2025

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BALANCE SHEET

		ASSETS			
			Notes	31/12/2024	31/12/2023
NON-CURRENT ASSETS				EUR	EUR
Intangible assets					
Concessions, patents, licenses, trademarks and similar rights				29 998	39 675
TOTAL			11	29 998	39 675
Property, plant and equipment					
Other fixtures and fittings, tools and equipment				138 221	86 555
Leasehold improvements				133 008	166 260
TOTAL			12	271 229	252 815
Non-current financial assets					
Investments in related companies			13	95 936	701
Investments in associates			13	27 340	-
Other securities and investments			13	25	-
Other loans and non-current receivables			14	6 699	-
TOTAL				130 000	701
TOTAL NON-CURRENT ASSETS				431 227	293 191
CURRENT ASSETS					
Inventories					
Raw materials and consumables				2 275	-
Finished goods and goods for sale				367 368	89 133
TOTAL			15	369 643	89 133
Receivables					
Trade receivables			16	1 912 957	1 244 413
Receivables from related companies			17	15 345 403	10 774 083
Other receivables			18	24 014	190 957
Loans to shareholders and management			19	-	206 972
Prepaid expense			20	55 703	76 863
TOTAL				17 338 077	12 493 288
Cash			21	236 486	16 291
TOTAL CURRENT ASSETS				17 944 206	12 598 712
TOTAL ASSETS				18 375 433	12 891 903

The accompanying notes form an integral part of these financial statements.

Jānis Kuļikovskis
Chairman of the Board

Katrīne Embure
Chief Accountant



31 MARCH 2025

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BALANCE SHEET

EQUITY AND LIABILITIES

	Notes	31/12/2024	31/12/2023
EQUITY		EUR	EUR
Share capital		98 000	98 000
Retained earnings		7 470 780	9 247 783
Profit or loss for the reporting year		2 423 561	(1 597 003)
TOTAL EQUITY		9 992 341	7 748 780
LIABILITIES			
Current liabilities			
Loans from credit institutions	22	3 000 000	3 000 000
Current loans from Group companies	23	-	76 788
Other loans		35 857	-
Trade payables	24	4 778 521	1 439 017
Payables to related companies	25	75 868	18 814
Taxes payable	26	61 469	178
Other liabilities	27	9	2 418
Deferred income	28	-	68 268
Accrued liabilities	29	431 368	537 640
TOTAL		8 383 092	5 143 123
TOTAL LIABILITIES		8 383 092	5 143 123
TOTAL EQUITY AND LIABILITIES		18 375 433	12 891 903

The accompanying notes form an integral part of these financial statements.

Jānis Kuļikovskis
Chairman of the Board

Katrīne Embure
Chief Accountant



31 MARCH 2025

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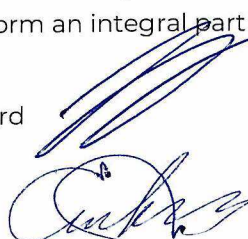
STATEMENT OF CASH FLOWS

	2024 EUR	2023 EUR
Cash flows to/from operating activities		
Profit or loss before corporate income tax	2,478,687	(1,580,300)
Adjustments for:		
• depreciation and impairment of property, plant and equipment	73,602	82,031
• amortization and impairment of intangible assets	9,677	33,805
• allowance for write-off of the Group's debt	-	1,085,973
• gain or loss from fluctuations of currency exchange rates	608,373	(288,283)
• other interest and similar income	(5,482)	(163,223)
• interest and similar expense	251,122	428,321
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	3,415,979	(401,676)
• (increase) or decrease in receivables	(4,817,518)	3,290,519
• (increase) or decrease in inventories	(278,235)	87,221
• increase or (decrease) in trade and other payables	3,280,900	(3,801,135)
Cash generated from operations	1,601,126	(825,071)
Interest paid	(245,640)	(265,098)
Corporate income tax paid	(55,126)	(16,703)
Net cash flows to/from operating activities	1,300,360	(1,106,872)
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(92,016)	(279,708)
Investments in subsidiaries	(158,844)	-
Dividends received from subsidiaries	-	1,110,000
Net cash flows to/from investing activities	(250,860)	830,292
Cash flows to/from financing activities		
Proceeds from issue of shares and bonds or investments in share capital	-	95,158
Proceeds from borrowings	644,900	2,076,788
Repayment of borrowings	(685,831)	-
Bond-secured loans received/ repaid	-	(2,000,000)
Dividends paid	(180,000)	(200,000)
Net cash flows to/from financing activities	(220,931)	(28,054)
Net foreign exchange difference	(608,373)	288,283
Net cash flow for the year	220,196	(16,351)
Cash and cash equivalents at the beginning of the year	16,290	32,641
Cash and cash equivalents at the end of the year	236,486	16,290

The accompanying notes form an integral part of these financial statements.

Jānis Kuļikovskis
Chairman of the Board

Katrīne Embure
Chief Accountant



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STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
Balance as at 31 December 2022	2 842	9 447 783	9 450 625
Increase or decrease in share capital	95 158		95 158
Dividends paid		(200 000)	(200 000)
Loss for the reporting year		(1 597 003)	(1 597 003)
Balance as at 31 December 2023	98 000	7 650 780	7 748 780
Dividends paid		(180 000)	(180 000)
Profit for the reporting year		2 423 561	2 423 561
Balance as at 31 December 2024	98 000	9 894 341	9 992 341

The accompanying notes form an integral part of these financial statements.

Jānis Kuļikovskis
Chairman of the Board

Katrīne Embure
Chief Accountant



31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

SIA L.J. LINEN (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on 8 March 2004. The registered office of the Company is at Antonijas iela 5, Rīga. The Company is engaged in the sale of animal by-products and the provision of a tailored agricultural supply chain to market leaders. The Company provides a seamless, full-cycle door-to-door sales and delivery service. The Company is a bridge between raw material producers and producers of animal feed, organic fertilizers and biofuels. The primary objective of the Company and its Group is to enhance feed availability by ensuring an efficient supply chain, strategic warehousing solutions, and a steady supply of high-quality raw materials at competitive price. The Company targets developing markets with poorly developed supply chains intending to improve them.

The Company's parent company is LIONPRO B.V. who focuses on promoting the Company's interests in foreign markets by participating in international conferences and events hosted by foreign embassies, as well as by inviting lecturers from foreign universities to educate farmers in underdeveloped markets.

The Company's shareholder which consolidates the Company as its subsidiary in the preparation of consolidated annual reports is SIA JAZE CAPITAL HOLDINGS (registered office: Antonijas iela 5, Rīga, LV-1010). Copies of consolidated annual reports are available at Antonijas iela 5, Rīga.

1. Summary of significant accounting policies

Basis of preparation

The financial statements of SIA L.J. LINEN have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports.

The financial statements are prepared on a historical cost basis. The monetary unit used in the financial statements is the euro (EUR). The financial statements cover the period 1 January 2024 through 31 December 2024.

The Company meets the criteria of a medium-sized enterprise specified in the law.

The statement of profit or loss has been prepared according to the function of expense method. The statement of cash flows has been prepared under the indirect method.

In order to improve the comparability of the prepared statement of profit or loss and the balance sheet, certain reclassifications have been made to several items of the statement of profit or loss and the balance sheet for the year ended 31 December 2023.

Going concern

The financial statements are prepared on the basis that the Company will continue to be a going concern.

Use of estimates

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

2. Summary of significant accounting policies (cont'd)

Foreign currency translation

The functional and presentation currency of the Company is the euro (EUR), the monetary unit of the Republic of Latvia. Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the euro applying the euro foreign exchange reference rate published by the European Central Bank at the last day of the reporting year. The differences arising on settlements of transactions or on reporting foreign currency transactions at rates different from those at which these transactions have originally been recorded are netted in the statement of profit or loss.

31.12.2024	USD/EUR	1.0389
31.12.2023	USD/EUR	1.105

Intangible assets

Intangible non-current assets are stated at cost and amortized over their estimated useful lives on a straight-line basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can be foreseen with reasonable certainty. Any expenditure carried forward is amortized over the period of expected future sales from the related project.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Other fixtures and fittings, tools and equipment	- over 5 years
Leasehold improvements	- over 5 years
Computing equipment	- over 3 years

Depreciation is calculated starting with the following month after the asset is put into operation or engaged in commercial activity. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. To the extent that the Company depreciates separately some parts of property, plant and equipment, it also depreciates separately the remainder of the item. The remainder consists of the parts that are individually insignificant. The depreciation for the remainder is determined using approximation techniques to faithfully represent its useful life.

2. Summary of significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of profit or loss in the cost of sales caption.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit or loss in the year the item is derecognized.

Expenses related to leasehold improvements are capitalized as property, plant and equipment and depreciated over the lease period on a straight-line basis.

Investments in subsidiaries and associates

Investments in subsidiaries (i.e. where the Company holds more than 50% interest of the share capital or otherwise controls the company) and associates (i.e. where the Company has significant influence, but less than a controlling interest, which is presumed to exist with 20 to 50% interest of the share capital of the entity) are stated in accordance with the cost method. Following initial recognition, investments in subsidiaries and associates are carried at cost less any accumulated impairment losses. The carrying values of investments in subsidiaries and associates are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company recognizes income from the investment only to the extent that the Company receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are regarded as a recovery of the investment and are recognized as a reduction of the cost of the investment.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials – purchase cost on a first-in, first-out (FIFO) OR a weighted average cost basis.

Finished goods and work in progress – cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is disclosed at the purchase (production) cost less allowances made.

2. Summary of significant accounting policies (cont'd)

Trade and other receivables

Trade and other receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when recovery is deemed impossible.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

Loans and borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in the statement of profit or loss as interest income/ expense when the liabilities are derecognized through the amortization process.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingencies

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

2. Summary of significant accounting policies (cont'd)

Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments, by a respective charge to current and non-current liabilities. Lease payments are apportioned between the finance charges and reduction of the principal lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term on a straight-line basis.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit or loss on a straight-line basis over the lease term. The commitments undertaken by the Company with respect to operating lease contracts are recorded as off-balance sheet liabilities.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, less value added tax and sales-related discounts. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

The Company is engaged in the sale of animal by-products. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Dividends

Revenue is recognized when the shareholders' right to receive the payment is established.

Income taxes

Corporate income tax for the year 2024 is calculated according to the Corporate Income Tax Law of the Republic of Latvia.

Subsequent events

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

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3. Net turnover

<i>By business activities</i>	2024	2023
Wholesale of animal feed additives	46,942,420	35,132,830
TOTAL:	46,942,420	35,132,830

4. Cost of sales

	2024	2023
Acquisition cost of goods and materials	30,926,887	26,766,803
Transport costs	10,635,403	4,699,907
Other production costs	78,328	141,910
Customs and import duties	11,216	23,608
TOTAL:	41,651,834	31,632,228

5. Distribution costs

	2024	2023
Agency fee	586,649	466,790
Wages and salaries (logistics and documentation staff)	299,653	313,879
Wages and salaries (sales staff)	177,280	109,434
Business trips	171,121	213,512
Advertising and marketing	122,637	69,408
Customer bank charges	116,990	79,936
Statutory social insurance contributions (logistics and documentation staff)	70,688	73,910
Other distribution costs	66,342	26,552
Statutory social insurance contributions (sales staff)	41,790	27,762
Sales distribution costs	23,712	137,896
Representation expense	2,034	4,435
TOTAL:	1,678,896	1,523,514

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6. Administrative expense

	2024	2023
Wages and salaries	474,385	439,557
Other administrative expense	128,702	47,483
Professional fees	113,821	206,433
Statutory social insurance contributions	109,217	103,592
Other staff costs	103,884	58,875
Office maintenance expense	96,989	76,579
Bank charges	91,006	88,058
Depreciation	83,279	36,973
IT costs	71,336	69,272
Office supply expense	50,055	42,652
Transport costs	15,884	23,338
Health insurance	12,948	12,682
Low-value inventory	6,727	43,637
TOTAL:	1,358,233	1,249,131

7. Other operating income

	2024	2023
Currency exchange gain, net	608,373	-
Other income	27,568	8
Commission fee (related companies)	-	223,202
Income from investments in subsidiaries	-	180,000
Co-funding received	-	51,346
Gain on disposal of property, plant and equipment	7,318	21,566
TOTAL:	643,259	476,122

8. Other operating expense

	2024	2023
Allowances for doubtful receivables	102,315	19,067
Other expense	65,136	23,892
Penalties	4,938	-
Intra-group sales price adjustment	-	1,102,066
Allowance for write-off of receivables from Group companies	-	1,085,973
Currency exchange loss, net	-	288,283
TOTAL:	172,389	2,519,281

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9. Other interest and similar income

	2024	2023
Interest income from related companies	2,262	163,223
Loan interest charged	3,220	-
TOTAL:	5,482	163,223

10. Interest and other expense

	2024	2023
Interest on a bank loans	242,703	93,578
Interest on loans from related companies	8,419	26,448
Interest on bonds	-	308,295
TOTAL:	251,122	428,321

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11. Intangible assets

	Concessions, patents, licenses, trademarks and similar rights	Prepayments for intangible assets	TOTAL
Year ended 31 December 2023			
Carrying amount as at 1 January	21 776	2 265	24 041
Additions	25 852	23 586	49 438
Disposals	-	(25 851)	(25 851)
Amortization charge	(7 953)	-	(7 953)
Carrying amount as at 31 December	39 675	-	39 675
As at 31 December 2023			
Cost	47 628	25 851	73 479
Accumulated amortization and impairment	(7 953)	(25 851)	(33 804)
Carrying amount as at 31 December	39 675	-	39 675
Year ended 31 December 2024			
Carrying amount as at 1 January	39 675	-	39 675
Amortization charge	(9 677)	-	(9 677)
Carrying amount as at 31 December	29 998	-	29 998
As at 31 December 2024			
Cost	39 675	-	39 675
Accumulated amortization and impairment	(9 677)	-	(9 677)
Carrying amount as at 31 December	29 998	-	29 998

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12. Property, plant and equipment

	Other fixtures and fittings, tools and	Prepayments for property, plant and equipment	Leasehold improvements	TOTAL
Year ended 31 December 2023				
Carrying amount as at 1 January	84 578	20 000	-	104 578
Additions	64 010	-	166 260	230 270
Cost of disposals	(91 532)	(20 000)	-	(111 532)
Accumulated depreciation of disposals	58 533	-	-	58 533
Depreciation charge	(29 032)	-	-	(29 032)
Impairment charge				-
Carrying amount as at 31 December	86 557	-	166 260	252 817
As at 31 December 2023				
Cost	228 238	-	166 260	394 498
Accumulated depreciation and impairment	(141 683)	-	-	(141 683)
Carrying amount as at 31 December	86 555	-	166 260	252 815
Year ended 31 December 2024				
Carrying amount as at 1 January	86 555	-	166 260	252 815
Additions	92 016	-	-	92 016
Cost of disposals	(43 022)	-	-	(43 022)
Accumulated depreciation of disposals	41 524	-	-	41 524
Depreciation charge	(38 852)	-	(33 252)	(72 104)
Carrying amount as at 31 December	138 221	-	133 008	271 229
As at 31 December 2024				
Cost	277 232	-	166 260	443 492
Accumulated depreciation and impairment	(139 011)	-	(33 252)	(172 263)
Carrying amount as at 31 December	138 221	-	133 008	271 229

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13. Investments in related companies

Company	% of equity interest	Initial investment	Write-off of the investment value	31/12/2024	31/12/2023
AROWANA PTE LTD 156 Macpherson road 09-01, PSL Industrial Building, Singapore, 348528	100	701	-	701	701
LIONPRO PERU S.A.C.	10	25	-	25	-
LIONPRO CHILE SpA	100	994	-	994	-
LIONPRO VIETNAM COMPANY LIMITED	100	89,775	-	89,775	-
LIONPRO CAMBODIA CO	100	4,466	-	4,466	-
LIONPRO (THAILAND) CO., LTD	49	27,340	-	27,340	-
TOTAL:		123,301	-	123,301	701

Financial information about subsidiaries:

Company	Equity		Profit/ (loss) for the year	
	31/12/2024	31/12/2023	2024	2023
AROWANA PTE LTD	(425'813)	(446'586)	20'773	(2,709,178)
LIONPRO CHILE SpA	994	-	-	-
LIONPRO VIETNAM COMPANY LIMITED	89,775	-	-	-
LIONPRO (CAMBODIA) CO., LTD.	4,466	-	-	-

14. Other loans and non-current receivables

	31/12/2024	31/12/2023
Security deposits paid	6,699	-
TOTAL:	6,699	-

15. Inventories

	31/12/2024	31/12/2023
Low-value inventory	2 275	-
Finished goods and goods for sale	367,368	89,133
TOTAL:	369,643	89,133

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16. Trade receivables

	31/12/2024	31/12/2023
Trade receivables	2,015,272	1,244,413
Allowances for doubtful trade receivables	(102,315)	-
TOTAL:	1,912,957	1,244,413

Trade receivables are non-interest bearing.

17. Receivables from related companies

	31/12/2024	31/12/2023
Trade receivables	15,315,858	10,774,083
Loan to a related company	28,876	-
Accrued loan interest	669	-
TOTAL:	15,345,403	10,774,083

Receivables from related companies at year-end include both external receivables from related companies and the value of goods held in warehouses or in transit at the Group foreign companies. Of the total amount, there are no outstanding receivables that are more than one year overdue and based on the budget for 2025 as well as the operating results of the Group for the first two months. LINEN management has no doubt about the recoverability of these receivables.

18. Other receivables

	31/12/2024	31/12/2023
Overpayment of taxes	15,230	110,255
Doubtful receivables	19,067	80,076
Allowances for doubtful receivables	(19,067)	-
Advance settlements	-	626
Other receivables	8,784	-
TOTAL:	24,014	190,957

19. Current loans to shareholders and management

	31/12/2024	Repaid	Issued	31/12/2023
Loans to Board Members	-	206,972	-	206,972
TOTAL:	-	206,972	-	206,972

The loan granted to the Board Member in 2023 was interest-free and matured on 17 January 2025. The loan was repaid in the reporting year.

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20. Prepaid expense

	31/12/2024	31/12/2023
Insurance	14,493	912
Selling costs	12,296	4,643
Loan service fee	9,774	-
Transport costs	7,638	58,082
Lease of premises	3,951	3,951
Business trips	3,734	-
IT costs	2,985	6,362
Other prepaid expense	127	1,635
Vehicle expenses	705	1,278
TOTAL:	55,703	76,863

21. Cash and cash equivalents

	31/12/2024	31/12/2023
Cash at bank	236 486	16,291
TOTAL:	236 486	16,291

22. Loans from credit institutions

Current:	Maturity	31/12/2024	31/12/2023
Loan from Signet Bank AS	EUR 01/09/2025	3,000,000	3,000,000
TOTAL current loans from credit institutions:		3,000,000	3,000,000
TOTAL loans from credit institutions:		3,000,000	3,000,000
		31/12/2024	31/12/2023
Maturing in less than one year		3,000,000	3,000,000
TOTAL:		3,000,000	3,000,000

On 16 June 2021, Overdraft Agreement No.10.5-D-01-21/5 was signed. In accordance with Agreement No. 4, dated 14 December 2022, the Company was granted a credit line of EUR 1 000 000 at a floating interest rate of 4.75% + 6 M EURIBOR; according to Guarantee Agreement NO 10.5-D-01-21/5-G1, the Company shareholder as a guarantor is liable for up to EUR 200 000.

On 11 September 2023, an agreement was concluded to increase the credit line limit to EUR 3,000,000, with the liability of the Company shareholder as a guarantor of EUR 300,000, at a floating interest rate of 4.15% + 6 M EURIBOR, but not less than 6% per annum in aggregate, with an option to extend the existing credit line for 1 year.

On 30 August 2024, an agreement was reached to extend the credit line.

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23. Current loans from Group companies

	31/12/2024	31/12/2023
Current loans from Group companies	-	76,788
TOTAL:	-	76,788

24. Trade payables

	31/12/2024	31/12/2023
Trade payables	4,778,521	1,439,017
TOTAL:	4,778,521	1,439,017

25. Payables to related companies

	31/12/2024	31/12/2023
Unpaid shares in the share capital of related companies	26,665	-
Payables to related companies	49,203	18,814
TOTAL:	75,868	18,814

26. Taxes payable

	31/12/2024	31/12/2023
Value added tax	(15,230)	(110,255)
Personal income tax	22,283	107
Statutory social insurance contributions	23,956	71
TOTAL:	46,239	(110,077)
Total receivable (disclosed as other receivables)	(15,230)	(110,255)
Total payable	61,469	178

27. Other liabilities

	31/12/2024	31/12/2023
Other settlements with employees	9	2,418
TOTAL:	9	2,418

28. Deferred income

	31/12/2024	31/12/2023
Deferred income	-	68,268
TOTAL:	-	68,268

Deferred income represents transactions for goods that were in the Freeport area at year-end ready for shipment to the customer.

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29. Accrued liabilities

	31/12/2024	31/12/2023
Provision for transport service costs	274,499	314,166
Other accrued liabilities	49,364	125,120
Provisions for staff bonuses	62,888	59,004
Vacation pay reserve	44,617	39,350
TOTAL:	431,368	537,640

30. Staff costs and number of employees

	2024	2023
Wages and salaries	959,452	862,870
Statutory social insurance contributions	225,692	205,264
TOTAL:	1,185,144	1,068,134

Including key management personnel compensation:

	2024	2023
Board Members		
Wages and salaries	299,253	141,809
Statutory social insurance contributions	70,594	33,478
TOTAL:	369,847	175,287

	2024	2023
Average number of Board Members during the reporting year	4	4
Average number of other employees during the reporting year	25	24
TOTAL:	29	28

Board Members who do not receive remuneration for their duties	1	1
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31. Commitments and contingencies

(b) Commitments under operating leases

The Company as a lessee has entered into an office and auxiliary premises lease agreement for five years. The total amount of annual lease and maintenance expenses was EUR 46,175 in 2024 (2023: EUR 48,181).

31. Commitments and contingencies (cont'd)

(d) Legal claim

The Company initiated court proceedings against a foreign debtor for debt recovery in 2024. The receivable was fully provided for.

(e) Guarantees

The Company did not give any guarantees or warranties, and its assets were not pledged or encumbered in 2024, except for the commitments and guarantees referred to in Notes 22 and 23 to these financial statements.

32. Events after balance sheet date

As of the last day of the reporting year until the date of signing these financial statements there have been no events requiring adjustment of or disclosure in the financial statements or notes thereto.

Jānis Kuļikovskis
Chairman of the Board

Katrīne Embure
Chief Accountant



31 MARCH 2025

INDEPENDENT AUDITORS' REPORT

To the Shareholders of L.J. LINEN SIA

Opinion

We have audited the accompanying financial statements of L.J. LINEN SIA (the Company) set out on pages 7 to 27 of the accompanying annual report, which comprise the balance sheet as at 31 December 2024, and the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of L.J. LINEN SIA as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the independence requirements included in the Law on Audit Services of Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have fulfilled our other ethical responsibilities in accordance with the Law on Audit Services of Republic of Latvia and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on other information

Management is responsible for the other information. The other information comprises:

- the General information about the Company as set out on pages 3 to 4 of the accompanying annual report;
- the Management Report as set out on pages 5 to 6 of the accompanying annual report.

Other information does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the entity and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

We have other reporting responsibilities in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report. These additional reporting responsibilities are beyond those required under the ISAs.

Our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the Law on the Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Based solely on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Management Report has been prepared in accordance with the requirements of the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Law on Annual Reports and Consolidated Annual Reports of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ERNST & YOUNG BALTIC SIA
Licence No. 17

A handwritten signature in blue ink, appearing to read 'Iveta Vimba', is located below the printed name.

Iveta Vimba
Member of the Board
Latvian Certified Auditor
Certificate No. 153

Riga, 31 March 2025