LIMITED LIABILITY COMPANY L. J. LINEN

(UNIFIED REGISTRATION NUMBER 40003669025)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

(21st 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, 2026

* This version of 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 financial statements takes precedence over this translation.

L. J. LINEN SIA
Registration No 40003669025
Antonijas iela 5, Riga, Latvia
LV-1010

Contents

GENERAL INFORMATION

Name of the company	SIA L.J. LINEN
Legal status of the company	Limited liability company
Unified 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, authorized to represent the Company individually, Chairman of the Board Zane Kuļikovska, appointed on 2 August 2018, authorized to represent the Company individually Līvija Kuļikovska, appointed on 22 April 2010, authorized to represent the Company jointly with at least one Board Member, resigned on 23 March 2026 Ivanda Leja, appointed on 19 June 2023, authorized to represent the Company jointly with at least one Board Member, resigned on 23 March 2026
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 Disposed of on 3 November 2025 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 LIONPRO VIETNAM COMPANY LIMITED (100%) Room 328 Register 08, 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 Penh 12210 Phnom Penh Reg. number: 1000409738 Established on 6 August 2024
	LIONPRO LANKA (PVT) LTD (100%) 74a, 3rd Floor, Advantage Building Dharmapala Mawatha, Colombo 07, postcode 00700 Reg. number: 240820232050 Established on 7 October 2024
	LIONPRO GROUP (K) LIMITED (100%) P.O BOX 51957 G.P.O Nairobi, county: Nairobi, district: Westlands district, locality: Westlands, street: Church Road, Building: Futuristic centre Reg. number: PVT-8LU66ZA Established on 12 June 2025
	AFRIFEED ZIMBABWE (PRIVATE) LIMITED (100%) 135 Enterprise Road, Highlands, Harare, Zimbabwe Reg. number: 51309A0272025 Established on 18 July 2025
	LIONPRO GHANA (100%) Sissey Plaza, Second floor, Adjacent goil filling station, Ashale botwe, Nmai Dzorn Road, Accra, Adentan, Greater Accra, PO Box LG 1168 Legon, GR/A, Ghana Reg. number: CS272251125 Established on 26 November 2025
Associates	LIONPRO (THAILAND) CO., LTD (49%) 38 Moo 5 Tambon Sawai Chik, Mueang Buri Ram, Buri Ram, Thailand 31009 Buri Ram Reg. number: 0315567002626 Established on 19 December 2024
Financial year	1 January – 31 December 2025
Auditors	Iveta Vimba Latvian Certified Auditor Certificate No 153 SIA Ernst & Young Baltic Muitas iela 1a, Riga Latvia, LV – 1010 License No 17

MANAGEMENT REPORT

General corporate information

L.J. LINEN SIA (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.

Performance and financial position of the Company

The Company earned a net profit of EUR 2 463 483 for the year 2025, thus maintaining its steady profitability at prior year level (2024: EUR 2 423 561). Compared to 2024, the Company's net turnover increased by EUR 13.6 million, or 29%, up to EUR 60 589 392 (2024: EUR 46 942 420). Gross profit rose from EUR 5 290 586 to EUR 8 862 491, while the gross profit margin improved from approx. 11% in 2024 to approx. 15% in 2025.
During 2025, the Company was actively pursuing its growth strategy by raising additional financing in two ways: by issuing bonds of EUR 6 753 000 and by increasing the bank credit line from EUR 3 000 000 to EUR 5 000 000. These funds were purposefully invested in the acquisition of additional goods, in order to enhance the Company's sales and consolidate its position as the central distributor of the LIONPRO group.

It should be noted that the sale of the additional goods began as late as the fourth quarter of 2025, due to supply chain disruptions, which is partially attributable to global logistic challenges. This is why the sales growth on an annual basis was more moderate than expected initially, despite the substantial financing raised and the acquisition of goods. Accordingly, the balance sheet as at 31 December 2025 shows a considerable increase in inventories, from EUR 369 643 to EUR 1 715 277, representing goods that have not yet been sold, and a substantial growth of receivables from related companies, which is substantially goods in transit within the group.
During 2025, interest expense rose up to EUR 678 894 (2024: EUR 251 122), which is a direct consequence of additional borrowings. Also, a net currency exchange loss of EUR 1 775 097 was recorded for the reporting year, versus the gain of EUR 608 373 for the year 2024, and this deterioration is attributable to negative dynamics of the USD/EUR exchange rate in 2025, which affected the Company's foreign receivables portfolio.

During 2025, the Company proceeded with the development of its international presence. Receivables from related companies as at 31 December 2025 grew up to EUR 21 931 923 (31 December 2024: EUR 15 315 858), which reflects the increased volume of goods and raw materials delivered to foreign subsidiaries and related companies for sale in local markets. Total assets rose from EUR 18 375 433 as at 31 December 2024 to EUR 32 443 562 as at 31 December 2025, representing the effect of both organic growth and additional financing. Receivables from related companies fell over the first two months of 2026, and it is planned to actively reduce these balances further during the first half of the year.

Management report (cont'd)

Risks

In the ordinary course of business, the Company is exposed to a variety of financial risks, such as credit risk, liquidity risk, and foreign currency risk. The Company's principal financial instruments are trade receivables, a bank credit line, issued bonds, and payables.

Foreign currency risk

The Company's financial assets, primarily related party receivables, are directly exposed to foreign exchange rate fluctuations. In 2025, this risk materialized and the Company posted a net currency exchange loss of EUR 1 775 097. The Company constantly maintains a fixed EUR/USD exchange rate at least one quarter in advance. This approach ensures a stable EUR cash flow, which is used to settle payables within Europe, independently of external conditions. The main component of the sustained loss is an unrealized currency exchange loss, which is recognized in accordance with accounting standards, by remeasuring payables and receivables.

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 at a fixed interest rate. Interest rates applied to the Company's issued bonds and bank credit line are disclosed in Notes 21 and 22.

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 flows. Extensive inventories reported in the balance sheet at the year end (EUR 1 715 277) are regarded as highly liquid assets, which are expected to be realized in the first half of 2026. Also, the Company's assets at the group level mostly represent goods in transit and receivables.

Credit risk

The Company is exposed to credit risk through 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 goods sold, goods in transit, and goods stored at the warehouses of foreign related companies.

The Company manages credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. 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 at their warehouses. Credit risk associated with cash and cash equivalents is limited, as the counterparties are banks and payment systems.

Capital risk

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. As at 31 December 2025, the Company's equity reached EUR 12 260 824 and its total assets were EUR 32 443 562, so ensuring a capitalization ratio of approx. 38%.

Management report (cont'd)

Further development

The Company expects a considerable growth of sales in 2026, referring to several factors. First, inventories reported at the year end will be sold in the market, thus directly contributing to sales in 2026. Second, the newly established subsidiaries in Asia and Latin America are ready for effective operations and product distribution in local markets.

The Company's strategic goals for 2026 include expanding into new markets in Asia, South Africa, and South America, diversifying its product range, and establishing distribution centers in existing markets. Thanks to this approach, the Company will 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.

A strategic goal of the Company is to strengthen its position as a one-stop solution provider offering competitive, stable prices for raw materials that remain unaffected by global market fluctuations.

With a view to ensuring further financing of strategic growth, the Company will consider supplementing the issuance of bonds with other financial instruments, in line with market conditions and the Company's needs.

Jānis Kuļikovskis
Chairman of the Board

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L. J. LINEN SIA
Registration No 40003669025
Antonijas iela 5, Riga, Latvia
LV-1010

STATEMENT OF PROFIT OR LOSS

	Notes	2025 EUR	2024 EUR
Net turnover	3	60,589,392	46,942,420
Cost of sales	4	(51,726,901)	(41,651,834)
Gross profit or loss		**8,862,491**	**5,290,586**
Distribution costs	5	(2,026,257)	(1,678,896)
Administrative expense	6	(1,956,491)	(1,358,233)
Other operating income	7	15,888	643,259
Other operating expense	8	(1,690,050)	(172,389)
Other interest and similar income:	9	2,986	5,482
Interest and similar expense	10	(678,894)	(251,122)
Profit or loss before corporate income tax		**2,529,673**	**2,478,687**
Income tax expense		(66,190)	(55,126)
Profit or loss after corporate income tax		**2,463,483**	**2,423,561**
Net profit or loss for the reporting year		**2,463,483**	**2,423,561**

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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BALANCE SHEET

ASSETS

	Notes	31/12/2025 EUR	31/12/2024 EUR
NON-CURRENT ASSETS			
Intangible assets			
Concessions, patents, licenses, trademarks and similar rights		30,844	29,998
TOTAL	11	**30,844**	**29,998**
Property, plant and equipment			
Other fixtures and fittings, tools and equipment		124,610	138,221
Leasehold improvements		99,756	133,008
Prepayments for property, plant and equipment		52,190	-
TOTAL	12	**276,556**	**271,229**
Non-current financial assets			
Investments in related companies	13	555,116	95,936
Investments in associates	13	27,340	27,340
Other securities and investments	13	3	25
Other loans and non-current receivables	14	2,219	6,699
TOTAL		**584,678**	**130,000**
TOTAL NON-CURRENT ASSETS		**892,078**	**431,227**
CURRENT ASSETS			
Inventories			
Raw materials and consumables		614	2,275
Finished goods and goods for sale		1,615,663	367,368
Prepayments for inventories		99,000	-
TOTAL	15	**1,715,277**	**369,643**
Receivables			
Trade receivables	16	4,146,942	1,912,957
Receivables from related companies	17	21,931,923	15,345,403
Other receivables	18	152,521	24,014
Prepaid expense	19	287,487	55,703
Accrued income	28	3,023,701	-
TOTAL		**29,542,574**	**17,338,077**
Cash	20	293,633	236,486
TOTAL CURRENT ASSETS		**31,551,484**	**17,944,206**
TOTAL ASSETS		**32,443,562**	**18,375,433**

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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BALANCE SHEET

EQUITY AND LIABILITIES

	Notes	31/12/2025 EUR	31/12/2024 EUR
EQUITY			
Share capital		98,000	98,000
Retained earnings		9,699,341	7,470,780
Profit or loss for the reporting year		2,463,483	2,423,561
TOTAL EQUITY		**12,260,824**	**9,992,341**
LIABILITIES			
Non-current liabilities			
Bond-secured loans	21	6,753,000	-
TOTAL		**6,753,000**	**-**
Current liabilities			
Loans from credit institutions	22	5,000,000	3,000,000
Current loans from group companies	23	361,080	-
Other loans		28,476	35,857
Prepayments received from customers		177,274	-
Trade payables	24	6,176,960	4,778,521
Payables to related companies	25	484,880	75,868
Taxes payable	26	80,494	61,469
Other liabilities	27	617	9
Deferred income	28	853,902	-
Accrued liabilities	29	266,055	431,368
TOTAL		**13,429,738**	**8,383,092**
TOTAL LIABILITIES		**20,182,738**	**8,383,092**
TOTAL EQUITY AND LIABILITIES		**32,443,562**	**18,375,433**

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

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STATEMENT OF CASH FLOWS

	2025 EUR	2024 EUR
Cash flows to/from operating activities		
Profit or loss before corporate income tax	2,529,673	2,478,687
Adjustments for:		
• depreciation and impairment of property, plant and equipment	75,701	73,602
• amortization and impairment of intangible assets	10,633	9,677
• gain or loss from fluctuations of currency exchange rates	(1,447,043)	608,373
• other interest and similar income	(2,986)	(5,482)
• interest and similar expense	678,894	251,122
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	***1,844,872***	***3,415,979***
• (increase) or decrease in receivables	(12,592,341)	(4,817,518)
• (increase) or decrease in inventories	(1,345,634)	(278,235)
• increase or (decrease) in trade and other payables	2,752,739	3,280,900
Cash generated from operations	***(9,340,364)***	***1,601,126***
Interest paid	(675,908)	(245,640)
Corporate income tax paid	(66,190)	(55,126)
Net cash flows to/from operating activities	**(10,082,462)**	**1,300,360**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(92,509)	(92,016)
Investments in subsidiaries	(454,678)	(158,844)
Net cash flows to/from investing activities	**(547,187)**	**(250,860)**
Cash flows to/from financing activities		
Proceeds from borrowings	2,353,699	644,900
Repayment of borrowings	-	(685,831)
Bond-secured loans received/ repaid	6,753,000	-
Dividends paid	(195,000)	(180,000)
Net cash flows to/from financing activities	**8,911,699**	**(220,931)**
Net foreign exchange difference	**1,775,097**	**(608,373)**
Net cash flow for the year	57,147	220,196
Cash and cash equivalents at the beginning of the year	236,486	16,290
Cash and cash equivalents at the end of the year	**293,633**	**236,486**

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

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Chairman of the Board

Katrīne Embure
Chief Accountant

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LV-1010

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	**Total**
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**
Dividends paid		(195,000)	(195,000)
Profit for the reporting year		2,463,483	2,463,483
Balance as at 31 December 2025	**98,000**	**12,162,824**	**12,260,824**

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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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, Riga. 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.

The parent company of the Company is LIONPRO B.V., which focuses on representing 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 which consolidates the Company as its subsidiary in the preparation of consolidated annual reports is Lionpro Group SIA (registered office: Antonijas iela 5, Riga, LV-1010). Copies of consolidated annual reports are available at Antonijas iela 5, Riga.

2. 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 2025 through 31 December 2025.

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 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 2025.

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.

31/12/2025	USD/EUR	1.175
31/12/2024	USD/EUR	1.0389

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 to 5 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)

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) 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.

Trade receivables from related parties are recognized as they occur, when the Company has supplied goods or services and there is a balance due from a related party. Related party transactions are made in line with the market situation and based on local demand. Allowances for doubtful receivables from related parties are not established as the recoverability of these balances is assessed on an annual basis and there has been no need to make allowances at the group level.

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, borrowings and bond-secured loans 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.

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.

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

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. The Company recognizes revenue from the processing of goods provided to related companies on the accrual basis, according to the group's transfer pricing policy. The fee for services is determined on the basis of the volume of services supplied and the financial results of group companies in relevant countries.

Accrued income

Accrued income represents clearly known trade receivables for goods or services which have been supplied during the reporting year but for which payment documents (invoices) have not yet become due by the balance sheet date according to the contractual terms. This income is calculated on the basis of the price defined in a relevant agreement and documents evidencing the actual supply of goods or services.

Dividends

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

Income taxes

Corporate income tax for the year 2025 is calculated according to the existing Corporate Income Tax Law.

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.

3. Net turnover

By business activities	2025	2024
Wholesale of animal feed additives	60,589,392	46,942,420
	60,589,392	**46,942,420**

4. Cost of sales

	2025	2024
Cost of goods and raw materials	38,966,229	30,926,887
Transport expense	12,297,988	10,635,403
Other costs	394,887	78,328
Customs and import duties	67,797	11,216
TOTAL:	**51,726,901**	**41,651,834**

5. Distribution costs

	2025	2024
Wages and salaries (sales staff)	551,269	177,280
Advertising and marketing	375,880	122,637
Wages and salaries (logistics and documentation staff)	330,236	299,653
Business trips	230,719	171,121
Statutory social insurance contributions (sales staff)	130,846	41,790
Customer bank charges	104,801	116,990
Agency fees	98,711	586,649
Other distribution costs	81,337	66,342
Statutory social insurance contributions (logistics and documentation staff)	77,903	70,688
Sales distribution costs	29,785	23,712
Representation expense	14,770	2,034
TOTAL:	**2,026,257**	**1,678,896**

6. Administrative expense

	2025	2024
Wages and salaries	743,019	474,385
Bank charges	231,044	91,006
Professional fees	214,638	113,821
Statutory social insurance contributions	175,691	109,217
Other staff costs	144,186	103,884
Office maintenance expense	115,954	96,989
IT expense	112,541	71,336
Depreciation	86,335	83,279
Office supply expense	52,345	50,055
Other administrative expense	22,662	128,702
Health insurance	21,381	12,948
Low-value items	21,176	6,727
Transport expense	15,519	15,884
TOTAL:	**1,956,491**	**1,358,233**

7. Other operating income

	2025	2024
Other income	14,688	27,568
Gain on disposal of property, plant and equipment, net	7,318	7,318
Currency exchange gain, net	-	608,373
Co-funding received	1,200	-
TOTAL:	**15,888**	**643,259**

8. Other operating expense

	2025	2024
Currency exchange loss, net	1,775,097	-
Allowances for doubtful receivables	(85,047)	102, 315
Other expense	-	65,136
Penalties paid	-	4,938
TOTAL:	**1,690,050**	**172,389**

9. Other interest and similar income

	2025	2024
Interest income from related companies	2,393	2,262
Loan interest charged	593	3,220
TOTAL:	**2,986**	**5,482**

10. Interest and similar expense

	2025	2024
Interest on bonds	375,244	-
Interest on bank loans	296,730	242,703
Interest on loans from related companies	6,920	8,419
TOTAL:	**678,894**	**251,122**

11. Intangible assets

	Concessions, patents, licenses, trademarks and similar rights	TOTAL
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
Year ended 31 December 2025		
Carrying amount as at 1 January	29 998	29 998
Additions	11 480	11 480
Amortization charge	(10 634)	(10 634)
Impairment charge	-	-
Carrying amount as at 31 December	30 844	30 844
As at 31 December 2025		
Cost	51 155	51 155
Accumulated amortization and impairment	(20 311)	(20 311)
Carrying amount as at 31 December	30 844	30 844

12. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Prepayments for property, plant and equipment	Leasehold improvements	TOTAL
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
Year ended 31 December 2025				
Carrying amount as at 1 January	138 221	-	133 008	271 229
Additions	28 838	52 190	-	81 028
Depreciation charge	(42 449)	-	(33 252)	(75 701)
Impairment charge				-
Carrying amount as at 31 December	124 610	52 190	99 756	276 556
As at 31 December 2025				
Cost	306 070	52 190	166 260	524 520
Accumulated depreciation and impairment	(181 460)	-	(66 504)	(247 964)
Carrying amount as at 31 December	124 610	52 190	99 756	276 556

13. Investments in related companies

Company	% of equity interest	Initial investment	Disposal	31/12/2025	31/12/2024
AROWANA PTE LTD 156 Macpherson Road 09-01, PSL Industrial Building, Singapore, 348528	100	701	(701)	-	701
LIONPRO PERU S.A.C.	10	25	(22)	3	25
LIONPRO CHILE SpA	100	994	-	994	994
LIONPRO VIETNAM COMPANY LIMITED	100	89,775	-	89,775	89,775
LIONPRO CAMBODIA CO	100	4,466	-	4,466	4,466
LIONPRO LANKA (PVT) LTD	100	8,472	-	8,472	-
LIONPRO GROUP (K) LIMITED	100	26,695	-	26,695	-
LIONPRO GHANA	100	424,714	-	424,714	-
LIONPRO (THAILAND) CO., LTD	49	27,340	-	27,340	27,340
	TOTAL:	**583,182**	**(723)**	**582,459**	**123,301**

Financial information about subsidiaries and associates:

Company	Equity		Profit/(loss) for the year	
	31/12/2025*	31/12/2024	2025*	2024
LIONPRO CHILE SpA	(34 336)	994	(35 330)	-
LIONPRO VIETNAM COMPANY LIMITED	77,081	89,775	(12,694)	(5,717)
LIONPRO (CAMBODIA) CO., LTD.	(56,191)	4,466	-	(60,657)
LIONPRO LANKA (PVT) LTD	8,306	3	(5,441)	-
LIONPRO GROUP (K) LIMITED	217,884	34,604	183,280	-
LIONPRO GHANA	-	-	-	-
Afrifeed Zimbabwe	-	-	-	-
LIONPRO (THAILAND) CO., LTD	(21,389)	56,963	(78,351)	7,483

*unaudited results

The Company's management has assessed the budget of the subsidiaries and associates for the year 2026 and their performance for the first three months of the year and has not detected any indications of impairment.

14. Other loans and non-current receivables

	31/12/2025	31/12/2024
Security deposits paid	2,219	6,699
TOTAL:	**2,219**	**6,699**

15. Inventories

	31/12/2025	31/12/2024
Low-value items	614	2 275
Finished goods and goods for sale	1,615,663	367,368
Prepayments for inventories	99,000	-
TOTAL:	**1,715,277**	**369,643**

Inventories rose considerably due to the launch of sales activities in Mozambique, where the Company is leasing a warehouse in the customs territory. The delivery of goods started only in the second quarter of the year, with the delivery cycle covering up to three months, so the sale of goods began only partially.

16. Trade receivables

	31/12/2025	31/12/2024
Trade receivables	4,163,983	2,015,272
Allowances for trade receivables	(17,041)	(102,315)
TOTAL:	**4,146,942**	**1,912,957**

Trade receivables are non-interest bearing.

17. Receivables from related companies

		31/12/2025	31/12/2024
Trade receivables, total:		21,931,923	15,315,858
	Africa	17,293,104	3,556,915
	Asia	4,231,305	2,900,883
	South America	407,352	-
	Europe	162	8,858,060
Loan to a related company		-	28,876
Accrued loan interest		-	669
	TOTAL:	**21,931,923**	**15,345,403**

Receivables from related companies at the year end represent balances due from related companies for goods supplied by regions. Of the total amount, there are no outstanding receivables that would be more than one year overdue. Receivables from related companies are on 185 days' terms and, based on the budget for 2026 and the group's operating results for the first three months, LINEN's management has no doubt about the recoverability of these balances.

18. Other receivables

	31/12/2025	31/12/2024
Overpayment of taxes	30,568	15,230
Doubtful receivables	-	19,067
Allowances for doubtful receivables	-	(19,067)
Prepayments for services*	121,953	-
Other receivables	-	8,784

TOTAL:	**152,521**	**24,014**

* In the reporting year, the Company started the designing and implementation of new accounting software, entered into an agreement on SAP S/4hana Public Cloud localization, and filed an application to the Investment and Development Agency of Latvia for the investment project "Support for process digitalization in commercial activities".

19. Prepaid expense

	31/12/2025	31/12/2024
Loan service fee*	203,121	9,774
Transport expense	33,106	7,638
Insurance	20,918	14,493
Business trips	9,767	3,734
Lease of premises	8,173	3,951
Staff recruitment	4,224	-
IT expense	3,486	2,985
Selling costs	2,287	12,296
Other prepaid expense	1,410	127
Vehicle expense	995	705
TOTAL:	**287,487**	**55,703**

In 2025, the Company issued bonds for an amount of EUR 6 753 000, with the maturity date set on 31 May 2028. According to the terms of the agreement, the Company paid a commission fee of EUR 234 577 to Signet banka AS as the arranger. The fee for the issuance of bonds is written off on a straight-line basis until the maturity of the bonds.

20. Cash and cash equivalents

	31/12/2025	31/12/2024
Cash at bank	293,633	236 486
TOTAL:	**293,633**	**236 486**

21. Bond-secured loans

	31/12/2025	31/12/2024
Bond-secured loans	6,753,000	-
TOTAL:	**6,753,000**	**-**

In 2025, the Company issued bonds for an amount of EUR 6 753 000, with the nominal value of EUR 1,000, the annual coupon rate of 11%, and the maturity date set on 31 May 2028. The issued bonds are stated at their nominal value at the year end.

A guarantee agreement has also been signed for the benefit of bondholders as creditors. The guarantor has undertaken issuer's obligations as the debtor and waived the right to demand that the bondholders file any claims against the issuer concerning outstanding payments. The guarantee letters have been signed by the chairman of the Board of the Company in the capacity of the chairman of the Board of related companies.

22. Loans from credit institutions

Current:		Maturity	31/12/2025	31/12/2024
Loan from Signet Bank AS	EUR	01/12/2026	5,000,000	3,000,000
		TOTAL current loans from credit institutions:	**5,000,000**	**3,000,000**

	31/12/2025	31/12/2024
Maturing in less than one year	5,000,000	3,000,000
TOTAL:	**5,000,000**	**3,000,000**

On 16 June 2021, Overdraft Agreement No 10.5-D-01-21/5 was signed. In accordance with Agreement No 4 signed by the parties on 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's shareholder as a guarantor is liable for up to EUR 200 000, with the credit line limit of EUR 1 000 000.
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's 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.
In 2025, it was agreed to increase the credit line limit to EUR 5,000,000, with the liability of the Company's shareholder as a guarantor of EUR 200 000.

23. Current loans from group companies

	31/12/2025	31/12/2024
Current loans from group companies	361,080	-
TOTAL:	**361,080**	**-**

24. Trade payables

	31/12/2025	31/12/2024
Trade payables	6,176,960	4,778,521
TOTAL:	**6,176,960**	**4,778,521**

25. Payables to related companies

	31/12/2025	31/12/2024
Unpaid shares in the share capital of related companies	424,716	26,665
Payables to related companies	60,164	49,203
TOTAL:	**484,880**	**75,868**

26. Taxes payable

	31/12/2025	31/12/2024
Value added tax	(30,568)	(15,230)
Personal income tax	29,948	22,283
Corporate income tax	4,920	-
Statutory social insurance contributions	45,626	23,956
TOTAL:	**49,926**	**31,009**
Total receivable (disclosed as other receivables)	**(30,568)**	**(15,230)**
Total payable	**80,494**	**46,239**

27. Other liabilities

	31/12/2025	31/12/2024
Other settlements with employees	617	9
TOTAL:	**617**	**9**

28. Accrued and deferred income

	31/12/2025	31/12/2024
Accrued income	3,023,701	-
Deferred income	(853,902)	-
TOTAL:	**2,169,799**	**-**

In the reporting year, the Company recalculated the delivery service fee based on the profitability of group companies in relevant countries. As a result, both accrued and deferred income has been recognized on the basis of management's estimates.

29. Accrued liabilities

	31/12/2025	31/12/2024
Provision for transport expense	34,217	274,499
Other accrued expense	88,438	49,364
Provisions for staff bonuses	74,492	62,888
Vacation pay reserve	68,908	44,617
TOTAL:	**266,055**	**431,368**

30. Staff costs and number of employees

	2025	2024
Wages and salaries	1,624,524	959,452
Statutory social insurance contributions	384,440	225,692
TOTAL:	**2,008,964**	**1,185,144**

Staff costs and number of employees (cont'd)

Including key management personnel compensation:

	2025	2024
Board Members		
Wages and salaries	168,489	299,253
Statutory social insurance contributions	39,747	70,594
TOTAL:	**208,236**	**369,847**

	2025	2024
Average number of Board Members during the reporting year	4	4
Average number of other employees during the reporting year	38	25
TOTAL:	**42**	**29**

Board Members who do not receive remuneration for their duties	1	1

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. In 2025, another lease agreement concerning additional office space was signed. The total amount of annual lease expenses was EUR 91,993 in 2025 (2024: EUR 46,175).

(d) Legal claim

The Company initiated court proceedings against a foreign debtor for debt recovery in 2024. The receivable was fully provided for. The debt was mostly settled in 2025. The outstanding balance remains fully provided for.

In 2026, the Company has become aware that an Italian supplier has brought a claim to the court of arbitration. The Company also has a property claim against this customer. It cannot be ruled out that both these claims, i.e., the Company's claim against the supplier and the supplier's claim against the Company, will be met.

(e) Guarantees

The Company did not provide any guarantees or sureties and its assets were neither pledged nor encumbered in 2025, except for the commitments and guarantees referred to in Notes 21 and 22 to these financial statements.

L. J. LINEN SIA
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LV-1010

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

THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP