LIONPRO Group
Operative report 2025, 9months

SIA “LIONPRO GROUP”
Riga, 2025

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INFORMATION ON THE COMPANY

NAME OF THE COMPANY	LIONPRO GROUP
LEGAL STATUS OF THE COMPANY	Limited Liability Company
NUMBER, PLACE AND DATE OF REGISTRATION	40203480428, Riga, 27 April 2023
ADDRESS	Antonijas street 5, Rīga, LV-1010
NAME OF THE SHAREHOLDER	JĀNIS KUĻIKOVSKIS 100%
BOARD MEMBER	JĀNIS KUĻIKOVSKIS Since 27 April 2023, can represent individually
REPORTING PERIOD	1 January - 30 September 2025

MANAGEMENT REPORT

TYPE OF OPERATIONS

LIONPRO Group is a supply chain manager and a supplier of high-quality animal feed raw materials, with a strategic focus on sustainable and affordable feed for the livestock sector across Sub-Saharan Africa, Asia, Latin America, and Europe. The Group companies have a long history spanning several decades. Building on this extensive experience in global raw material trading and product supply across more than 40 countries, LIONPRO continues to offer innovative alternative feed ingredients that enhance food security, improve farm efficiency, and reduce the environmental impact of animal nutrition.

LIONPRO Group operations are based on circular economy principles — utilizing underused but nutrient-rich by-products as valuable feed raw materials, thereby reducing waste and creating long-term value in developing markets through a well-planned procurement system, education, and the transfer of European best practices to these markets. LIONPRO's local supply chain distribution structure enables addressing critical challenges in developing markets, such as limited access to affordable feed and vulnerability to global price fluctuations.

PERFORMANCE OF THE GROUP 9M 2025

In 2025, the Group continued to advance its strategic expansion into new markets across Asia, South Africa, and South America, while simultaneously broadening its product portfolio. The establishment of new market operations and preparation for future sales activities led to an increase in Selling and Administrative expenses compared to the same period last year. Initial significant sales volumes in these regions are expected to be realized in Q4 2025.

Despite net revenue increasing by only 4.5% year-on-year, total sales volumes in metric tons grew by 18%, and the gross profit margin improved by 1.86 percentage points.

A key strategic priority remains the development of regional distribution hubs located closer to end consumers in existing markets. This initiative aims to enhance accessibility in regions with underdeveloped infrastructure by shortening delivery times, reducing supply chain risks, and ensuring consistent availability of feed ingredients for local farmers and small-scale livestock and aquaculture producers. One of the Group's long-term objectives is to establish itself as a one-stop supplier offering competitively priced and stable raw materials, less exposed to global market volatility.

To support its strategic growth initiatives and strengthen working capital—enabling a substantial increase in turnover across existing markets—the Group completed a private bond placement in June 2025. By the end of Q3 2025, total external financing attracted amounted to EUR 6,753,000. The Group partnered with Signet Bank, Latvia's leading investment bank, as the arranger of the bond issuance.

This new bond program represents a natural continuation of the Company's first international bond issuance in 2022, which generated strong investor interest and was fully repaid ahead of maturity. The successful completion of that program reinforced investor confidence and demonstrated the Group's financial discipline, stability, and commitment to meeting its obligations.

The first significant sales results, supported by this new round of financing are expected in Q4 2025, as the goods purchased between June and September are scheduled to arrive in the Group's warehouses within two to three months.

In August 2025, Latvian company LINEN, part LIONPRO Group, has become the first Latvian company to be granted a political and financial risk insurance guarantee by the World Bank's Multilateral Investment Guarantee Agency (MIGA) for a large-scale international investment project in Kenya. This guarantee is a significant recognition of the company's expertise and sustainable development strategy, as well as an important signal of the international competitiveness and export capacity of the Latvian economy. MIGA's support will be used to implement a USD 9 million LIONPRO Group investment project in Kenya, expanding the company's operations in the logistics and processing of animal feed ingredients in one of Africa's most important countries. The project envisions the creation of modern and sustainable infrastructure that will ensure supply chain efficiency, quality, and compliance with the highest international standards, while making feed more accessible in remote regions at the lowest possible cost. This is a Latvian investment in global food security – a significant step that, with the support of the World Bank, creates a real contribution to improving food availability and strengthening agricultural growth in Africa.

Jānis Kuļikovskis, Chairman of the Board of LIONPRO Group and LINEN, emphasizes:

"The MIGA guarantee for our project means a safer environment for investments in Kenya and the opportunity to focus on long-term development. It is a tremendous recognition for our team and for Latvian business as a whole – a clear signal that Latvia can compete with world-class companies by leveraging complex international financial instruments. Our investment in Kenya is not just a business project – it helps local farmers become more self-reliant, strengthens regional food security, and creates positive socio-economic impact."

At the end of 2024, the Group's management team approved the implementation of a new ERP system across all existing and new companies within the Group, selecting SAP — the world's most reliable financial accounting tool. The SAP rollout started in September 2025 and first go live is planned in June 2026.

During Q4 2025, the Group's primary objective is to convert inventories procured through the recently secured financing into higher net sales and improved profitability.

JĀNIS KUĻIKOVSKIS
CEO

PROFIT OR LOSS STATEMENT FOR YEAR 2025, 9 MONTHS

	2025, 9M EUR	2024, 9M EUR
NET TURNOVER	43 452 132	41 579 191
COST OF SALES	(37 209 194)	(36 378 926)
GM1	6 242 938	5 200 265
GM1%	*14.37%*	*12.51%*
SELLING EXPENSES	(2 324 742)	(1 822 864)
DISTRIBUTION EXPENSES	*(10 637)*	-
BUSINESS TRIPS	*(228 501)*	*(199 841)*
PERSONNEL RELATED COSTS	*(45 436)*	-
SALES AND OPERATIONAL STAFF SALARIES AND TAXES	*(1 304 152)*	*(732 068)*
SALES COMMISSIONS PAID	*(143 637)*	*(403 640)*
BANK FEES	*(260 902)*	*(273 872)*
MARKETING AND EXIBITIONS	*(244 993)*	*(213 443)*
RESEARCH AND DEVELOPMENT	*(86 484)*	-
GM2	3 918 196	3 377 401
GM2%	*9.01%*	*8.12%*
ADMINISTRATIVE EXPENSES	(1 367 413)	(1 010 537)
ADMINISTRATIVE AND FINANCE STAFF SALARIES AND TAXES	*(646 658)*	*(523 821)*
PERSONNEL RELATED COSTS	*(166 093)*	*(101 491)*
PROFESSIONAL EXPENSES	*(287 091)*	*(183 566)*

	2025, 9M EUR	2024, 9M EUR
OFFICE RELATED COSTS	*(159 955)*	*(132 774)*
IT EXPENSES	*(66 295)*	*(49 918)*
OTHER ADMINISTRATION COSTS	*(41 321)*	*(18 967)*
EBITDA	2 550 783	2 366 864
EBITDA %	*5.87%*	*5.69%*
CURRENCY EXCHANGE LOSS/PROFIT, net	(693 552)	27 127
OTHER OPERATING EXPENSES	(19 313)	(13 131)
OTHER OPERATING INCOME	75 048	2 488
DEPRECIATION	(65 587)	(62 312)
EBIT	1 847 379	2 321 036
EBIT%	*4.25%*	*5.58%*
CORPORATE INCOME TAX	(53 985)	(63 810)
INTEREST INCOME AND SIMILAR INCOME	4 546	42 377
INTEREST EXPENSES	(612 348)	(304 701)
NET INCOME	1 185 592	1 994 902
NET INCOME %	*2.73%*	*4.80%*

BALANCE SHEET AS OF 30 SEPTEMBER 2025

	30.09.2025. EUR	30.09.2024. EUR
NON-CURRENT ASSETS	376 608	328 330
INTANGIBLE ASSETS	33 551	33 533
INTANGIBLE ASSETS	*33 551*	*33 533*
PROPERTY, PLANT AND EQUIPMENT	291 169	294 797
OTHER FIXED ASSETS	*291 169*	*294 797*
LONG-TERM ASSETS	51 888	-
OTHER LONG-TERM RECEIVABLES AND LOANS	*51 888*	-
CURRENT ASSETS	30 171 852	18 524 562
INVENTORIES	16 337 673	9 591 426
FINISHED GOODS AND GOODS FOR SALE	*6 760 297*	*3 924 106*
GOODS IN TRANSIT	*9 577 376*	*5 667 320*
RECEIVABLES	9 976 968	7 963 637
TRADE RECEIVABLES	*7 549 355*	*7 552 382*
OTHER RECEIVABLES	*1 773 001*	*126 129*
PREPAID EXPENSES	*447 451*	*69 534*
LOANS TO SHAREHOLDERS AND MANAGEMENT	*207 161*	*215 592*
CASH AND CASH EQUIVALENTS	3 857 211	969 499
TOTAL ASSETS	30 548 460	18 852 892

BALANCE SHEET AS OF 30 SEPTEMBER 2025

	30.09.2025. EUR	30.09.2024. EUR
CAPITAL AND RESERVES	7 664 887	5 531 772
SHARE CAPITAL	*50 000*	*50 000*
ACCUMULATED PROFIT:	*7 050 833*	*5 392 232*
A) BROUGHT FORWARD	*6 015 241*	*3 521 462*
B) CURRENT YEAR	*1 185 592*	*1 994 902*
C) DIVIDENDS PAID	*(150 000)*	*(124 132)*
FOREIGN CURRENCY TRANSLATION RESERVE	*564 054*	*89 540*
NON-CURRENT LIABILITIES	8 824 000	1 111 548
OTHER LOANS	*8 653 000*	*934 660*
LOANS FROM SHAREHOLDERS AND MANAGEMENT	*171 000*	*176 888*
CURRENT LIABILITIES	14 059 572	12 209 572
SHORT TERM LIABILITIES FROM FINANCIAL INSTITUTIONS	*5 304 612*	*3 279 218*
TRADE PAYABLES	*8 675 823*	*8 184 898*
TAXES AND SOCIAL INSURANCE CONTRIBUTIONS	*60 058*	*52 010*
OTHER CURRENT LIABILITIES	*18 409*	-
ACCRUED LIABILITIES	*671*	*693 446*
EQUITY AND LIABILITIES	30 548 460	18 852 892

FINANCIAL COVENANTS	
	30.09.2025. EUR
EQUITY RATIO OF AT LEAST 25% (TWENTY FIVE PERCENT) CALCULATED FOR THE RELEVANT PERIOD AT THE END OF EACH QUARTER	**25.00%**
TOTAL EQUITY	7 664 887
TOTAL ASSETS	30 548 460
NET DEBT LEVERAGE RATIO LESS THAN 4X (FOUR TIMES) CALCULATED FOR THE RELEVANT PERIOD AT THE END OF EACH QUARTER	**3.63**
ROLLING EBITDA	*2 832 869*
NET DEBT	*10 271 401*
CASH AND CASH EQUIVALENTS	*(3 857 211)*
LOANS	*14 128 612*
INTEREST COVERAGE RATIO OF AT LEAST 3X (THREE TIMES), CALCULATED FOR THE RELEVANT PERIOD AT THE END OF EACH QUARTER	**4.17**
EBITDA	2 550 783
INTEREST EXPENSES	612 348