LIMITED LIABILITY COMPANY LIONPRO GROUP
(UNIFIED REGISTRATION NUMBER 40203480428)

CONSOLIDATED ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

(2nd 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.

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General information

Name of the Group	SIA LIONPRO GROUP (until 05.09.2025 SIA JAZE CAPITAL HOLDINGS)
Legal status of the Group	Limited liability company
Registration number, place and date of registration	40203480428, Riga, 27 April 2023
Registered office	Antonijas iela 5 Riga, Latvia, LV-1010
Board Members	Jānis Kuļikovskis, Board Member since 27 April 2023
Subsidiary	BV LIONPRO (100%), Barbara Strozzilaan 101, 1083HN, Amsterdam
BV LIONPRO subsidiaries	SIA Lionpro SF (100%), Antonijas iela 5, Rīga, LV-1010
	SIA Plant- I- Boost (100%), Antonijas iela 5, Rīga, LV-1010
	SIA Afrifeed (100%), Antonijas iela 5, Rīga, LV-1010
	SIA L.J.Linen (100%), Antonijas iela 5, Rīga, LV-1010
	LLC Plant-I-Boost (100%), 333 TAMIAMI TRAIL S. STE 219, VENICE, FL 34285
	LTD AFRIFEED ZIMBABWE (100%), 135 Enterprise Road, Highlands, Harare, Zimbabwe
	LTD LIONPRO GROUP (K) (100%), 7th floor, Western Heights, Karuna Road, Westlands, Nairobi, Kenya
	LTD LIONPRO UGANDA (100%), P.O.BOX 21998, Plot 1, Kirinnya Road, Bweyogerere, Uganda
	LTD LIONPRO RWANDA (100%), Kinyinya, Gasabo, Umujyi wa Kigali, Rwanda
	LTD LIONPRO TANZANIA (100%), Ali Hassan Mwinyi Street, Plot 37/00, House 001, Dar Es Salaam, Tanzania
	LTD LIONPRO MOZAMBIQUE (100%), Moçambique, Provlncia de Cabo Delgado, Pemba Cidade, Bairro Cimento, Rua Jeronimo Romero, No74

	LTD LIONPROGROUP COTE'DIVOURE (100%), 26 BP 825 ABIDJAN 26, MARCORY ZONE 4	
	LTD LIONPRO NIGERIA (100%), Plot 2 Abimbola Awoliyi Estate (Bola event centre), Old Abeokuta Road, Agege Lagos Nigeria	
	SPA LIONPRO CHILE (100%), Americo Vespucio Sur 100, 11th floor, Las Condes, Santiago Chile	
	LTD LIONPRO (CAMBODIA) CO. (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	
	LTD LIONPRO VIETNAM COMPANY. (100%), Room 328Register08, 3rd Floor, Worc@Q2 Building, No. 21, Vo Truong Toan Street, Thao Dien Ward, Thu Duc City, Ho Chi Minh City, Vietnam	
	LTD LIONPRO LANKA (PVT) (100%), 74A, 3RD FLOOR, ADVANTAGE BUILDING DHARMAPALA MAWATHA, COLOMBO 07	
	SAC LIONPRO PERU (100%), Av Camino Real 456 Torre Real piso 12, inside 1201, Lima, Peru	
	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	
	LTD LIONPRO (THAILAND) CO. (49%), 38 Moo 5 Tambon Sawai Chik, Mueang Buri Ram, Buri Ram, Thailand	
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 information about the Group

The SIA 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 has a long history spanning three 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 from animal nutrition.

The Company's operations are based on circular economic 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.

Group's overall performance and financial position

In 2025, the Group continued its strategic expansion into new markets across Asia, South Africa, and South America, while further broadening its product portfolio. Net turnover increased to EUR 61,672,790 (2024: EUR 53,837,431), and gross profit reached EUR 8,881,870 (2024: EUR 7,372,177). The launch of operations in new markets and preparations for future sales activities resulted in higher selling and administrative expenses, which increased to EUR 3,167,964 and EUR 2,286,115, respectively. In addition, the Group recognized a significant foreign exchange loss due to the weakening of the US dollar throughout 2025, compared with the exceptionally strong performance of the US dollar in 2024. This was primarily reflected in other operating expenses, which increased to EUR 1,809,520 (2024: EUR 407,753). Over the longer term, the US dollar has demonstrated only temporary weakness. The fourth quarter of 2025 delivered a significant increase in sales volumes, with new sales reaching a record 148 thousand tonnes.

Despite net revenue increasing by only 10.6% year-on-year, total sales volumes in metric tons grew by 35.8%, and the gross profit margin improved by 0.74 percentage points. As a result of higher selling, administrative and finance costs, as well as significantly lower other operating income (EUR 26,678 in 2025 compared with EUR 1,088,608 in 2024), profit for the year decreased to EUR 631,950 (2024: EUR 2,755,023). 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 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 4 to meeting its obligations.

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

Management report (cont'd)

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.

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 commenced in September 2025, with the first go-live planned for 2026.

Future development

During 2026, the Group's primary objective is strengthening its position in existing markets and opening regional distribution centers or retail stores in Kenya and Uganda, as well as continue upgrade of its logistics centers with machinery that can facilitate simple production. Additional machinery at the logistics centers will help to produce products that will require less effort for the end consumers to integrate them in final feeds as well as will create additional, higher value-added products in LIONPRO portfolio.

Risks

The Group's operations are exposed to various financial risks, including credit risk, liquidity risk, and foreign currency risk. The Group's main financial instruments consist of trade receivables, bank credit lines, and trade and other payables.

Foreign currency risk

The Group's financial assets, primarily related party receivable, are directly exposed to foreign currency risk. The Company consistently hedges the EUR/USD exchange rate at least one quarter in advance, ensuring stable EUR cash flow that is independent of external factors. Afterwards the cash flow is used to settle payables to creditors in Europe.

Interest rate risk
Interest rate risk arises from changes in interest rates that affect the Group's net profit and future cash flows. The Group's policy is to ensure that the majority of its borrowings are at a fixed rate. The applicable interest rates on the Group's borrowings are detailed in Note 24.

Liquidity risk
Liquidity risk relates to the Group's ability to meet its current and non-current obligations in time. The Group manages liquidity risk by maintaining sufficient capital through borrowings or equity, holding adequate cash reserves, setting accounts receivable maturities, and preparing and analyzing future cash flow forecasts.

Credit risk
The Group is exposed to credit risk through its trade receivables, as well as cash and cash equivalents.

The Group's trade receivables consist of amounts owed by customers for sold goods. The Group manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on an individual basis. The Group also monitors its assets — including the aging profile of receivables, the aging structure of inventory, and the average inventory days.

Credit risk related to cash and cash equivalents is limited, as counterparties are banks and payment systems. To diversify credit risk, the Group places its cash funds across multiple banks.

Capital management
The Group's objective is to maintain an optimal capital and financing structure that ensures the lowest possible cost of capital. Capital management is monitored using the Capitalization Ratio, calculated as adjusted equity in relation to the Group's assets. The Group monitors equity based on the Capitalization Ratio as specified in the credit line agreement, which as at 31 December 2025 was at least 38%.

Jānis Kuļikovskis
Board Member

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Consolidated statement of profit or loss

	Notes	2025 EUR	2024 EUR
Net turnover	3	61 672 790	53 837 431
Cost of sales	4	(52 790 920)	(46 465 254)
Gross profit or loss		8 881 870	7 372 177
Distribution costs	5	(3 167 964)	(2 874 307)
Administrative expense	6	(2 286 115)	(1 886 865)
Other operating income	7	26 678	1 088 608
Other operating expense	8	(1 809 520)	(407 753)
Other interest and similar income	9	12 337	1 591
• related companies		-	-
• other companies		12 337	1 591
Interest and similar expense	10	(955 628)	(375 398)
• related companies		-	-
• other parties		(955 628)	(375 398)
Profit or loss before corporate income tax		701 658	2 918 053
Income tax expense	11	(69 708)	(163 030)
Profit or loss after corporate income tax		631 950	2 755 023
Net profit or loss for the reporting year		631 950	2 755 023

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

Jānis Kuļikovskis
Board Member

Sarma Jēča
CFO

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Consolidated balance sheet

ASSETS

NON-CURRENT ASSETS	Notes	31.12.2025 EUR	31.12.2024 EUR
Intangible assets			
Concessions, patents, licenses, trademarks and similar right	13	30 844	29 997
TOTAL		30 844	29 997
Property, plant and equipment			
Other fixtures and fittings, tools and equipment	14	324 949	301 043
TOTAL		324 949	301 043
Non-current financial assets			
Other loans and non-current receivables	16	264 364	42 787
TOTAL		264 364	42 787
TOTAL NON-CURRENT ASSETS		620 157	373 827
CURRENT ASSETS			
Inventories			
Finished goods and goods for sale	17	15 843 382	8 621 854
TOTAL		15 843 382	8 621 854
Receivables			
Trade receivables	18	9 349 634	6 635 667
Loans to shareholders and management	20	-	206 194
Other receivables	19	1 595 971	108 433
Prepaid expense	21	427 546	101 956
TOTAL		11 373 151	7 052 250
Cash	22	1 328 289	1 294 576
TOTAL CURRENT ASSETS		28 544 822	16 968 680
TOTAL ASSETS		29 164 979	17 342 507

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Jānis Kuļikovskis
Board Member

Sarma Jēča
CFO

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Consolidated balance sheet (cont'd)

EQUITY AND LIABILITIES

EQUITY	Notes	31.12.2025 EUR	31.12.2024 EUR
Share capital	23	50 000	50 000
Reserves:			
Retained earnings		6 197 426	3 442 404
Profit for the reporting year		451 950	2 755 023
Foreign currency translation reserve		552 524	(51 993)
TOTAL EQUITY		7 251 900	6 195 434
LIABILITIES			
Non-current liabilities			
Bonds	24	6 753 000	-
Other loans	26	1 910 000	1 400 000
Loans from shareholders		171 000	171 000
TOTAL		8 834 000	1 571 000
Current liabilities			
Loans from credit institutions	25	5 489 151	3 220 249
Trade payables		7 028 996	5 578 485
Taxes payable	27	56 437	113 076
Other liabilities		9 144	12 138
Deferred income	28	-	162 196
Accrued liabilities	29	495 351	489 929
KOPA		13 079 079	9 576 073
TOTAL LIABILITIES		21 913 079	11 147 073
TOTAL EQUITY AND LIABILITIES		29 164 979	17 342 507

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

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Consolidated statement of cash flows

	2025 EUR	2024 EUR
Cash flows to/from operating activities		
Profit or loss before corporate income tax	701 658	2 918 053
Adjustments for:		
• depreciation and impairment of property, plant and equipment	82 012	73 602
• amortization and impairment of intangible assets	10 633	9 677
• gain or loss from fluctuations of currency exchange rates	1 745 303	(1 063 491)
• other interest and similar income	(12 337)	(1 592)
• interest and similar expense	938 961	375 398
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	***3 466 230***	***2 311 647***
• (increase) or decrease in receivables	(4 969 526)	(5 879 479)
• (increase) or decrease in inventories	(7 221 528)	(8 621 854)
• increase or (decrease) in trade and other payables	1 221 321	6 355 823
Cash generated from operations	***(7 503 503)***	***(5 833 863)***
Interest paid	(926 624)	(373 806)
Corporate income tax paid	(69 708)	(163 030)
Net cash flows to/from operating activities	**(8 499 835)**	**(6 370 699)**
Cash flows to/from investing activities		
Purchase of property, plant and equipment and intangible assets	(117 398)	(414 318)
Loans issued	(30 181)	(206 195)
Net cash flows to/from investing activities	**(147 579)**	**(620 513)**
Cash flows to/from financing activities		
Proceeds from issue of shares and bonds or investments in share capital	-	3 672 404
Proceeds from bonds	6 753 000	-
Proceeds from other borrowings	5 036 269	4 791 249
Loan repayment expenses	(2 236 010)	-
Dividends paid	(180 000)	(180 000)
Net cash flows to/from financing activities	**9 373 259**	**8 283 653**
Net foreign exchange difference	(692 132)	2 135
Net cash flow for the year	33 713	1 294 576
Cash and cash equivalents at the beginning of the year	1 294 576	-
Cash and cash equivalents at the end of the year	**1 328 289**	**1 294 576**

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

Jānis Kuļikovskis
Board Member

Sarma Jēča
CFO

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Consolidated statement of changes in equity

	Share capital	Foreign currency translation reserve	Retained earnings of consolidated subsidiaries from prior years	Total
Balance as at 31 December 2023	50 000	-	3 622 404	3 672 404
Foreign currency translation reserve		(51 993)		(51 993)
Dividends paid			(180 000)	(180 000)
Profit for the reporting year			2 755 023	2 755 023
Balance as at 31 December 2024	50 000	(51 993)	6 197 427	6 195 434
Foreign currency translation reserve		604 516		604 516
Dividends paid			(180 000)	(180 000)
Profit for the reporting year			631 950	631 950
Balance as at 31 December 2025	50 000	552 523	6 649 377	7 251 900

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

Jānis Kuļikovskis
Board Member

Sarma Jēča
CFO

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Notes to the financial statements

1. Corporate information

SIA LIONPRO GROUP (formerly SIA JAZE CAPITAL HOLDINGS, renamed in 2025; hereinafter – the Group) was registered with the Republic of Latvia Enterprise Register on 27 April 2023. The registered office of the Group is at Antonijas iela 5, Riga.

The ultimate beneficial owner of the Group is Jānis Kuļikovskis, who also owns 100% of the Group. The Group is engaged in the global trade of animal-based proteins, as well as other raw materials for animal, livestock, poultry, and fish feed. In 2024, the Group registered the trademark LIONPRO.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of SIA LIONPRO GROUP have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports. The year 2024 was the Group's first financial year in which the consolidated annual report was prepared in accordance with the Law of the Republic of Latvia on Annual Reports and Consolidated Annual Reports. The legal establishment of the Group was completed at the beginning of 2024, and in previous years, the consolidation criteria were not met.

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 Group meets the criteria of a medium-sized group specified in the law.

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

Going concern

The financial statements are prepared on the basis that the Group will continue to be a going concern. The Group's structure and the entities included in the consolidation are disclosed in Note 15 to the financial statements.

Consolidation basis

Subsidiaries

The ultimate parent company of the Group is LIONPRO Group SIA (Latvia). The Group has a multi-tier holding structure: certain subsidiaries are held directly by LIONPRO Group SIA, while others are held indirectly through intermediate holding companies, including Lionpro B.V. (the Netherlands), Afrifeed SIA (Latvia), Plant-I-Boost SIA (Latvia), Lionpro SF SIA (Latvia) and L.J.Linen SIA (Latvia). Consequently, the Group's trading companies operating in different markets are run by various holding companies within the Group. The consolidated financial statements include all entities controlled by the ultimate parent company, irrespective of the ownership chain, including both directly and indirectly held subsidiaries.

Subsidiaries are included in the consolidated financial statements when they are controlled by the Group's parent company. Control is achieved when the parent company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect the amount of those returns.

The Group's parent company reassesses whether it controls an investee whenever facts and circumstances indicate that there may be changes in one or more of the three elements of control described above. When the parent company holds less than a majority of the voting rights of an investee, it considers that it has power over the investee if the voting rights held are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee.

The consolidation of a subsidiary begins when the Group's parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary. Specifically, the

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

results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date on which control is obtained until the date on which control is lost. In cases where the date of the share purchase agreement differs significantly from the date of the transfer of ownership or the date of registration with the Enterprise Register, the date of the agreement is considered the acquisition date or the date of the investment, unless otherwise specified in the agreement.

The financial reporting periods of the Group's parent company and all subsidiaries are the same. The consolidated financial statements are prepared using uniform accounting policies. Where necessary, the accounting and measurement policies of the Group's subsidiaries have been adjusted to ensure consistency with those applied by the Group. The financial statements of the Group's parent company and its subsidiaries are consolidated into the Group's financial statements by combining the respective items of assets, liabilities, income, and expenses. Subsidiaries which accounting is done in foreign currencies for consolidation purposes, financial data is converted into EUR. Income statement values are converted into EUR based on the average exchange rate in 2025 of 1 EUR against the respective foreign currency used in accounting,
and balance sheet item values are converted into EUR based on the exchange rate as of 31 December 2025 1 EUR against the respective foreign currency used in accounting.

Non-controlling interests in the equity and results of subsidiaries are presented separately in the consolidated statement of profit or loss, the statement of changes in equity, and the statement of Balance sheet.

LTD LIONPRO (THAILAND) CO has been fully consolidated based on the Group's control over its operations, notwithstanding its 49% equity interest. As the non-controlling interest of 51% is not material, it has not been presented separately in these consolidated financial statements.

Elimination of intercompany transactions

The consolidated financial statements include the financial statements of the Group's parent company and its subsidiaries for the year 2025. As part of the consolidation process, all intercompany transactions, balances, and unrealized gains or losses arising from transactions between Group entities have been fully eliminated.

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.

Foreign currency translation

The presentation currency of the consolidated financial statements is the euro (EUR), the official currency of the Republic of Latvia. Effective from 2025, the functional currency of the Group's subsidiaries operating outside the euro area is the US dollar (USD). Transactions denominated in foreign currencies are translated into EUR using the European Central Bank's euro reference exchange rate applicable on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into EUR using the European Central Bank's euro reference exchange rate at the reporting date. Foreign exchange gains and losses arising on the settlement of foreign currency transactions and from the translation of monetary assets and liabilities at exchange rates different from those applied on initial recognition are recognised in the statement of profit or loss on a net basis. Exchange differences arising from the translation of the profit or loss of foreign operations using the average EUR exchange rates for 2025 and the translation of their assets and liabilities using the exchange rates at the reporting date are recognised in equity under the *"Currency translation adjustment"*.

The following exchange rates were used in preparing the consolidated annual report:

Currency	Average exchange rate for 2025 against 1 EUR	Exchange rate as at 31 December 2025 against 1 EUR
USD	1.1310	1.1750

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

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.

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
Computer 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 Group 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.

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.

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:

- for goods held for sale in warehouses, these costs include the purchase price of the goods, transportation costs to the final port, as well as import and delivery costs to the warehouse.

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, borrowings and bonds 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, borrowings and bonds 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.

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 Group 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 Group 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 Group 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

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.

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

Income taxes

Corporate income tax for the Group's subsidiaries is calculated in accordance with the tax legislation effective at the end of the reporting period in the respective subsidiary's country of incorporation.

The legislation effective in the Republic of Latvia sets a 0% tax rate on undistributed profits. Upon distribution of profits, the applicable corporate income tax rate is 20%, which corresponds to 20/80 of the taxable base. Corporate income tax on dividends is recognized as an expense in the profit or loss statement in the period when the respective dividends are declared. For other conditional profit items, the tax expense is recognized in the period when the expenses are incurred. Corporate income tax on deemed profit distributions is presented under "Other operating expense".

Corporate income tax in the other countries where the Group's subsidiaries operate is calculated by applying the statutory tax rate of each country to the profit for the reporting year. Below are the corporate income tax rates applicable in the countries of residence of the Group's subsidiaries:

Country	Corporate income tax rate, %
Netherlands	25,8%
Singapore	17%
Kenya	30%
Uganda	30%
Rwanda	28%
Tanzania	30%
Côte d'Ivoire	25%
Nigeria	30%
Cambodia	20%
Vietnam	20%
Thailand	20%
Peru	29.5%
Chile	25%

Subsequent events

Post-year-end events that provide additional information about the Group'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
Sale of finished goods and materials	61 672 790	53 837 431
TOTAL:	**61 672 790**	**53 837 431**

The increase in net turnover in 2025 was primarily driven by the Group's strategic expansion into new markets across Asia, South Africa and South America, as well as the expansion of its product portfolio. As a result, total sales volumes increased by 35.8%, reaching a record 148 thousand tonnes in the fourth quarter. The increase in turnover measured in EUR (+10.6%) was partially constrained by the weakening of the US dollar during the year. Consequently, the growth in sales volumes significantly exceeded revenue growth in currency terms.

4. Cost of sales

	2025	2024
Cost of materials	46 837 063	35 694 764
Transport costs	5 953 857	10 770 490
TOTAL:	**52 790 920**	**46 465 254**

5. Distribution costs

		2025	2024
Sales staff salaries and related taxes		1 415 461	684 229
Logistics staff salaries and related taxes		409 293	386 324
Bank charges		346 855	154 046
Exhibition and marketing expenses		320 227	257 487
Business trips		300 864	269 484
Sales and agency commission fees		167 155	622 139
R&D related costs		114 740	-
Warehouse and distribution expense		89 545	464 186
Other distribution costs		3 824	36 412
	TOTAL:	**3 167 964**	**2 874 307**

6. Administrative expense

		2025	2024
Salaries and related taxes		967 337	794 449
Audit and professional consulting fees		616 327	551 609
Other staff-related costs		217 477	172 768
Office maintenance		202 456	150 409
Depreciation		88 029	83 279
IT expense		113 711	71 759
Transport costs		34 337	25 429
Communication costs		21 342	24 226
Low-value items		23 601	8 955
Representation expense		1 498	3 982
	TOTAL:	**2 286 115**	**1 886 865**

7. Other operating income

		2025	2024
Gain on disposal of property, plant and equipment, net		-	7 317
Currency exchange gain, net		-	1 063 491
Other operating income		26 678	17 800
	TOTAL:	**26 678**	**1 088 608**

8. Other operating expenses

		2025	2024
Currency exchange loss, net		1 745 303	-
Allowances for doubtful receivables		-	287 371
Penalties		2 661	10 307
Other operating expense		61 556	110 075
	TOTAL:	**1 809 520**	**407 753**

9. Other interest and similar income

	2025	2024
Interest on bank account balances	12 337	1 591
TOTAL:	**12 337**	**1 591**

10. Interest and similar expense

	2025	2024
Loan interest payments	955 628	375 398
TOTAL:	**955 628**	**375 398**

11. Corporate income tax

	2025	2024
Calculated corporate income tax in the Republic of Latvia	67 156	55 852
Calculated corporate income tax in Uganda	-	54 120
Calculated corporate income tax in Nigeria	-	27 204
Calculated corporate income tax in Côte d'Ivoire	2 266	24 586
Calculated corporate income tax in the Asia region	286	1 268
TOTAL:	**69 708**	**163 030**

12. Staff costs and number of employees

	2025	2024
Wages and salaries	2 244 912	1 471 407
Statutory social insurance contributions	546 776	393 596
TOTAL:	**2 791 688**	**1 865 003**

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	89	45
TOTAL:	**93**	**49**

13. Intangible assets

	Concessions, patents, licenses, trademarks and similar rights	TOTAL
Year ended 31 December 2024		
Carrying amount as at 1 January	39 674	39 674
Amortization charge	(9 677)	(9 677)
Carrying amount as at 31 December	29 997	29 997
As at 31 December 2024		
Cost	47 628	47 628
Accumulated amortization and impairment	(17 631)	(17 631)
Carrying amount as at 31 December	29 997	29 997
Year ended 31 December 2025		
Carrying amount as at 1 January	29 997	29 997
Additions	11 480	11 480
Amortization charge	(10 633)	(10 633)
Carrying amount as at 31 December	30 844	30 844
As at 31 December 2025		
Cost	59 108	59 108
Accumulated amortization and impairment	(28 264)	(28 264)
Carrying amount as at 31 December	30 844	30 844

14. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	**TOTAL**
Year ended 31 December 2024			
Carrying amount as at 1 January	86 555	166 260	252 815
Additions	121 828	-	121 828
Cost of disposals	(43 022)	-	(43 022)
Accumulated depreciation of disposals	41 524	-	41 524
Depreciation charge	(38 852)	-	(38 852)
Carrying amount as at 31 December	168 033	166 260	334 293
As at 31 December 2024			
Cost	307 044	166 260	473 304
Accumulated depreciation and impairment	(139 009)	(33 252)	(172 261)
Carrying amount as at 31 December	168 035	133 008	301 043
Year ended 31 December 2025			
Carrying amount as at 1 January	168 035	133 008	301 043
Additions	105 918	-	105 918
Cost of disposals	(3 956)	-	(3 956)
Accumulated depreciation of disposals	-	-	-
Depreciation charge	(44 804)	(33 252)	(78 056)
Carrying amount as at 31 December	225 193	99 756	324 949
As at 31 December 2025			
Cost	409 006	166 260	575 266
Accumulated depreciation and impairment	(183 813)	(66 504)	(250 317)
Carrying amount as at 31 December	225 193	99 756	324 949

15. Consolidated companies

Group	%
BV LIONPRO", registered office: Barbara Strozzilaan 101, 1083HN, Amsterdam	100
SIA Lionpro SF, registered office: Antonijas iela 5, Riga, LV-1010	100
SIA Plant- I- Boost, registered office: Antonijas iela 5, Riga, LV-1010	100
SIA Afrifeed, registered office: Antonijas iela 5, Riga, LV-1010	100
SIA „ L.J.Linen", juridiskā adrese: Antonijas iela 5, Rīga, LV-1010	100

LLC Plant-I-Boost, registered office: 333 TAMIAMI TRAIL S. STE 219, VENICE, FL 34285	100
LTD AFRIFEED ZIMBABWE, registered office: 135 Enterprise Road, Highlands, Harare, Zimbabwe	100
LTD LIONPRO GROUP (K), registered office: 7th floor, Western Heights, Karuna Road, Westlands, Nairobi, Kenya	100
LTD LIONPRO UGANDA, registered office: P.O.BOX 21998, Plot 1, Kirinnya Road, Bweyogerere, Uganda	100
LTD LIONPRO RWANDA, registered office: Kinyinya, Gasabo, Umujyi wa Kigali, Rwanda	100
LTD LIONPRO TANZANIA, registered office: Ali Hassan Mwinyi Street, Plot 37/00, House 001, Dar Es Salaam, Tanzania	100
LTD LIONPRO MOZAMBIQUE, registered office: Moçambique, Provlncia de Cabo Delgado, Pemba Cidade, Bairro Cimento, Rua Jeronimo Romero, No74	100
LTD LIONPROGROUP COTE'DIVOURE, registered office: 26 BP 825 ABIDJAN 26, MARCORY ZONE 4	100
LTD LIONPRO NIGERIA, registered office: Plot 2 Abimbola Awoliyi Estate (Bola event centre), Old Abeokuta Road, Agege Lagos Nigeria	100
SPA LIONPRO CHILE, registered office: Americo Vespucio Sur 100, 11th floor, Las Condes, Santiago Chile	100
LTD LIONPRO (CAMBODIA) CO., registered office: Exchange Square, House no. 19&20, 14th Floor, Office 1431 Register 02, Street 106, Phum 2, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh	100
LTD LIONPRO VIETNAM COMPANY, registered office: Room 328Register08, 3rd Floor, Worc@Q2 Building, No. 21, Vo Truong Toan Street, Thao Dien Ward, Thu Duc City, Ho Chi Minh City, Vietnam	100

LTD LIONPRO LANKA (PVT), registered office: 74A, 3RD FLOOR, ADVANTAGE BUILDING DHARMAPALA MAWATHA, COLOMBO 07	100
SAC LIONPRO PERU, registered office: Av Camino Real 456 Torre Real piso 12, inside 1201, Lima, Peru	100
LIONPRO GHANA, registered office: 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	100
LTD LIONPRO (THAILAND) CO., registered office: 38 Moo 5 Tambon Sawai Chik, Mueang Buri Ram, Buri Ram, Thailand	49

16. Other loans and non-current receivables

	31/12/2025	31/12/2024
Non-current loan to a private individual	31 979	29 966
Long-term loans	206 972*	-
Management fee	9 853	-
Fund establishment	13 341	-
Non-current rental deposits paid	2 219	12 821
TOTAL:	**264 364**	**42 787**

* The loan originated from a transaction with PTE “AROWANA EXIM”, which was part of the Group until October 2025. While PTE “AROWANA EXIM” remained within the Group, the related receivable was eliminated upon consolidation as an intra-group balance. Following the company's disposal from the Group in November 2025, the receivable is presented under "Long-term loans" within "Other loans and non-current receivables". As at the date of approval of these consolidated financial statements, the loan has been almost fully repaid.

17. Inventories

	31/12/2025	31/12/2024
Finished goods and goods for sale (cost)	9 554 730	6 572 468
Goods in transit	6 288 652	2 049 386
TOTAL:	**15 843 382**	**8 621 854**

Inventories rose considerably due to the launch of sales activities in Mozambique, where the Group 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.

18. Trade receivables

	31/12/2025	31/12/2024
Trade receivables	9 584 998	7 019 421

Allowances for doubtful receivables	(235 364)	(383 754)
TOTAL:	**9 349 634**	**6 635 667**

Trade receivables are non-interest bearing.

19. Other receivables

	31/12/2025	31/12/2024
Overpayments to suppliers*	121 953	36 113
Current deposits paid	168 213	28 980
Tax overpayment**	1 136 009	23 573
Advances to employees	4 449	17 683
Accrued income	142 771	-
Deferred expenses	22 502	-
Other receivables	74	2 084
TOTAL:	**1 595 971**	**108 433**

* Advances to suppliers relate to the development and implementation of a new accounting software system initiated by the Group during the reporting year, the execution of a contract for the localisation of SAP S/4HANA Public Cloud, and the submission of an application to the Investment and Development Agency of Latvia under the investment project "Support for the Digitalisation of Business Processes."

** Tax overpayments comprise recoverable customs duties in Kenya and withholding tax overpayments in Uganda and Rwanda. The customs duty overpayment in Kenya arose in relation to customs duties previously paid, to which a 0% rate is applicable. The Group has submitted a request for the refund of the customs duties paid.

The withholding tax overpayments in Uganda and Rwanda have been confirmed by the respective tax authorities, and the Group is undertaking the necessary actions to recover these amounts or offset them against future tax liabilities. Management believes that the recognized tax overpayments are recoverable.

20. Loans to shareholders and management

	31/12/2025	31/12/2024
Loans to management	-	206 194
TOTAL:	**-**	**206 194**

21. Prepaid expense

	31/12/2025	31/12/2024
Other prepaid expense	427 546	101 956
TOTAL:	**427 546**	**101 956**

22. Cash and cash equivalents

	31/12/2025	31/12/2024
Cash at bank, USD	556 826	580 054
Cash at bank, EUR	165 547	138 553
Cash at bank, other currencies	605 916	575 969
TOTAL:	**1 328 289**	**1 294 576**

23. Share capital

The share capital of the Group is EUR 50,000 and consists of 50,000 shares. The par value of each share is EUR 1. The total par value is EUR 50,000, which constitutes 100% of the share capital. All the shares are fully paid.

In 2025, dividends of EUR 180,000 (EUR 3.60 per share) were distributed by the parent company, LIONPRO Group SIA.

The Group's Board has suggested that the profit for the reporting year should be transferred for further development of the Group.

24. Bonds

	31/12/2025	31/12/2024
Bonds	6 753 000	-
TOTAL:	**6 753 000**	**-**

In 2025, the Group issued bonds with an aggregate nominal value of EUR 6,753,000, each with a nominal value of EUR 1,000, an annual coupon rate of 11%, and a maturity date of 31 May 2028.

In connection with the bond issue, a guarantee agreement was entered into for the benefit of the bondholders. Under the guarantee, the guarantor has assumed the issuer's obligations as a primary obligor and has waived the right to require the bondholders to first pursue claims against the issuer in respect of any unpaid amounts. The guarantee letters were signed by the Chairman of the Group's Management Board in his capacity as Chairman of the Management Boards of the respective affiliated companies.

25. Loans from credit institutions

Current:		Maturity	31/12/2025	31/12/2024
Loan from AS Signet Bank	EUR	01/12/2026	5 000 000	3 000 000
Loans from ABSA Bank Kenya	USD	27/02/2026	489 151	220 249
TOTAL current loans from credit institutions:			**5 489 151**	**3 220 249**
TOTAL loans from credit institutions:			**5 489 151**	**3 220 249**

	31/12/2025	31/12/2024
Maturing in less than one year	5 489 151	3 220 249
Maturing between one and five years	-	-
Maturing in more than five years	-	-
TOTAL:	**5 489 151**	**3 220 249**

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 Group 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 Group'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 Group'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 Group's shareholder as a guarantor of EUR 200,000.

26. Other loans

	Amount	Maturing in more than five years	Maturing between one and five years	Maturing in less than one year
Loans from third parties	1 910 000	-	1 910 000	-
Total as at 31 December 2025		**-**	**1 910 000**	**-**
Total as at 31 December 2024		**-**	**1 400 000**	**-**

On 19 January 2023, the Group entered into a loan agreement for EUR 400,000, maturing on 18 January 2024. On 16 January 2024, the maturity date was extended to 18 January 2025, and on 20 December 2024, an additional agreement was signed to further extend the maturity to 18 January 2026.
In 2024, the Group entered into a loan agreement for EUR 500,000, maturing on 1 July 2025. On 26 November 2024, an additional agreement was signed to extend the maturity date to 31 December 2026.
On 27 November 2024, the Group entered into a loan agreement for EUR 500,000, maturing on 31 December 2026.
On 20 February 2025, the Group entered into a loan agreement of EUR 510,000, maturing on 29 January 2027.

27. Taxes payable

	31/12/2025	31/12/2024
Corporate income tax	16 587	48 038
Statutory social insurance contributions	28 474	31 140
Personal income tax	30 624	29 271
Value added tax	(19 248)	(18 946)
TOTAL:	**56 437**	**89 503**
Total receivable (disclosed as other receivables)	**-**	**(23 573)**
Total payable	**56 437**	**113 076**

28. Deferred income

	31/12/2025	31/12/2024
Other deferred income	-	162 196
TOTAL:	**-**	**162 196**

29. Accrued liabilities

	31/12/2025	31/12/2024
Accrued transport costs	140 168	274 499
Provisions for staff bonuses	61 858	62 888
Vacation pay reserve	155 958	53 094
Other accrued liabilities	137 367	99 448
TOTAL:	**495 351**	**489 929**

30. Commitments and contingencies

(a) Commitments under operating leases

The Group 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).

(b) Legal claim

The Group 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 2025, the Group has become aware that an Italian supplier has brought a claim to the court of arbitration. The Group also has a property claim against this customer. It cannot be ruled out that both these claims, i.e., the Group's claim against the supplier and the supplier's claim against the Group, will be met.

(c) Guarantees

The Group had not provided any guarantees or sureties, nor had its assets pledged or encumbered in 2025.

31. Events after balance sheet date

After the reporting date, the Group submitted an application for the admission of its bonds to trading on the Nasdaq First North alternative market. This event has no impact on the financial position or results for the reporting year and does not require any adjustments to or additional disclosures in these consolidated financial statements. However, it reflects the Group's strategic plans for future development.

Jānis Kuļikovskis
Board Member

Sarma Jēča
CFO

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

Independent auditors' report