

Limited Liability Company
“Coffee Address Holding”

(UNIFIED REGISTRATION NUMBER 40203047754)



CONSOLIDATED ANNUAL REPORT



for the period ended 31 December 2025
(8th financial year)

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
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 Parent company	Coffee Address Holding	
Legal status of the Parent company	Limited Liability Company	
Unified registration number, place and date of registration of the Parent company	40203047754 Riga, 02.02.2017	
Legal address of the Parent company	Jaunmoku Street 34, Riga, Latvia, LV-1046	
Shareholder of the Parent Company	BaltCap Private Equity Fund II SCSp (78.7345%) BaltCap Private Equity Fund II Co-Investment SCSp (21.2655%)	
Board members of the Parent company	Viktorija Meikšāne, Board member from 07.03.2017	
Companies in the Group	<p>COFFEE ADDRESS SIA, acquired on 14 March 2017 Mūkusalas Street 42, Riga, Latvia, LV-1004</p> <p>COFFEE ADDRESS UAB, acquired on 14 March 2017 Parko 39, Avižieniai, Vilniaus r., Lithuania, LT-14198</p> <p>COFFEE ADDRESS OÜ, acquired on 14 March 2017 Osmussaare tee 5/ Taevakivi 1, Tallinn, Estonia, 13811</p> <p>PAYMENT SYSTEMS SIA, established on 21 May 2018 Kauguru Street 6, LV-1046, Riga, Latvia, LV-1046</p> <p>Eur Comtur S.R.L (75%), acquired on 29 April 2025 Str. Cluceru Sandu, No. 2, Sector 2, Bucharest, Romania</p>	
Financial period	January 1 – December 31, 2025	
Auditors	Inguna Stasa LR Certified Auditor Certificate No. 145	SIA „Deloitte Audits Latvia” Republikas laukums 2A, Riga Latvia, LV – 1010 Licence No.43

MANAGEMENT REPORT

GENERAL INFORMATION

Coffee Address Group is the leading provider of premium self service coffee and convenience food solutions across the Baltic region. Building on this strong market position, the Group has recently taken its first strategic steps beyond the Baltics, marking an important milestone in its geographic expansion.

The Group consists of the parent company, Coffee Address Holding SIA, and five operating subsidiaries: Coffee Address UAB in Lithuania, Coffee Address OÜ in Estonia, Coffee Address SIA and Payment Systems SIA in Latvia, and most recently Eur Comtur S.R.L. in Romania, which was acquired at the end of April 2025.

Following the acquisition, Coffee Address Group operates approximately 16,000 coffee machines, serving more than 300,000 cups of coffee per day. This expansion significantly enhances the Group's operational scale and further reinforces its commitment to delivering high quality, reliable self service solutions across an expanding footprint. The Group's origins date back to 1993, when three independent companies were established in Lithuania, Latvia, and Estonia. In February 2017, these businesses were acquired and consolidated under a single holding structure by BaltCap Private Equity Fund, creating the foundation for the Group's current integrated platform and accelerated growth strategy.



420

Employees



16 000

Coffee machines
in 4 countries



1 200 t

Coffee sold per
year



6 200

Satisfied
customers



4 Countries

No. 1 market position
in Baltics and first
acquisition in Romania

OVERVIEW OF THE GROUP'S STATUS AND RESULTS OF OPERATION

During the year, Coffee Address Group continued to strengthen its leading position in the Baltic region while taking a decisive first step in its regional expansion strategy through the acquisition of a Romanian platform company at the end of April. This milestone transaction marks the beginning of the Group's broader geographic growth ambitions beyond its established home markets.

The Group delivered a resilient and balanced financial performance, with total revenues reaching EUR 51.6 million. Of this amount, EUR 6.3 million was contributed by the newly acquired Romanian business. Core Baltic operations delivered organic revenue growth of 2.4%, remaining stable despite short term pressure from coffee price volatility, which highlights the defensive nature of the Group's recurring revenues and diversified customer base.

Consolidated profitability was temporarily impacted by the integration and cost structure of the acquired business, however, these effects are considered transitional. Management expects margins to normalize and improve as integration progresses, operating efficiencies are realized,

and the acquired business is fully aligned with the Group's standards and processes. The Group's ability to generate sustainable and profitable growth is underpinned by clear structural strengths:

- A strategically developed and defensible network of premium, high traffic locations;
- Innovative, high quality self service concepts tailored to customer needs;
- Lean, scalable, and increasingly digitalized operating processes;
- An integrated "One Company" operating model spanning multiple countries;
- A strong culture supported by engaged and highly motivated employees.

The capital structure comprises shareholder equity and shareholder loans, complemented by a diversified set of bank financing instruments, including long term loans, overdraft facilities, and publicly listed bonds. This provides the Group with flexibility, resilience, and the financial capacity to execute its long term growth strategy.

MANAGEMENT REPORT (CONTINUED)

THE MAIN TYPES OF RISKS

Coffee Address Group faces the following key risks:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the part of the Group's long-term debt obligations with floating interest rates. Management observes market environment and if the interest rate volatility increases, takes it into account in the cash flow projections.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). During the current year, the Group expanded its operations by acquiring a subsidiary whose functional currency is the Romanian leu (RON). As a result, the volume of transactions denominated in foreign currencies has increased, and the Group is now exposed to fluctuations in the EUR/RON exchange rate. The Group monitors foreign exchange rate movements and manages its exposure on an ongoing basis.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the continuous supply of coffee and chocolate. To limit the Group's exposure of commodity price risk, to the extent possible, the Group has entered into fixed price agreements with its ingredient suppliers.

Liquidity and cash flow risk

The Group monitors its risk of a shortage of funds by performing regular cash flow projections. The Group's objective is to ensure continuity of funding and flexibility using a variety of financing instruments.

The Group balances debts' payment terms of customers and suppliers. As at 31 December 2025 the Group's current liabilities exceed current assets. Group management has reasonable expectations to cover remaining liquidity gap by operating cashflows and use available overdraft if such need arises. The Group management has performed detailed cash flow forecast and monitoring them on monthly bases. The Group's management believes that financial position remains stable, and it is capable to continue its activities and keep healthy level of investments for at least one year period after the issue of these financial statements.

EVENTS AFTER THE REPORTING PERIOD

Except for events disclosed in Note 29, there are no other significant subsequent events that could have a material impact on the financial statements.

Viktorija Meikšāne
Member of the Board

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STATEMENT OF MANAGAMENT RESPONSIBILITIES

The management of Coffee Address Holding SIA confirms that the consolidated financial statements have been prepared in accordance with the applicable legislation requirements and present a true and fair view of the financial position as at 31 December 2025 and its financial performance and cash flows for the year then ended.

The management report contains a clear summary of Coffee Address Holding SIA and its subsidiaries business development and financial performance. The financial statements have been prepared according to the International Financial Reporting Standards as adopted by the European Union. During the preparation of the consolidated financial statements the management:

- o Used and consequently applied appropriate accounting policies;
- o Provided reasonable and prudent judgments and estimates;
- o Applied a going concern principle unless the application of the principle wouldn't be justifiable.

The Board of the Parent Company is also responsible for maintaining appropriate accounting records that would provide a true and fair presentation of the financial position at a particular date and financial performance and cash flows and enable the management to prepare the financial statements according to the International Financial Reporting Standards as adopted by the European Union.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2025 EUR	2024 EUR
Revenue	5	51 562 432	44 216 592
Materials and consumables		(28 110 870)	(23 159 239)
Personnel costs	6	(11 562 954)	(9 456 243)
Other operating costs	7	(4 241 544)	(3 405 222)
Loss/ gain from disposal of fixed assets, net		57 670	89 877
Depreciation and amortization	10, 12	(5 457 040)	(4 946 154)
OPERATING PROFIT		2 247 694	3 339 611
Finance income		17 367	7 329
Finance costs	8	(1 758 193)	(1 938 128)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		506 868	1 408 812
Income tax expense/ benefit	9	(317 403)	96 790
PROFIT FOR THE YEAR		189 465	1 505 602
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		189 465	1 505 602
		189 465	1 505 602
Comprehensive profit/income attribute to Equity holders of the Parent of the Company		523 488	1 505 602
Comprehensive profit/income attribute to Non-controlling interest		(334 023)	-

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

Viktorija Meikšāne
Member of the Board

Anda Priedīte
Group Chief Financial Officer

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	31.12.2025 EUR	31.12.2024 EUR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	17 996 863	15 973 030
Intangible assets	10	28 958 926	25 305 088
Non-current financial assets		182 745	177 606
TOTAL		47 138 534	41 455 724
CURRENT ASSETS			
Inventories	14	6 505 827	5 467 664
Trade receivables	15	3 069 791	2 102 421
Prepayments and other receivables	16	1 649 678	944 476
Cash	17	888 608	1 157 672
TOTAL		12 113 904	9 672 233
TOTAL ASSETS		59 252 438	51 127 957
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	18	6 648 930	6 086 215
Share premium	18	15 379 553	11 156 085
Retained earnings		(507 716)	(1 031 204)
Non-Controlling Interest		(541 531)	-
TOTAL Equity		20 979 236	16 211 096
NON-CURRENT LIABILITIES			
Trade payables non-current	22	1 101 859	147 153
Interest-bearing loans and borrowings	19	11 434 740	8 343 767
Issued bonds	24	5 000 000	-
Loan from shareholders	19	-	4 786 183
Other non-current financial liabilities	20	1 990 135	2 365 325
Deferred income	20	138 837	487 690
Deferred tax	9	584 923	273 714
Provisions	21	51 038	49 460
TOTAL		20 301 532	16 453 292
CURRENT LIABILITIES			
Trade payables current	22	7 811 597	4 805 831
Interest-bearing loans and borrowings	19	3 508 775	2 450 704
Issued bonds	24	-	5 000 000
Other current financial liabilities	20	3 253 890	1 417 279
Deferred income	20	317 902	485 561
Income tax payable		1 325	205 980
Other current liabilities	23	3 078 181	4 098 214
TOTAL		17 971 670	18 463 569
TOTAL LIABILITIES		38 273 202	34 916 861
TOTAL EQUITY AND LIABILITIES		59 252 438	51 127 957

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

Viktorija Meikšāne
Member of the Board

Anda Priedīte
Group Chief Financial Officer

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CONSOLIDATED STATEMENTS OF CASH FLOW

	Notes	2025 EUR	2024 EUR
OPERATING ACTIVITIES			
Profit / (loss) before tax		506 868	1 408 812
Adjustments to reconcile profit before tax to net cash flows:			
o depreciation and impairment of property, plant and equipment	12	5 162 347	4 664 361
o amortization and impairment of intangible assets	10	294 693	281 793
o net foreign exchange differences	8	58 958	3 226
o (gain) loss from disposal of property, plant and equipment		(50 981)	(89 877)
o finance costs	8	1 681 868	1 927 572
o movement in other provisions		1 578	10 782
Working capital adjustments:			
o decrease (increase) in trade and other receivables and prepayments		(1 237 690)	391 046
o decrease (increase) in inventories		(301 350)	(485 439)
o (decrease) increase in trade payables and other liabilities		(2 163 486)	(368 878)
		3 946 116	7 743 398
Interest paid		(1 634 303)	(1 570 275)
CIT paid		–	(17 138)
NET CASH FLOWS FROM OPERATING ACTIVITIES		2 311 813	6 155 985
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		21 037	98 675
Purchase of property, equipment and intangible assets, net	10, 12	(3 796 771)	(2 998 713)
Acquisition of a subsidiary, net of cash acquired	4	(1 346 878)	–
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(5 122 612)	(2 900 038)
FINANCING ACTIVITIES			
Loan issued to refinance bonds		5 000 000	–
Bonds issued	24	5 000 000	–
Bonds repaid	24	(5 000 000)	–
Repayment of lease liabilities		(1 548 352)	(1 196 769)
Used/ repaid overdraft		1 058 071	(313 984)
Proceeds from borrowings		354 732	618 266
Repayment of borrowings		(2 263 758)	(2 450 704)
NET CASH FLOWS FROM FINANCING ACTIVITIES		2 600 693	(3 343 191)
Net effect on foreign exchange rate changes		(58 958)	(3 226)
Net decrease in cash		(269 064)	(90 470)
Cash at the beginning of the year		1 157 672	1 248 142
CASH AT THE END OF THE YEAR		888 608	1 157 672

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

During the reporting year were following non cash transactions: historical loans granted by shareholders amounting to EUR 4 786 183 were converted into share capital and intercompany debt transfer in amount of EUR 1,372,217 from Eur Comtur S.R.L. to SIA Coffee Address Holding.

Viktorija Meikšāne
Member of the Board

Anda Priedīte
Group Chief Financial Officer

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to equity holders of the
parent

	Issued capital	Share premium	Retained earnings	Non-Controlling interest	Total
BALANCE AS AT 31 DECEMBER 2023	6 086 215	11 156 085	(2 536 806)	-	14 705 494
Profit for the reporting period	-	-	1 505 602	-	1 505 602
Total comprehensive income for the year	-	-	1 505 602	-	1 505 602
BALANCE AS AT 31 DECEMBER 2024	6 086 215	11 156 085	(1 031 204)	-	16 211 096
Increase in share capital	562 715	4 223 468	-	-	4 786 183
Acquisition of subsidiary	-	-	-	731 774	731 774
Initial recognition of put liability related to acquisition of Non controlling interest	-	-	-	(939 282)	(939 282)
Profit for the reporting period	-	-	523 488	(334 023)	189 465
Total comprehensive income for the year	-	-	523 488	(334 023)	189 465
BALANCE AS AT 31 DECEMBER 2025	6 648 930	15 379 553	(507 716)	(541 531)	20 979 236

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

Viktorija Meikšāne
Member of the Board

Anda Priedīte
Group Chief Financial Officer

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

SIA Coffee Address Holding (hereinafter – the Company or the parent) was registered with the Republic of Latvia Enterprise Register on 2 February 2017. The registered office of the Company is at Jaunmoku iela 34, Riga.

Shareholders of the Company is BaltCap Private Equity Fund II SCSp, registered in Luxembourg, registration No. B184094, and BaltCap Private Equity Fund II Co-Investment SCSp, registered in Luxembourg, registration No. B206629.

The consolidated financial statements of SIA Coffee Address

Holding (and its subsidiaries, collectively, The Group) for the year ended 31 December 2025 were approved by the management board and authorized for issue in accordance with a resolution of the Supervisory board on 30 April 2026.

The Group is principally engaged in renting and servicing of coffee machines, sale of related goods and provision of vending services. Information on the Group's structure is provided in Note 4 and summary of other related party transactions are disclosed in Note 25.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards as adopted by the European Union.

The consolidated financial statements are prepared on a historical cost basis. Consolidated financial statements are prepared in functional currency which is the euro (EUR) and all values are rounded to the nearest EUR, except when otherwise

indicated. The financial statements cover the period of 1 January 2025 to 31 December 2025.

The consolidated statement of comprehensive income has been presented according to the nature of expenses. The consolidated statement of cash flows has been prepared under the indirect method.

Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries as at 31 December 2025. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern

The consolidated financial statements are prepared on the basis that the Group will continue as going concern. Group's profit for the financial year ended 31 December 2025 are 196 thousand EUR.

As at 31 December 2025 the Group's current liabilities exceed current assets by 5 833 thousand EUR. This includes:

- In April 2026, the Group received an offer from a bank to extend the existing overdraft facility with a limit of EUR 2 million until 29 May 2027. As a result, the overdraft facility utilised as at 31 December 2025, amounting to EUR 1,046 thousand, is not due in 2026.
- In April 2026, the Group also received an offer from a bank for an additional loan of EUR 1 million. In addition, the repayment schedule of an existing loan was amended; resulting in EUR 1 million included in current liabilities being payable after 2026.
- 544 thousand EUR of payables that were refinanced in 2026 through a loan issued by Altum.
- Liabilities amounting to EUR 750 thousand are expected to be settled after the next reporting period following the planned amendment to defer the purchase price payment date.

The Group management has reasonable expectations to cover the remaining liquidity gap by operating cashflows and use available overdraft if such need arises. As at March 2026, the Group had an unutilised overdraft facility amounting to 2 819 thousand EUR (31 December 2025: EUR 1,954 thousand). The Group management has performed detailed cash flow forecast and monitoring them on monthly bases. The Group's management believes that financial position remains stable and it is capable to continue its activities and keep healthy level of investments for at least one year period after the issue of these financial statements.

On 7 April 2026, the shareholders issued a letter of support to the Group, confirming their intention to provide financial support, if required. As of the date of issuance of these consolidated financial statements, no such support has been requested.

Therefore, the consolidated financial statements are prepared on the basis that the Group will continue as going concern.

(Estimates and assumptions)

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, including assessment of fair value of assets and liabilities acquired through business combination. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are goodwill, sales and repurchase agreement. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and

assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The assumptions are disclosed:

- Goodwill – Note 11;
- Sales and repurchase agreement – Note 20;
- Recoverability of deferred tax assets – Note 9;
- Management judgement related to the term of the lease and discount rate – Note 2 IFRS 16 Leases;
- As the Group controls dividend policies of the subsidiaries the Group does not recognize deferred tax liability in the respect of profits generated in Latvia and Estonia where in the accordance with the tax legislation Corporate income tax is paid only for distributed profits. There are no plans to request dividends from these subsidiaries in the foreseeable future.

New and amended IFRS accounting standards that are effective for the current year

In the current year, the Group has applied amendments to IAS 21 "Lack of Exchangeability" issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2025. Adoption of those amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and revised IFRS accounting standards adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following amendments to IFRS accounting standards that have been issued by IASB and adopted by EU but are not yet effective:

Standard	Title	Effective date
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026

New and revised IFRS accounting standards in issue but not adopted by the EU

At present, IFRS accounting standards as adopted by the EU do not significantly differ from IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) except for the following new accounting standards and amendments to the existing accounting standards, which were not adopted by the EU as at 31.12.2025:

Accounting standard	Title	EU adoption status
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 19 with further amendments	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)	Not yet adopted by EU
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Group does not expect that the adoption of the accounting standards listed above will have a material impact on the Group's financial statements in future periods; however, the Group has not performed a detailed assessment of IFRS 18.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Group's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39: Financial Instruments: Recognition and Measurement** would not significantly impact the financial statements, if applied as at the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9.

Financial Instruments: Recognition and Measurement is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

Fair value measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- o Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- o Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

- o Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for financial instruments and non-financial assets where fair values are disclosed, are summarized in the Note 27.

Revenue from Contracts with Customers

Sale of goods and service

Sales of services are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided. Based on the Group's contractual terms, customer business practices and identified promised goods and services Group has identified separate performance obligations:

- o Sale of goods purchased (ingredients, drinks and snacks and etc.) – the Group recognizes revenues from sale of goods at point in time when goods are dispatched from the warehouse for delivery to customer and sales invoice is issued.
- o Sale of equipment purchased – the Group recognizes revenues from sale of equipment (coffee machines) are

recognized at point in time when equipment transferred to the customer. The Group does not provide any warranties beyond legally required assurance-type warranties and thus does not have a separate performance obligation in respect of warranties for revenue recognition. Warranties are compensated by the suppliers of equipment.

- o Rent of equipment and maintenance service – the Group provides installation and maintenance services that are bundled together with the rent of equipment to a customer. The Group does not transfer substantially all the risks and rewards incidental to ownership of an asset, therefore, income is recognized over the period on a straight-line basis in the statement of profit or loss and other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers (continued)

- o Standing vending machines – the Group recognizes revenues from sale of goods in vending machines at point in time when goods are transferred to the customer.

Group's revenues are recognized based on identified performance obligations at the pre-agreed fixed price and discounts, if any, for the goods delivered or services provided. For some of the customers price of coffee beans includes price for two performance obligations: coffee beans and rent and maintenance services. In such cases allocation of transaction price to each performance obligation identified in the contract is done on a relative stand-alone selling price basis using proportion of stand-alone selling price of coffee beans sales and sales of rent and maintenance services sold separately for similar customer in similar circumstances.

To allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, an entity shall determine the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocate the transaction price in proportion to those stand-alone selling prices.

Returns of refunds are not very common and due to specifics of products sold or services provided are applied only in very exceptional cases.

The Group had no liabilities for returns and refunds accounted as at 31 December 2025 and 31 December 2024 as the amounts considered as insignificant.

Sale and repurchase agreements

In a sale and repurchase agreement for an asset other than a financial asset, the terms of the agreement need to be analyzed to ascertain whether, in substance, the seller has transferred the control of the products to the buyer and hence revenue is recognized.

When the seller has retained control of asset the transaction is a financing arrangement (e.g. a lease arrangement) and revenues are recognized over time. Typically repurchase agreement term is 5 years but can be agreed on longer term when customer decided if buy-back option will be exercised.

Significant financing component

Generally, the Group receives short-term advances from its customers (from contracts with customers). Using the practical expedient in IFRS 15, the Group does adjust the promised amount of consideration for the effects of a significant financing component.

Each advanced payment received is evaluated on case by case basis for materiality, for the purpose it was made and who has the discretion right of the use.

If analysis performed shows that the advance received contains a significant component of financing, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration. The Group had no such assets as at 31 December 2025 and 31 December 2024.

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Such receivables are recognized in the Group's statement of financial position as trade receivables. Trade receivables are measured at the transaction price determined under IFRS 15 and standard due term is 14-30 days after the fulfillment of performance obligation.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. Such contract liabilities are recognized in the Group's statement of financial position as prepayments for services (included with the Other current liabilities position in the statement of financial position).

Deferred sales commissions expenses

The Group pays sales commissions to its sales managers for the contracts signed with new customers. Sales commissions are recognized as personnel expenses in the profit or loss during the period of average contract length with new customer. Long-term part of sales commissions is recognized under Other non-current assets account and short-term part is recognized under Prepayments and other receivables account in balance sheet statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Financial liabilities are classified as follows:

- a) financial liabilities measured at amortized cost, and
- b) financial liabilities at fair value through profit or loss.

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met and assets are not classified as financial assets at fair value through profit or loss:

- a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

These assets are recognized initially at fair value plus transaction costs that are directly attributable to their acquisition. Assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is decreased by an impairment loss. Foreign exchange revaluation, impairment and interest income are recognized in the statement of profit or loss. Any gains or losses on derecognition of financial assets are taken to the statement of profit or loss.

Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost if they are not held for trading and are not designated upon initial recognition as held for trading. These financial liabilities are recognized initially at fair value net of directly attributable transaction costs. These financial liabilities are subsequently measured at amortized cost using the effective interest method.

Initial recognition of financial assets

Financial assets are classified as measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Financial assets are measured at amortized cost if both of the following conditions are met:

- (1) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- (2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- o the rights to receive cash flows from the asset have expired or
- o the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has

transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, it is also recognized an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Allowance for expected credit losses

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the expected cash flows, discounted at an original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Initial recognition of liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Trade receivables from contracts with customers

Trade receivables without a significant financing component are measured at the transaction price determined under IFRS 15.

Indemnifications assets

Indemnification assets are recognised at the acquisition date measured at fair value and on the same basis as the related indemnified asset or liability, subject to collectability and contractual terms. Subsequent to initial recognition, the indemnification asset is accounted for on a basis consistent with the measurement of the related indemnified asset or liability, taking into account its contractual terms, collectability, and any applicable measurement limitations. The indemnification asset is derecognized when it is collected, sold, cancelled, or expires.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Corporate income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- o When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- o In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- o When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- o In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the

reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss. The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Taxation in Latvia

Corporate income tax is calculated according to the Corporate Income Tax Law of the Republic of Latvia, which has been in force as of 1 January 2018. Legal entities have not been required to pay income tax on earned profits starting from 1 January 2018 in accordance with amendments made to the Corporate Income Tax Law of the Republic of Latvia.

Corporate income tax is paid on distributed profits and deemed profit distributions. Both distributed profits and deemed profit distributions are subject to the tax rate of 20 per cent of their gross amount, or 20/80 of net expense. Corporate income tax on dividends is recognized in the statement of profit or loss as expense in the reporting period when respective dividends are declared, while, as regards other deemed profit items, at the time when expense is incurred in the reporting year.

Taxation in Estonia

According to the current Corporate income tax law, profit that is distributed as dividends is applied the tax rate of 20/80 of the sum paid out as net dividends. The company income tax calculated on dividends is reported as income tax cost in the income statement of the period the dividends are declared regardless for which period they are declared or when the dividends will be paid out. Income tax liability and cost calculated on dividends that have not been paid out as at the balance sheet date are adjusted in accordance with the current income tax.

As a Parent controls the dividend policy of its subsidiaries, it is able to control the timing of the reversal of temporary differences associated with these investments including the temporary differences arising from undistributed profits. Therefore, in the consolidated financial statements the Group could recognize deferred tax assets and liabilities in the respect of its investments in subsidiaries in Latvia and Estonia using tax rate applicable to distributed profits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Corporate income tax (continued)

Taxation in Lithuania

Income tax expenses consist of the current year tax on profit and deferred tax expenses. The tax currently payable is based on taxable profit for the year. Taxable profit for the year differs from net profit as reported in the statement of profit and (loss) because it adjusted by non-deductible (non-taxable) expenses (income). The Company's liability for current tax is calculated using tax rates applicable at the balance sheet date, which on reporting period and previous period was 16%. Tax losses, if incurred, can be carried forward for an indefinite period.

Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences that will subsequently increase the taxable profit and deferred tax assets are recognized only to the part that it is likely to reduce taxable profits in the future.

Taxation in Romania

Liabilities related to taxes and duties are recorded in the period to which they refer.

Corporate income tax is determined based on the taxable profit calculated in accordance with the applicable fiscal legislation. Accounting profit is adjusted for tax purposes by including non deductible expenses and by including non taxable income, as well as by making other fiscal adjustments required under the Romanian Fiscal Code. The resulting taxable profit is subject to the standard corporate income tax rate of 16%, used to determine the corporate income tax payable.

Once taxable profit is determined, the tax payable is: CIT payable = Taxable profit × 16%.

Deferred tax under Romanian GAAP (OMFP 1802/2014) is not recognized.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- o When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- o When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Useful economic life of customer contracts corresponds to their contractual terms, and of other intangible assets – 3 to 5 years. The amortization period and the straight-line bases amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are measured at using cost model whereby, after initial recognition the assets was carried at cost less accumulated depreciation and accumulated impairment loss. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

In 2024, the Group revised the depreciation period for certain machinery assets to better reflect their expected useful lives. The actual useful lives of assets were calculated, and the depreciation period was changed prospectively. As a result, the depreciation costs for the reporting period were decreased by 250 thousand EUR compared to what they would have been if the depreciation rates had remained unchanged.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows: Expected useful lives of assets by group are the following:

Property, plant and equipment groups	Expected useful lives (years)
Equipment and machinery	5-10
Office and warehouse equipment	3-5
IT Hardware	3-5

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. 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.

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 on a first-in, first-out (FIFO) basis.

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.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as:

- o Financial liabilities measured at amortized cost, or
- o Financial liabilities at fair value through profit or loss.

Financial liabilities are measured at amortized costs if they are not held for trading and are not designated upon initial recognition as held for trading. These financial liabilities are recognized initially at fair value net of directly attributable transaction costs. These financial liabilities are subsequently measured at amortized costs using the effective interest

method.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (continued)

Loans and borrowings (continued)

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to **Note 19**.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Goodwill and intangible assets with indefinite lives **Note 11**.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate 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.

In assessing 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of four years.

A long-term growth rate is calculated and applied to project future cash flows after the fourth year. Impairment losses of continuing operations are recognized in the statement of profit or loss in expense categories consistent with the nature of the impaired asset.

IFRS 16: Leases

IFRS 16 provides that in general, all leases and the associated contractual rights and duties must be reflected in the lessee's balance sheet, unless the term does not exceed 12 months or it constitutes a low-value asset. For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones), the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease/ describe the systematic basis use if this is more representative of the time pattern in which economic benefits from the leased assets are consumed]. As for leases, the lessee recognizes a liability for lease obligations incurred in the future.

Correspondingly, a right to use the leased asset is capitalized, which in principle is equivalent to the present value of the future lease payments plus directly attributable costs and is amortized over the useful life.

A lease liability is first measured as the present value of all future lease payments to be made under the agreement, discounted at the interest rate implicit in the lease (or at a similar borrowing rate). The lease liability is recognized just like any other liability. The right-of-use asset is recognized under property, plant and equipment. The right-of-use asset is depreciated and tested for impairment like any other non-current asset owned by the entity. Interest costs arising from discounting are recognized for the lease liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 16: Leases (continued)

The Group's lease portfolio:

Real estate leases

The Group's real estate leases include buildings for its offices and warehouses. The lease terms and the remaining lease terms at the date of initial application, vary. The lease for buildings typically run for period of 5 years. Some leases include an option to renew the lease for an additional period or cancel before the end of contract term.

The Group estimated the fair value of right-of-use assets using the discount rate which equals the interest rate on financial lease liabilities (2025: 3,4% – 3,6% + Euribor 3M; 2024: 3,6% – 3,75% + Euribor 3M).

Leases of vehicles

The Group leases vehicles that it uses mainly to visit customers to provide maintenance services. Vehicle with lease terms of 3 to 5 years.

The Group estimated the fair value of right-of-use assets using

the discount rate which equals the interest rate on financial lease liabilities (2025: 3,4% – 3,6% + Euribor 3M; 2024: 3,6% – 3,75% + Euribor 3M;

Leases of IT equipment

The Group leases IT equipment such as computers, printing and photocopying machines with contract terms of 1 to 3 years. The leases are short term and/ or leases of low value items. The Group has elected not to recognize right of use assets for these leases.

Vending machine space rent

The Group leases space for vending machines. The leases are short term and/ or leases of low value items. The Group has elected no to recognize right of use assets for these leases.

Few of the Group's lease contract don't have lease term, these agreements Group has evaluated separately. Therefore, Group has applied individual judgment to determine an appropriate leases term..

Cash

Cash comprises cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash in vending machines

Cash in vending machines is cash, which is in the cash tubes and should stay within vending machines as exchange money.

This cash is collected only if the vending machine is removed. Therefore, the cash is restricted for use and is not recognized under cash or cash equivalents, but under Prepayments and other receivables.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset.

All other borrowing costs are expenditure in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Provisions

Actuarial assumptions used in measurement

The overall actuarial assumptions used are unbiased and mutually compatible and represent the best estimate of the variables determining the ultimate post-employment benefit cost.

- o Financial assumptions (discount rate, expected growth rate of salaries etc.) are based on market expectations at the end of reporting period;
- o Mortality assumptions are determined by reference to the best estimate of mortality;
- o Employee turnover is determined based on the best estimate of employee turnover.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or apply for additional investment in capital. The Group monitors capital using an equity-to-assets ratio, which is total equity divided by total assets. The Group includes within equity subordinate loan from shareholders.

	31.12.2025	31.12.2024
TOTAL ASSETS	59 252 438	50 436 324
Subordinate shareholder's loan	–	4 786 183
Equity	20 979 236	16 211 096
TOTAL CAPITAL	20 979 236	20 997 279
EQUITY RATIO	35%	42%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to

immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2025.

4. GROUP INFORMATION

The holding company of the Group is Coffee Address Holding SIA which is based in Latvia. Its fully owned by BaltCap Private Equity Fund II SCSp and BaltCap Private Equity Fund II Co-Investment SCSp registered in Luxembourg.

Information on subsidiaries

The consolidated financial statements of the Group include:

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	% EQUITY INTEREST, 31.12.2025
COFFEE ADDRESS SIA	Rent of coffee machines, sale of related products, vending	Latvia	100%
COFFEE ADDRESS UAB	Rent of coffee machines, sale of related products, vending	Lithuania	100%
COFFEE ADDRESS OU	Rent of coffee machines, sale of related products, vending	Estonia	100%
PAYMENT SYSTEMS SIA	Payment systems	Latvia	100%
Eur Comtur S.R. L.	Rent of coffee machines, sale of related products, vending	Romania	75%

On 29 April 2025, the Group acquired 75% of Eur Comtur S.R.L, a company based in Romania and specializing in vending and servicing of coffee machines and sale of related goods.

4. GROUP INFORMATION (CONTINUED)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Eur Comtur S.R.L at the date of acquisition were:

ASSETS	EUR
Property, plant and equipment	1 237 863
Right of use assets	109 931
Intangible assets	25 519
Inventories	736 813
Trade receivables	95 822
Prepayments and other receivables	199 199
Cash	153 122
TOTAL ASSETS	2 558 270
LIABILITIES	
Trade payable	2 647 154
Liabilities for right of use assets	109 931
Other liabilities	631 217
TOTAL LIABILITIES	3 388 302
Total identifiable net assets at fair value	(830 031)
Indemnification asset recognized	245 140
Non-controlling interest 25% at estimated fair value on acquisition	731 774
Total consideration	3 000 000
Initial Goodwill arising on acquisition	4 316 665
Goodwill impairment considering expected adjustments to Sales & Purchase agreement terms	(694 142)
Goodwill arising on acquisition	3 622 523

At the date of issuing these Financial statements initial accounting for the acquisition is not complete as certain fair value measurements for Property, plant and equipment acquired are not yet finalised. These assets are reported as a part of equipment at the provisional amount of 1.2 million. Accordingly these amounts might change in the future reporting periods. It is expected that Fair value of property, plant will not be significantly different from net book value. Fair value of equipment is not expected to be significantly different from net book value as the most part of the assets are coffee machines which do not have second level market and at the end of useful life are scrapped.

Inventory fair value is estimated to be same as net book value as the turnover of the inventory items is between 1-2 month.

The goodwill comprises the value of expected synergies arising from the acquisition. Customer contracts were not valuated separately due their contractual terms and uncertainty of future cash flows. Therefore, it does not meet the criteria for recognition as an intangible asset under IAS 38. None of the goodwill recognized is expected to be deductible for income tax purposes.

In April 2025, the Group acquired 75% of Eur Comtur S.R.L. Under the Sale and Purchase Agreement, the parties also entered into a put and call option arrangement in respect of the remaining 25% of shares. On initial recognition, goodwill was determined by measuring non-controlling interests (NCI) at fair value; accordingly, goodwill included the portion attributable to NCI, thus increasing total goodwill amount recognised. It was initially envisaged that the options could be exercised within 24 months after the end of the three-year lock-up period. In accordance with IFRS requirements, at the acquisition date the Group recognised a gross put liability of EUR 939,282, with the corresponding debit recognised directly in NCI within equity. Subsequently, the liability was remeasured to EUR 245,140. The Group netted this liability against the indemnification asset, as settlement is expected to occur with no cash payment.

As the final settlement agreement had not been signed as at the reporting date, the Group was unable to adjust the goodwill calculation directly for changes in the acquisition terms conceptually agreed with the seller subsequent to the acquisition date. To reflect the economic substance of the acquisition the Group recognised impairment losses on goodwill of EUR 694,842. The gain on remeasurement of the liability and the goodwill impairment loss offset each other; therefore, there is no net impact on profit or loss.

The Group believes that, as at 31 December 2025, the statement of financial position appropriately reflects the economic substance of the transaction and the values of the assets (including goodwill) and liabilities assumed.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

By type of revenue	2025	2024
Sale of ingredients	16 600 455	16 222 320
Sale of drinks and snacks	29 049 514	21 779 148
Rent of coffee machines and maintenance	4 224 514	4 225 070
Sale of equipment	1 687 949	1 990 054
TOTAL:	51 562 432	44 216 592

5.1. SEGMENT INFORMATION

Management has defined the Group's reportable segments based on the monthly reporting regularly reviewed internally and presented to the shareholders. Reportable segments comprise the following geographical areas: Latvia, Lithuania, Estonia and Romania. This reporting are the basis for the strategic and operative decisions to allocate resources and for assessing performance. Data about segments' revenue, gross profit and operating profit are included in the monthly management report. For the purposes of monitoring segment performance and allocating resources between segments of the group's.

The Group monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments. Other activities consist of head office and the Group functions, including centralized procurement, marketing, finance and Group management. Inter-segment revenues are eliminated upon consolidation.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.

2025	Lithuania	Latvia	Estonia	Romania	Group	Group sourcing functions	Elimination	Group Total
Revenue	24 267 721	14 354 854	6 674 275	6 265 582	51 562 432	–	–	51 562 432
<i>Ingredients</i>	9 105 990	4 036 581	3 457 884	–	16 600 455	–	–	16 600 455
<i>Drinks and snacks</i>	11 666 590	8 825 022	2 292 320	6 265 582	29 049 514	–	–	29 049 514
<i>Rent and maintenance</i>	2 105 876	1 199 595	919 043	–	4 224 514	–	–	4 224 514
<i>Equipment</i>	1 389 265	293 656	5 028	–	1 687 949	–	–	1 687 949
Materials and consumables	(12 937 240)	(7 900 342)	(3 654 852)	(3 618 436)	(28 110 870)	–	–	(28 110 870)
Gross Profit	11 330 481	6 454 512	3 019 423	2 647 146	23 451 562	–	–	23 451 562
Operating profit*	2 317 687	666 767	(167 786)	(456 038)	2 360 630	(152 365.0)	39 429	2 247 694
Finance income	–	–	–	–	–	1 388 598	(1 388 598)	–
Finance costs	(1 147 979)	(304 318)	(64 226)	(185 916)	(1 702 439)	(1 396 670)	1 358 283	(1 740 826)
Income tax expenses	(311 209)	(4 666)	–	–	(315 875)	(1 528)	–	(317 403)
Net income	858 499	357 783	(232 012)	(641 954)	342 316	(161 965)	9 114	189 465
ASSETS	26 710 183	15 537 098	8 373 282	7 303 640	57 924 203	1 328 235	–	59 302 263
LIABILITIES	7 465 910	3 798 138	944 208	4 074 138	16 282 394	17 942 834	–	34 225 228

*Operating profit is gross profit minus operating costs and minus depreciation. Please see statement of comprehensive income.

5.1. SEGMENT INFORMATION (CONTINUED)

2024	Lithuania	Latvia	Estonia	Group	Group sourcing functions	Elimination	Group Total
Revenue	23 849 889	14 136 365	6 230 338	44 216 592	–		44 216 592
Ingredients	8 902 800	3 908 006	3 411 514	16 222 320	–		16 222 320
Drinks and snacks	11 721 609	8 286 597	1 770 942	21 779 148	–		21 779 148
Rent and maintenance	2 126 842	1 113 836	984 392	4 225 070	–		4 225 070
Equipment	1 098 638	827 926	63 490	1 990 054	–		1 990 054
Materials and consumables	(12 304 469)	(7 732 850)	(3 121 920)	(23 159 239)	–		(23 159 239)
Gross Profit	11 545 420	6 403 515	3 108 418	21 057 353	–		21 057 353
Operating profit*	2 433 682	661 147	232 404	3 327 233	107 406	(95 028)	3 339 611
Finance income	–	–	–	–	1 657 643	(1 657 643)	–
Finance costs	(1 567 548)	(354 553)	(76 226)	(1 998 327)	(1 699 883)	1 767 411	(1 930 799)
Income tax expenses	97 933	(976)	–	96 957	(167)	–	96 790
Net income	964 067	305 618	156 178	1 425 863	64 999	14 740	1 505 602
ASSETS	26 382 257	15 063 135	7 729 213	49 174 605	1 261 719	–	50 436 324
LIABILITIES	8 208 427	4 138 430	822 829	13 169 686	21 055 542	–	34 225 228

*Operating profit is gross profit minus operating costs and minus depreciation. Please see statement of comprehensive income.

The Group has no customers with total sales exceeding 10% of the Group's revenue.

By contract balance:	2025	2024
Trade receivables	3 069 791	2 102 421
Contract assets	–	–
Contract liabilities	–	–
TOTAL:	3 069 791	2 102 421

6. PERSONNEL COSTS

	2025	2024
Wages and salaries	10 170 465	8 277 500
Social security costs	1 232 998	1 069 971
Capitalized personnel costs ¹	(55 218)	(66 408)
Healthcare	112 790	126 991
Vacation reserve changes	306	(21 725)
Employee benefits	54 824	49 214
Other personnel expenses	46 789	20 700
TOTAL:	11 562 954	9 456 243

¹Capitalized payroll related to renovation works performed. Capitalized costs included in Property, Plant, and Equipment (PPE)

	31.12.2025	31.12.2024
Number of employees	420	299

7. OTHER OPERATING COSTS

	2025	2024
Transportation and logistics	1 799 763	1 343 595
IT services and communication	511 032	518 119
Office costs	639 978	387 933
Marketing and representation	199 885	182 243
Travel and representation	115 940	56 799
Bad debtors	70 830	25 772
Annual audit fee ²	110 329	75 640
Other professional services	156 234	186 727
Other costs ¹	637 553	628 394
TOTAL:	4 241 544	3 405 222

¹ Other costs related to legal and other consulting services, insurance, training and other administrative services.

² Annual audit fees paid to Deloitte network companies for audit services provided in 2025 amounted to EUR 92 thousand.

8. FINANCE COSTS

	2025	2024
Interest on debts and borrowings	1 521 248	1 610 983
Foreign exchange loss	58 958	3 226
Interest expenses on lease liability	145 481	97 372
Interest on subordinate shareholder loan	–	204 972
Other finance costs	32 506	21 575
TOTAL:	1 758 193	1 938 128

9. CURRENT AND DEFERRED CORPORATE INCOME TAX

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	2025	2024
Current corporate income tax charge for the reporting year	(6 194)	88 883
Deferred corporate income tax due to changes in temporary differences	(311 209)	7 907
CORPORATE INCOME TAX CHARGED TO THE STATEMENT OF PROFIT OR LOSS:	(317 403)	96 790

Under the applicable legislation, the tax authorities in Lithuania, Latvia and Estonia are entitled to inspect accounting records and assess additional taxes and penalties within a period of three consecutive years (extended to five years in certain cases). In Romania, such inspections may be carried out within five years following the end of the relevant reporting tax year. .

9. CURRENT AND DEFERRED CORPORATE INCOME TAX (CONTINUED)

	2025	2024
ACCOUNTING PROFIT BEFORE INCOME TAX	506 868	1 408 812
Income tax at statutory rate, 20%	(101 374)	(281 763)
Profit to be taxed on profit distribution	74 696	279 359
Income tax correction for the previous periods	–	90 026
Loss of subsidiaries for which no tax loss carryforward is recognised	(207 264)	–
Non deductible expenses and other permanent differences	(193 347)	(16 299)
Permanent difference on Interest expenses	–	(60 474)
Other	109 886	85 941
Effective income tax rate	(63%)	7%
AT THE EFFECTIVE INCOME TAX RATE	(317 403)	96 790

Lithuania	Consolidated statement of financial position		Consolidated statement of profit or loss	
	31.12.2025	31.12.2024	2025	2024
DEFERRED TAX ASSETS:				
Other accrued expenses	32 261	153 799	(121 538)	16 025
Vacation reserve	35 862	37 514	(1 653)	5 919
Different recognition of sale of fixed assets	69 178	133 695	(64 518)	32 786
Tax loss carry forward	121 892	–	121 892	–
Investment incentive	130 170	208 813	(78 643)	208 813
Impairment allowance for trade debtors	1 633	816	817	(81)
Other components	19 883	9 507	10 378	2 763
ASSETS OF THE DEFERRED TAX, TOTAL	410 879	544 144	(133 265)	266 225
DEFERRED TAX LIABILITY				
Goodwill	(698 581)	(564 979)	(133 601)	(169 605)
Depreciation of fixed assets	(297 221)	(252 879)	(44 341)	(88 713)
DEFERRED TAX LIABILITY, TOTAL	(995 802)	(817 858)	(177 942)	(258 318)
DEFERRED TAX, NET	(584 923)	(273 714)	(311 207)	7 907

Corporate income tax in the Group is recognized proportionally to the period when the Group had control over the subsidiaries.

Deferred tax is recognised only in respect of operations in Lithuania. In Estonia and Latvia, corporate income tax is payable only upon the distribution of profits and, as the Group does not plan to distribute profits in the foreseeable future, no deferred tax has been recognised for operations in these countries.

In Romania, no deferred tax asset has been recognized due to uncertainties related to recoverability.

10. INTANGIBLE ASSETS

	Goodwill	Customer agreements	Other intangible assets	TOTAL
ACQUISITION COST				
1 January 2024	24 627 319	893 731	1 679 547	27 200 597
Additions	–	–	157 030	157 030
Disposals and write-offs	–	(893 731)	(66 122)	(959 853)
31 December 2024	24 627 319	–	1 770 455	26 397 774
Additions	–	–	311 860	311 860
Acquired in business combination, net amount (see Note 4)	3 622 523	–	19 140	3 641 663
Disposals and write-offs	–	–	–	–
31 December 2025	28 249 842	–	2 101 455	30 351 297
ACCUMULATED AMORTISATION				
1 January 2024	–	(893 731)	(876 981)	(1 770 712)
Amortisation	–	–	(281 793)	(281 793)
Disposals and write-offs	–	893 731	66 088	959 819
31 December 2024	–	–	(1 092 686)	(1 092 686)
Amortisation	–	–	(294 693)	(294 693)
Acquired in business combination	–	–	–	–
Disposals and write-offs	–	–	(4 992)	(4 992)
31 December 2025	–	–	(1 392 371)	(1 392 371)
NET BOOK VALUE				
31 December 2024	24 627 319	–	677 769	25 305 088
31 December 2025	28 249 842	–	709 084	28 958 926

11. GOODWILL

For impairment testing goodwill acquired through business combinations is allocated to each company acquired. Carrying amount of goodwill allocated to each company is (EUR):

	31.12.2025	31.12.2024
Coffee Address SIA	7 548 373	7 548 373
Coffee Address UAB	13 596 258	13 596 258
Coffee Address OU	3 482 688	3 482 688
Eur Comtur S.R.L.	3 622 523	–
TOTAL:	28 249 842	24 627 319

The Group performed its annual impairment test in December 2025 and December 2024. The recoverable amount of all CGUs has been determined based on a value in use calculation using individual cash flow projections derived from the 2026 budget and long – term projections prepared by management. The pre-tax discount rate applied to cash flow projections is 12.5% (2024: 12.5%) and for newly acquired entity in Romania 13.5% and cash flows beyond the four-year period are extrapolated using a 2% growth rate. For additional information please see Note 4.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for all CGUs is most sensitive to the following assumptions – sales growth, gross margins, discount rates.

Sales growth – overall sales growth is estimated based on historical growth rates and rollout of food solutions concepts.

By 6.5% lower sales than budgeted for the next and all following years would result in impairment for Coffee Address SIA goodwill.

By 14.3% lower sales than budgeted for the next and all following years would result in impairment for Coffee Address UAB goodwill.

By 7.5% lower sales than budgeted for the next and all following years would result in impairment for Coffee Address OU goodwill.

Gross margins – Gross margins are based on average historical gross margin values and trends in raw material price dynamics.

A decrease in the gross margin by ~3% for the next and all following years would result in impairment for Coffee Address SIA goodwill.

A decrease in the gross margin by ~6.3% for the next and all following years would result in impairment for Coffee Address UAB goodwill.

A decrease in the gross margin by ~2.9% for the next and all following years would result in impairment for Coffee Address OU goodwill.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation considers the specific circumstances of the Group and its businesses using the weighted average cost of capital (WACC). The weighted average cost of capital considers both debt and equity.

A rise in the pre-tax discount rate to 16% (i.e., +3.5%) would result in impairment for Coffee Address SIA goodwill.

A rise in the pre-tax discount rate to 19.6% (i.e., +7.1%) would result in impairment for Coffee Address UAB goodwill.

A rise in the pre-tax discount rate to 16.5% (i.e., +4%) would result in impairment for Coffee Address OU goodwill.

The value of goodwill was decreased at Eur Comtur S.R.L., please see Note 4. Any adverse changes in sales growth, gross margin, or an increase in discount rates will result in additional impairment of goodwill.

12. PROPERTY, PLANT AND EQUIPMENT

	Equipment and machinery	Machinery (buy-back)*	Right-of-use assets – vehicles	Right-of-use assets – premises	Right-of-use assets – other	Assets being prepared for use	TOTAL
ACQUISITION COST							
1 January 2024	36 009 277	3 218 096	2 355 331	1 974 097	-	355 110	43 911 911
Purchases	3 899 457	-	250 520	1 013 777	-	124 734	5 288 488
Reclass	355 110	-	-	-	-	(355 110)	-
Sales and write-offs	(1 266 560)	(106 741)	(218 113)	-	-	(355 110)	(1 591 414)
31 December 2024	38 997 284	3 111 355	2 387 738	2 987 874	-	124 734	47 608 985
Purchases	3 965 439	-	820 979	388 323	169 166	953 463	6 297 370
Acquired in business combination	1 237 863	-	-	126 215	-	-	1 364 078
Reclass	124 734	-	-	-	-	(124 734)	-
Sales and write-offs	(2 104 661)	(123 876)	(360 095)	-	-	(251 244)	(2 839 876)
31 December 2025	42 220 658	2 987 479	2 848 622	3 502 412	169 166	702 219	52 430 556
ACCUMULATED DEPRECIATION							
1 January 2024	(24 365 538)	(1 680 704)	(1 032 876)	(1 335 957)	-	-	(28 415 075)
Depreciation	(3 046 587)	(580 986)	(545 986)	(490 802)	-	-	(4 664 361)
Sales and write-offs	1 120 973	106 734	215 774	-	-	-	1 443 481
31 December 2024	(26 291 152)	(2 154 956)	(1 363 088)	(1 826 759)	-	-	(31 635 955)
Depreciation	(3 506 277)	(492 377)	(549 183)	(596 203)	(18 307)	-	(5 162 347)
Sales and write-offs	1 923 217	123 876	317 516	-	-	-	2 364 609
31 December 2025	(27 874 212)	(2 523 457)	(1 594 755)	(2 422 962)	(18 307)	-	(34 433 693)
NET BOOK VALUE							
31 December 2024	12 706 132	956 399	1 024 650	1 161 115	-	124 734	15 973 030
31 December 2025	14 346 446	464 022	1 253 867	1 079 450	150 859	702 219	17 996 863

There are equipment items that are fully depreciated but are still in use and their acquisition value is EUR 14 205 thousand as at 31 December 2025 (EUR 12 994 thousand as at 2024).

*During 2019-2022, the Group sold coffee machines to the major client with an obligation to sell the property back the future. Once signing a contract for the sale and purchase of coffee machines, the Group did not recognize income and cost of machines sale immediately, because according to the economic meaning of the transaction, the Group retains the risk related to property ownership. Since 2023 there were no new sales with a possibility to sell the property back to the Company in the future.

Refer to Note 19 on information about pledges on assets.

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets and other liabilities for rights to use assets are shown as follows in the consolidated financial position and statement of comprehensive income:

ASSETS	31.12.2025	31.12.2024
NON-CURRENT ASSETS		
Right-of-use assets (premises)	1 079 450	1 161 117
Right-of-use assets (vehicles)	1 253 867	1 024 649
TOTAL:	2 333 317	2 185 766
EQUITY AND LIABILITIES	31.12.2025	31.12.2024
Non-current liabilities (Lease liabilities for right-of-use assets)	1 355 282	1 319 324
Current liabilities (Lease liabilities for right-of-use assets)	1 211 186	941 520
TOTAL:	2 566 468	2 260 844
LEASES IN THE STATEMENT OF COMPREHENSIVE INCOME	2025	2024
FINANCIAL COSTS		
Finance costs for right-of-use assets (premises)	51 443	37 302
Finance costs for right-of-use assets (vehicles)	77 068	60 630
Finance costs for right-of-use assets (other)	16 970	–
DEPRECIATION		
Depreciation for right-of-use assets (premises)	596 203	490 802
Depreciation for right-of-use assets (vehicles)	549 183	545 986
Depreciation for right-of-use assets (other)	18 307	–
TOTAL:	1 309 174	1 134 720

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the period:

	2025	2024
As at 1 January	2 260 844	2 029 686
Additions	1 504 683	565 462
Acquired in business combination	126 215	–
Extended/Terminated agreements	77 597	862 337
Interests	145 481	97 932
Payments	(1 548 352)	(1 294 573)
As at 31 December:	2 566 468	2 260 844

14. INVENTORIES

	31.12.2025	31.12.2024
Goods for sale	4 959 156	3 883 287
Equipment inventory	339 161	535 480
Goods in transit	18 316	–
Spare parts	1 387 440	1 184 351
Allowances for obsolete inventories	(198 246)	(135 454)
TOTAL:	6 505 827	5 467 664

15. TRADE AND OTHER RECEIVABLES

	31.12.2025	31.12.2024
Trade receivables	3 155 179	2 127 104
Allowances for doubtful receivables	(85 388)	(24 683)
TOTAL:	3 069 791	2 102 421

Trade receivables are non-interest bearing and are generally on terms of 14 to 60 days.

Trade receivables	TOTAL	Not past due	>30	31–60	61–90	>90
Balance as at 31 December 2025	3 155 179	2 811 364	221 690	26 522	8 884	86 719

Allowance movements for expected credit losses

Allowances for doubtful receivables as at 31 December 2024	24 683
Receivables write off	(10 125)
Additional allowance	70 830
Allowances for doubtful receivables as at 31 December 2025	85 388

16. PREPAYMENTS AND OTHER RECEIVABLES

	31.12.2025	31.12.2024
Deposits	258 835	220 250
Accrued income	443 665	152 436
Prepaid expenses	286 063	234 230
Cash in vending machines	186 356	168 607
Advances to suppliers	131 475	41 812
Other receivables	343 284	127 141
TOTAL:	1 649 678	944 476

Deposits mainly consists for advance payments made to suppliers in relation to rent of premises for offices and warehouses and vending locations. The long-term portion of deposits, amounting to EUR 138 016 (2024: EUR 131 703), is disclosed under non-current financial assets.

Accrued income is related to accrued discounts from suppliers for purchased quantities of goods for which invoices are expected to be received as according to the agreements with suppliers.

17. CASH

	31.12.2025	31.12.2024
Cash at bank	242 627	285 763
Cash on hand	52 291	58 171
Cash in transit	593 690	813 738
TOTAL:	888 608	1 157 672

Cash at banks does not earn interest. For the purpose of the statement of cash flows, cash comprises cash at bank, in transit and on hands.

Cash in transit consists of money, that are receivable for card payments at vending machines and cash, that were collected from vending machines, but have not yet reached bank accounts.

No estimated credit losses have been recognized for cash and cash equivalents as estimated credit losses considered to be clearly immaterial taking into account nature of banking relationship and assessment of creditworthiness of financial institutions.

18. ISSUED CAPITAL

The share capital of the Parent company is EUR 6 648 930 (2024: EUR 6 086 215) and consists of 6 648 930 shares (2024: 6 086 215). The value of each share is EUR 1. A share premium is provided for the new emission Shares. Total Share premium is EUR 15 379 553 (2024: 11 156 085). All the shares and share premium are fully paid.

During the reporting year, historical loans granted by shareholders amounting to EUR 4 786 183 were converted into share capital in order to strengthen the Group's equity position.

	31.12.2025	31.12.2024
Ordinary shares issued and fully paid	6 648 930	6 086 215
Share premium	15 379 553	11 156 085
TOTAL:	22 028 483	17 242 300

19. INTEREST-BEARING LOANS AND BORROWINGS EXCLUDING BONDS

NON-CURRENT INTEREST-BEARING LOANS AND BORROWINGS	Interest rate, %	Maturity	31.12.2025	31.12.2024
Bank loan	3.4% + 3m Euribor	31.05.2028	11 080 008	8 343 767
Shareholder loan	–	–	–	4 786 183
Altum loan	6.1%	24.02.2030	354 732	–
TOTAL NON-CURRENT PART OF LONG TERM INTEREST-BEARING LOANS AND BORROWINGS			11 434 740	13 129 950
CURRENT INTEREST-BEARING LOANS AND BORROWINGS				
Bank loan	3.4% + 3m Euribor	31.05.2028	2 462 224	2 450 704
Overdraft	3.4% + 3m Euribor	29.05.2026	1 046 551	–
TOTAL CURRENT PART OF LONG TERM INTEREST-BEARING LOANS AND BORROWINGS			3 508 775	2 450 704
TOTAL INTEREST-BEARING LOANS AND BORROWINGS			14 943 515	15 580 654

Bank loan

Bank loan is secured with a pledge on shares and assets of Coffee Address SIA, Coffee Address UAB, Coffee Address OU and Coffee Address Holding SIA on the date of pledge as well as future components of the Group. A commercial pledge on the Groups' assets as an aggregate property at the time of pledging and shares including any future parts thereof, was registered in favor of the bank based Credit Agreements No. 2023003746 and Credit Line Agreement No. 2023003747, dated 29 May 2023, between SIA Coffee Address Holding and the bank.

During the reporting period, the bank interest rate was changed from 3.6% +3m Euribor to 3.4% +3m Euribor.

Bank loan balance includes principal amount of EUR 13 542 232.

Bank Overdraft

Coffee Address Holding SIA has an effective overdraft agreement with a limit of EUR 3 000 000. The current agreement matures on 29 May 2026. The applicable interest rate is 3.4% + 3-month EURIBOR.

In April 2026, the Group received an offer from a bank to extend the existing overdraft facility with a limit of EUR 2 million until 29 May 2027. As a result, the overdraft facility utilised as at 31 December 2025, amounting to EUR 1,046 thousand, is not classified as a current liability.

Bank loan and overdraft	31.12.2025	31.12.2024
Maturing in less than one year	3 508 775	2 450 704
Maturing between one and five years	11 080 008	8 343 766
TOTAL:	14 588 783	10 794 470

19. INTEREST-BEARING LOANS AND BORROWINGS EXCLUDING BONDS (CONTINUED)

Bank loan covenants

Under the terms of the secured bank loan the Group is required to comply with the following covenants at the end of each calendar quarter, at 31 March, 30 June, 30 September and 31 December.

Covenant	Limit	31.12.2025	31.12.2024
Equity ratio	Positive	Positive	Positive
Adjusted equity ratio	Not less than 30%.	35%	42%
DSCR	Starting from second quarter of 2024 not less than 1.4	1.42	1.57
Net debt/ EBITDA	Till third quarter of 2024 (including) not more than 3; starting from fourth quarter of 2024 not more than 2.5 starting from third quarter of 2025 (including) not more than 3	2.91	2.15
Outstanding overdraft to NWC	Not more than 65%	63%	0%

The Group has no indication that it will have difficulties complying with these covenants.

20. OTHER FINANCIAL LIABILITIES

	31.12.2025	31.12.2024
NON- CURRENT FINANCIAL LIABILITIES		
Finance liability for coffee machines sales and repurchase transaction	211 650	357 708
Obligation under finance leases	423 203	688 293
Finance liability for other equipment	101 626	–
Finance liability for rent of premises	508 342	150 410
Finance liability for car leasing	745 314	611 274
TOTAL NON-CURRENT FINANCIAL LIABILITIES	1 990 135	1 807 685
CURRENT FINANCIAL LIABILITIES		
Deferred payment	1 500 000	–
Finance liability for coffee machines sales and repurchase transaction	326 037	163 587
Obligation under finance leases	216 667	312 171
Finance liability for other equipment	43 252	–
Finance liability for rent of premises	598 563	335 322
Finance liability for car leasing	569 371	472 206
TOTAL CURRENT FINANCIAL LIABILITIES	3 253 890	1 283 286
TOTAL:	5 244 025	3 090 971

Finance liability for coffee machines sales and repurchase transaction

During 2016–2022, the Group sold coffee machines to the major client with an obligation to sell the property back to the Group in the future and these liabilities are counted under financial liabilities. Agreed buy-back term and together the end of finance transaction was set in the year 2020–2027 and discount rate used to calculate financing costs vary from 3.5% to 4.25% + 3–12 months EURIBOR.

Deferred income for coffee machines sales and repurchase

Once signing a buy-back contract for the sale and purchase of coffee machines, the Group does not recognize income and cost of coffee machines immediately, because according to the economic meaning of the transaction, the Group retains a significant part of the risk related to property ownership. Both income and cost of sales are deferred and recognized over the term of the contract. Payment from customer is received in the beginning of the buy-back agreement. Current portion of deferred income as of 31 December 2025 amounts to EUR 456 739 (31.12.2024: EUR 973 251.)

21. PROVISIONS

As at 31 December 2025 the pension accrual amounts to EUR 51 038 (2024: EUR 49 460). The following assumptions were taken into account while calculating the amount of the accrual: turnover of employees, life expectancy, future salary increases and discount rate.

Since the majority of the accrual is accounted for employees that already reached their pension age, the change in assumptions will not give material effect to the amount of provision and therefore detailed sensitivity analysis is not prepared.

22. TRADE PAYABLE

	31.12.2025	31.12.2024
Trade payables non-current	1 101 859	147 153
Trade payables current	7 811 597	4 805 831
TOTAL:	8 913 456	4 952 984

Trade payables are non-interest bearing and are normally settled on 30–60 day terms. For explanations of the Group's liquidity risk management processes, refer to Note 26.

The non-current portion of trade payables is contractually due to be fully repaid by April 2029.

23. CURRENT LIABILITIES

	31.12.2025	31.12.2024
VAT payable	536 168	671 557
Vacation reserve	501 836	382 316
Accruals for discounts and marketing support	323 433	924 430
Social tax payable	411 079	201 540
Other accruals related to payroll	460 296	418 318
Prepayments from customers*	98 857	838 461
Other current liabilities	746 512	661 592
TOTAL:	3 078 181	4 098 214

*Prepayments from customers consist of amounts received from clients mainly for coffee machines. Prepayments from 2024 were settled in 2025.

24. BONDS

	Interest rate, %	Maturity	31.12.2025	31.12.2024
Issued bonds				
Registered bonds	8.5%	28.02.2028	5 000 000	
Registered bonds	9%	30.06.2025	–	5 000 000
Total Issued bonds:			5 000 000	5 000 000

Fair value

The group has a number of financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Fair value for issued bonds as on 31 December 2025 is as follows:

	Carrying amount, EUR	31.12.2025 Fair value, EUR	31.12.2024 Fair value, EUR
Debt securities – bonds	5 000 000	5 050 000 (Level 1)	5 022 500 (Level 1)

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

25. RELATED PARTY DISCLOSURES

Note 4 provides information about the Group's structure, including details of the subsidiaries and the holding company.

Loans from related parties	Interest expenses 2025	Amounts owed to related parties on 31.12.2025	Interest expenses 2024	Amounts owed to related parties on 31.12.2024
BaltCap Private Equity Fund II SCSp	–	–	123 516	3 139 272
BaltCap Private Equity Fund II Co-Investment SCSp	–	–	81 456	1 646 911

During financial year there was a payment to council member for travel cost compensation and remuneration of council activities in amount of EUR 43 524 (2024: EUR 42 321) which are recognized as part of other operating expenses.

26. RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, issued bonds, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is ensuring that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. Management of each risk is summarized below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group and the Parent Company are exposed to cash flow interest rate risk mainly in relation to borrowings with floating interest rates as the finance costs increase significantly with the interest rate growing. The Group is exposed to interest rate risk mainly through its current and non-current borrowings. The average interest rate payable on the Group's borrowings is disclosed in Note 19. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on mainly EURIBOR floating rate borrowings).

Interest rate sensitivity

Change in interest rate of leasing would not have substantial effect on the Groups consolidated financial statements. The following table shows the effect on sensitivity test for changes in interest rates:

Interest rate on interest bearing loans	Change in EURIBOR	Effect on profit before tax, EUR	Effect on equity, EUR
2025	0.50%	(35 466)	(35 466)
	–0.30%	21 279	21 279
2024	0.50%	(60 457)	(60 457)
	–0.30%	36 274	36 274

26. RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). During the current year, the Group expanded its operations by acquiring a subsidiary whose functional currency is the Romanian leu (RON). As a result, the volume of transactions denominated in foreign currencies has increased, and the Group is now exposed to fluctuations in the EUR/RON exchange rate. The Group monitors foreign exchange rate movements and manages its exposure on an ongoing basis.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the continuous supply of coffee. To limit Group's exposure of commodity price risk in 2025 Group has entered into fixed price agreement with its main coffee supplier.

Commodity price sensitivity

The following table shows the effect on sensitivity test for changes in coffee prices:

Coffee	Change in average	Effect on profit before tax, EUR	Effect on equity, EUR
2025	15%	1 427 569	1 289 730
	-15%	(1 427 569)	(1 298 345)
2024	15%	1 069 614	833 415
	-15%	(1 069 614)	(1 178 320)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables). The credit risk of receivables is controlled by the Group and the Group's parent company by regularly monitoring level of overdue debtors, sending reminders and setting individual credit limits for debtors. By summing the risk amounts of all receivables, the total credit risk of the receivable portfolio is determined.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables of 3 080 thousand EUR are regularly monitored. At 31 December 2025, the Group had 38 (20 as at 31 December 2024) customers that owed it more than €10,000 each and accounted for approximately 68% (58% as at 31 December 2024) of all the receivables outstanding. There were 6 (5 as at 31 December 2024) customers with balances greater than €50,000 accounting for just over 46% (35% as at 31 December 2024) of the total amounts receivable. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk

The Group monitors its risk of a shortage of funds by performing regular cash flow projections. The Group's objective is to balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases. As at 31 December 2025 the Group's current liabilities exceed current assets by 5 833 thousand EUR. This includes:

- In April 2026, the Group received an offer from a bank to extend the existing overdraft facility with a limit of EUR 2 million until 29 May 2027. As a result, the overdraft facility utilised as at 31 December 2025, amounting to EUR 1,046 thousand, is not due in 2026.
- In April 2026, the Group also received an offer from a bank for an additional loan of EUR 1 million. In addition, the repayment schedule of an existing loan was amended; resulting in EUR 1 million being payable after 2026.
- 544 thousand EUR of payables that were refinanced in 2026 through a loan issued by Altum.
- Liabilities amounting to EUR 750 thousand are expected to be settled after the next reporting period following the planned amendment to defer the purchase price payment date.

26. RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The Group management has reasonable expectations to cover the remaining liquidity gap by operating cashflows and use available overdraft if such need arises. The Group management has performed detailed cash flow forecast and monitoring them. The Group's management believes that financial position remains stable and it is capable to continue its activities for at least one year period after the issue of these financial statements. On 7 April 2026 shareholders have issued a letter of support to the Group, no such support has been currently requested as of issuance of these consolidated financial statements.

	2025	2024
Current Ratio	0.67	0.53
Quick Ratio	0.22	0.18
Net debt	21 621 375	17 206 474

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular industry. As Group's counterparties are operating in different regions and different industries, the Group considers risk of excessive concentration as relatively low.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments including interest payments:

31.12.2025	Within one year	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	3 486 836	11 010 885	–	14 497 721
Issued bonds	425 000	5 495 833	–	5 920 833
Lease liabilities	1 306 858	1 429 145	–	2 736 003
Altum loan	21 939	423 855	–	445 794
Other financial liabilities	2 100 835	688 952	–	2 789 787
Trade and other payables	7 811 597	1 101 859	–	8 913 456
TOTAL:	15 153 065	20 150 529	–	35 303 595

31.12.2024	Within one year	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	2 762 875	9 032 060	–	11 794 935
Issued bonds	5 225 000	–	–	5 225 000
Lease liabilities	873 200	803 082	–	1 676 282
Shareholder loan	–	4 786 183	–	4 786 183
Other financial liabilities	182 890	418 800	–	601 690
Trade and other payables	4 805 831	147 153	–	4 952 984
TOTAL:	13 849 796	15 187 278	–	29 037 074

27. FAIR VALUES

Set out below is a comparison, by class, of the carrying amounts and fair values of the Groups' financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

As at 31 December 2025:

Financial liabilities	Carrying amount	Fair value
Registered bonds	5 000 000	5 050 000
Interest bearing loans and borrowings:		
Bank loan	14 588 783	14 588 783
Altum loan	354 732	354 732
Finance liability for car leasing	1 314 685	1 314 685
Finance liability for rent of premises	1 106 905	1 106 905
Finance liability for other equipment	144 878	144 878
TOTAL:	22 509 983	22 559 983

As at 31 December 2024:

Financial liabilities	Carrying amount	Fair value
Registered bonds	5 000 000	5 022 500
Interest bearing loans and borrowings:		
Bank loan	10 794 470	10 794 470
Subordinate loan from shareholders	4 786 183	4 786 183
Finance liability for car leasing	1 083 480	1 083 480
Finance liability for rent of premises	485 732	485 732
TOTAL:	22 149 865	22 172 365

Bonds are classified under Level 1 of fair value hierarchy but other financial liabilities correspond to Level 3 of fair value hierarchy.

The following methods and assumptions were used to estimate the fair value:

- the fair value of loans and borrowings is calculated by discounting the projected future cash flows using current interest rates, which is consistent with the Level 3 hierarchy measurement.

No material difference was identified between the carrying amount and the fair value.

28. CORRECTION OF ERRORS

In preparing these consolidated financial statements, the Group made adjustments for prior periods due to identified errors. In 2025, the Group determined that it had not accounted for a modification of a lease agreement related to the extension of the lease term, which was signed in 2024. This correction affects 2024; therefore, the adjustment has been applied retrospectively in the comparative information for 2024. The adjustments did not affect the amounts reported in the 2024 consolidated statement of comprehensive income, consolidated statement of cash flows. Information on the adjustment is presented below:

	31.12.2024.	Adjustment	Restated 31.12.2024.
Property plant and equipment	15 281 97	691 633	15 973 030
Other non current financial liabilities	1 807 685	557 640	2 365 325
Other current financial liabilities	3 964 221	133 993	4 098 214

29. EVENTS AFTER BALANCE SHEET DATE

On 7 April 2026, the shareholders issued a letter of support to the Group, confirming their intention to provide financial support, if required. As of the date of issuance of these consolidated financial statements, no such support has been requested.

In April 2026, the Group received an offer from a bank to extend the existing overdraft facility with a limit of EUR 2 million until 29 May 2027. Furthermore, an offer for an additional loan facility of EUR 1 million was received, and the repayment terms of an existing loan were revised.

The Group has assessed the potential impact of recent geopolitical developments, including the ongoing conflict in the Middle East, on its operations. The current conflict may indirectly affect the Group's activities, primarily through increased transportation costs. As raw materials are sourced from suppliers within Europe, management does not currently identify any significant threats to the Group's operations.

As at the date of preparation of the financial statements, management has not identified any material direct impact on the Group's financial position or operating results. However, management will continue to closely monitor the ongoing geopolitical situation and assess any potential risks and their possible impact on the Group's future operations. There were no other significant subsequent events that could have a material impact on the financial statements.

Viktorija Meikšāne
Member of the Board

Anda Priedīte
Group Chief Financial Officer

Document has been signed electronically and contains a time stamp.