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KALVE



AS KALVE COFFEE MANAGEMENT REPORT

AUDITED SEPARATE AND CONSOLIDATED
ANNUAL REPORT FOR THE YEAR 2025

REPORTING PERIOD
01/01/2025 – 31/12/2025

PREPARED FOLLOWING LATVIAN LEGISLATION REQUIREMENTS
JAUNMARUPE, 2026

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ABOUT THE COMPANY



COMPANY	Kalve Coffee AS	
LEGAL STATUS OF THE COMPANY	Joint stock Company	
REGISTRATION NUMBER	40203045645	
LEGAL ADDRESS	Mazcenu aleja 43b, Jaunmārupe, LV-2166	
PLACE AND DATE OF REGISTRATION	Rīga, January 24, 2017	
MEMBERS OF THE BOARD	Gatis Zēmanis – Chairman of the Board Raimonds Selga – Board member Jānis Viesturs Zēgners – Board member	
MEMBERS OF THE SUPERVISORY BOARD	Rūdolfs Strēlis – Chairman of the Supervisory Board Justīne Lība Elferte – Deputy Chairwoman of the Supervisory Board Jānis Andersons – Supervisory Board Member	
ANNUAL REPORT PREPARED BY	Karīna Vasiljeva – Head of Accounting	
REPORTING YEAR	from 01/01/2025 to 31/12/2025	
PREVIOUS REPORTING YEAR	from 01/01/2024 to 31/12/2024	
INFORMATION ON GROUP'S SUBSIDIARY COMPANIES	Kalve Coffee OÜ, Reg. No. 17210492, 100% owned Kalve Coffee UAB, Reg. No. 307188732, 100% owned Kalve Coffee SARL, Reg. No. 990416216, 100% owned	
TYPE OF COMPANY'S ACTIVITY	Processing of tea and coffee	
NACE CLASSIFICATION CODE	10.83	
AUDITORS	Grant Thornton Baltic Audit SIA Blaumana str. 22 Rīga, LV - 1011 License No. 183	Certified Auditor Kitija Ķepite Certificate No. 182

DEAR SHAREHOLDERS AND MEMBERS OF KALVE COMMUNITY!

FROM THE BALTIC TO THE EUROPEAN METROPOLITAN

Dear shareholders and members of the KALVE community!

We wanted to call 2024 a year of transformation, but 2025 became the moment when this transformation took on a real shape and international scale. In 2024, we laid the foundations, with our shares admitted to trading on the Nasdaq Baltic First North exchange, in 2025 we increased production capacity and strengthened management. Today we can confidently say that KALVE is no longer just a brand in Latvia. We have declared ourselves on the big European stage.

Courage and a look into the future are the driving forces of KALVE's growth. 2025 was a period of rapid development and adaptation for us. We successfully entered the Tallinn and Vilnius markets, bringing to life our core value – quality and accessibility. However, our biggest strategic move in 2025 was the opening of two coffee shops in Paris, a city currently experiencing a renaissance and which has become the European hub for Specialty Coffee. Our locations in the 15th district Rue Desaix and the 9th district Rue de Caumartin are not just coffee shops, they are bastions of the KALVE brand in a market where consumers value quality, craftsmanship and products with a story above all else.

The potential of the industry and the strategic choice to expand into Western Europe are based on data, together with management's long-running insights from daily exposure and connections to the industry. The European specialty coffee market is experiencing a rapid rise – it is predicted that by 2030 the value of the specialty coffee market will reach approximately 40 billion US dollars (approximately 23 billion US dollars in 2024 - <https://www.grandviewresearch.com/horizon/outlook/specialty-coffee-market/europe>), showing steady growth. France is the leader in this context with the fastest predicted growth rate. We are therefore where the future is seen to be.

We have consciously chosen to invest in scalable infrastructure and digital presence, which brought us 142% growth in the e-commerce segment in 2025 compared to 2024. Yes, targeted entry into new markets requires resources and challenges our profit indicators in the short term, but these are investment decisions to create maximum added value for the KALVE brand and focus on long-term returns for our shareholders.

We are currently actively conducting research and preparatory work for the next steps of development, as well as the establishment of a representative office in Portugal. We continue to grow as a B-Corp certified company, proving that sustainability and profit are not mutually exclusive concepts, but a common engine. Our strategic direction is clear – long-term growth, bold but thoughtful decision-making and an unwavering commitment to following the values that define who we are.

Thank you for being with us on this journey. With optimism, a motivated team and a clear vision, we continue to build KALVE into a global quality brand.

With gratitude,

GATIS ZĒMANIS

CEO, Chairman of the Board



2025 COFFEE INDUSTRY REPORT – REFLECTIONS & FUTURE OUTLOOK

As we step into 2026, I want to start with an important thank you. Our first year as a public company would not have been possible without your trust and support. Choosing this path was a big decision for us, but it allows us to grow without letting go of what matters most for us – our values.

After a long period of uncertainty, the Arabica market is finally showing signs of stability. Prices remain high, yet thanks to long-term relationships with our producer partners, we have secured favourable contracts that will carry us well into the second half of 2026. Even more encouraging are the first signals coming from Brazil, where farmers are reporting a strong upcoming harvest, so we may see positive movement in the market from April onwards. Still, our direction is clear: we will continue paying well above the C price (an international benchmark coffee price), because great coffee only exists when the people behind it can thrive.





As we grow, our responsibility toward producers grows with us. Over the past year, we have strengthened relationships that truly represent what KALVE stands for. After winning Roast Masters 2025, we began a long-term partnership with Jeremy Pedraza from La Joya farm in Colombia. The new harvest has arrived, and we are proud to purchase the full microlot at a premium price. What started as a spot purchase has now become a shared journey.

In Brazil, our partnership with Sancoffee, and in this example, smallholder farmer Arlindo Cunha from the Fagundes Community continues to deepen. This season brought challenges caused by weather, which impacted the taste quality of the coffee, yet we chose to stand by our handshake agreement - purchasing his entire harvest at microlot pricing. We believe long-term trust matters more than short-term margins, and this commitment helps secure both quality and stability for the future.

We also joined a global initiative with Raw Material to support coffee communities in Timor-Leste. With a €4,500 contribution, we are helping create speciality coffee infrastructure that will directly support 11 farming families. Later this year, we will also receive 600 kg of coffee from a dedicated Kalve Coffee lot, closing the loop between impact and quality.

As for B2B, 2025 became our strongest year so far, with 31% growth compared to the previous year. This was made possible by one key change: bringing sales, technical service, and administration together into one aligned growth team. The results were not only stronger numbers, but also better collaboration, faster problem-solving, and a stronger team spirit.

Our commitment to coffee excellence continues to grow as well. Since the last report, three more team members have joined World Coffee Championship judging panels across Europe. At the same time, two colleagues in Lithuania are preparing to compete in the Brewers Cup Finals, carrying both their personal ambition and KALVE's values onto the competition stage.

The past year brought challenges, pressure, learning, and many proud moments. Now we enter a phase of consolidation - strengthening systems, processes, and foundations, so that future growth remains healthy and sustainable.

Thank you for walking this road with us. The journey is only getting started.

Warm regards,

RAIMONDS SELGA
CGO, Member of the Board

2025 FINANCE MANAGEMENT REPORT

As we close out 2025, I am pleased to share our financial journey through a year of significant strategic transformation. The equity raised in December 2024, combined with a debt restructuring, provided a fantastic springboard for the opportunities we've pursued over the last twelve months.

We put this capital to work, making crucial investments across every corner of the business. This included opening seven new coffee shops across Riga, Tallinn, Vilnius and Paris. While our baristas were busy preparing delicious coffee, our B2B team was equally active. The number of coffee machines leased to our clients, always paired with our specialty beans, has skyrocketed by 143%. These investments are also expected to bear fruit throughout 2026 and beyond.

This expansion would not have been possible without one crucial backbone: our Roastery. To support growing production rates, we also directed investment into the machinery required to scale our output. In total, we invested €1.4 million in CapEx and other business development expenses.

Today, Kalve operates on a completely different level in terms of our structure, finances, and day-to-day operations:

A New European Footprint: As of December 2025, Kalve Coffee now consolidates four companies. Kalve Coffee AS has officially welcomed our põhjanaanabrid (Kalve Coffee OÜ) in Estonia, our braliukas (Kalve Coffee UAB) in Lithuania, and our consœurs (Kalve Coffee SARL) in France.

Strong Top-Line Growth: Revenue grew from €3.4 million in 2024 to €5.3 million—an impressive 55% increase with strong contributions from all business lines.

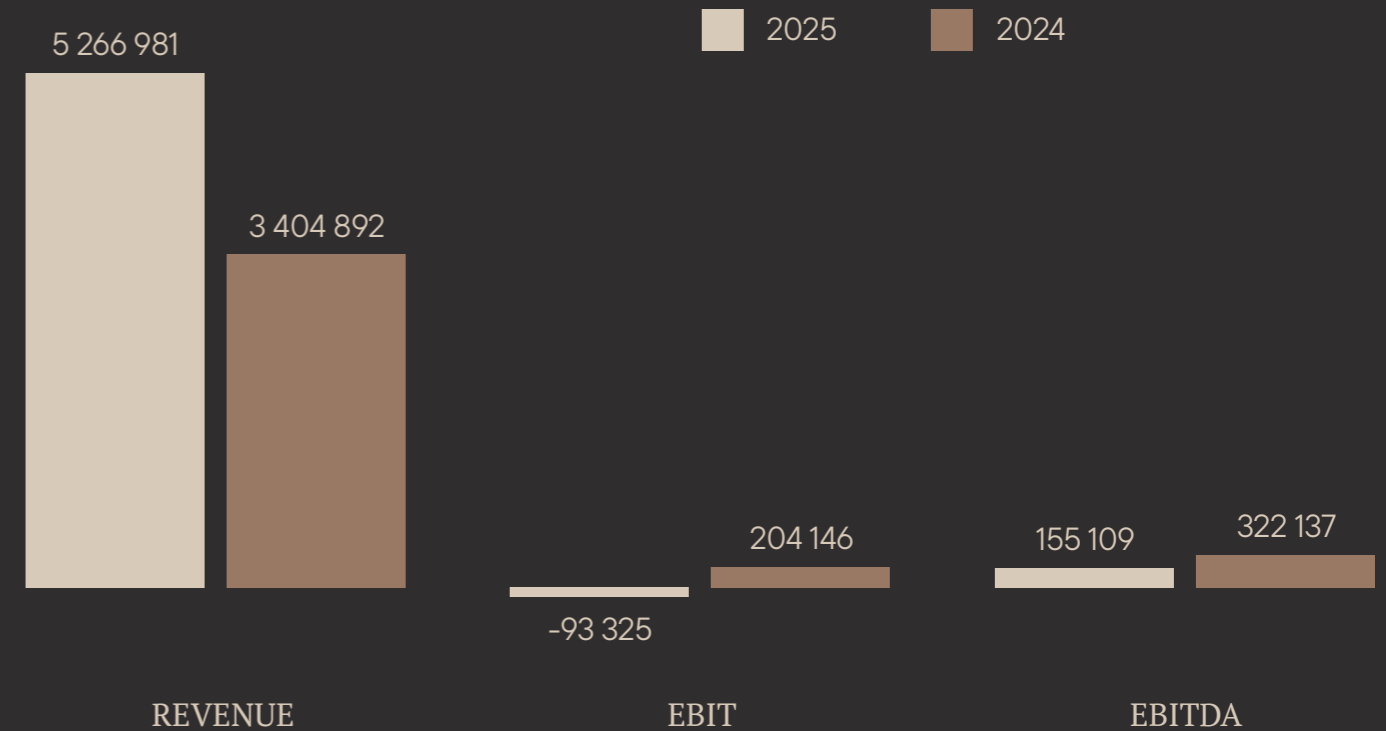
Asset Growth: Total assets reached €2.8 million by year-end.

Production Volume: We brewed and sold 109 tons of specialty coffee (up 30 tons from last year).

The Kalve Family: Our team grew from 56 to 106 employees.

Yes, this rapid scaling came with a short-term trade-off in profitability. Our EBITDA decreased from €322 thousand (or €505 thousand before exceptionals) in 2024 to €155 thousand in 2025, resulting in a net loss of €116 thousand. Our export markets are still working toward their break-even points, and higher-than-expected non-capitalized startup costs, combined with minor delays, led to initial operational losses in these new subsidiaries. However, following a challenging first half of the year in Latvia due to a higher cost base, we made strategic adjustments that led to a successful turnaround. As a result, EBITDA in our home market tripled in H2 2025 compared to H1.

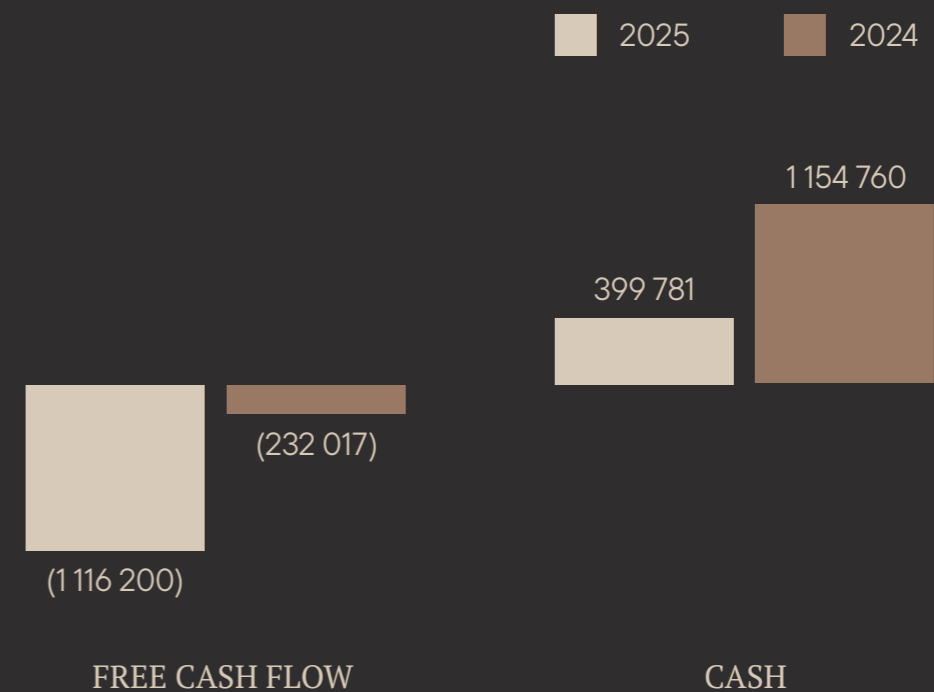
What lies ahead for 2026? With a much stronger infrastructure in place, we are eager to embark on our first full calendar year operating across four countries. We must mature these new locations to reach break-even. This will stabilize our net cash flow following the intensive investment of our IPO funds and allow us to continue investing in our future.



REVENUE

EBIT

EBITDA



FREE CASH FLOW

CASH

MANAGEMENT GUIDANCE FOR 2026

Based on the current business development plan and assumption of stable economic conditions and the absence of significant geopolitical disruptions in the Baltic region and key supplier markets: The Management sets its 2026 EBITDA financial guidance at Circa €0.4 Million.

JĀNIS VIESTURS ZĒGNERS

CFO, Member of the Board



Key ratios & indicators (management data)	2025	2024	H2 2025	H2 2024
	EUR	EUR	EUR	EUR
	Group*	Company	Group*	Company
Net turnover	5 266 981	3 404 892	3 088 788	1 912 643
Gross profit	2 457 259	1 649 127	1 473 425	964 572
1 Gross profit, %	47%	48%	48%	50%
EBIT	(93 325)	204 146	(57 612)	85 195
2 EBIT, %	(2%)	6%	(2%)	4%
EBITDA	155 109	322 137	95 844	152 032
3 EBITDA, %	3%	9%	3%	8%
4 EBITDA before exceptionals **	155 109	504 529	95 844	324 285
5 EBITDA before exceptionals, %	3%	15%	3%	17%
Profit or loss for the reporting year	(115 626)	185 845	(75 318)	76 216
Cash Flow from Operations	204 304	119 331		
Cash Flow from Investing Activities	(1 320 504)	(351 348)		
6 Free Cash Flow	(1 116 200)	(232 017)		
Cash Flow from Financing Activities	361 221	1 320 334		
Net Cash Flow	(754 979)	1 088 317		
Cash and cash equivalents at the end of the year	399 781	1 154 760		
Leverage ratios				
7 Debt to Equity	55%	27%		
8 Current Ratio (x)	1.29	2.70		
9 Quick Ratio (x)	0.72	2.20		

* Consolidation of Group results began with the establishment of Kalve Coffee OÜ on 2 April 2025

**Exceptionals: non-recurring IPO-related costs

1 Gross Profit / Net turnover x 100

2 EBIT / Net turnover x 100

3 EBITDA / Net turnover x 100

4 IPO-related costs are classified as exceptional items in 2024 to better reflect the underlying performance

5 EBITDA before exceptionals / Net turnover x 100

6 Cash Flow from Operations

(Incl. Result of fluctuations of foreign currency exchange rates)
+ Cash Flow from Investing Activities

7 (Loans from credit institutions + Other loans) / Total Equity

8 Total current assets / Total current liabilities

9 (Cash & Equivalents + Trade & Other Receivables) /
Total current liabilities



GATIS ZĒMANIS

CEO, Chairman of the Board



RAIMONDS SELGA

CGO, Member of the Board



JĀNIS VIESTURS ZĒGNERS

CFO, Member of the Board



FINANCIAL STATEMENTS

INCOME STATEMENT

(CLASSIFIED PER FUNCTION OF EXPENDITURE)

	Note number	01/01/2025 - 31/12/2025 EUR	01/01/2025 - 31/12/2025 EUR	01/01/2024 - 31/12/2024 EUR
		Group	Company	Company
Net turnover	3	5 266 981	4 999 614	3 404 892
<i>from other types of principal activity</i>		5 266 981	4 999 614	3 404 892
Cost of goods sold or services provided	4	(2 809 722)	(2 704 521)	(1 755 765)
Gross profit or loss		2 457 259	2 295 093	1 649 127
Selling costs	5	(1 989 958)	(1 594 309)	(959 133)
Administrative costs	6	(582 290)	(512 430)	(482 990)
Other operating income	7	51 963	51 946	9 521
Other operating expense	8	(30 299)	(29 413)	(12 379)
Interest and similar income		2 790	16 689	
<i>from related parties</i>			14 446	
<i>from other persons</i>		2 790	2 243	
Interest expense and similar costs		(19 807)	(19 807)	(16 894)
Profit or loss before corporate income tax		(110 342)	207 769	187 252
Corporate income tax for the reporting year		(5 284)	(4 671)	(1 407)
Profit or loss for the reporting year		(115 626)	203 098	185 845

Notes on pages 30 to 56 form an integral part of these financial statements.



BALANCE SHEET

ASSETS

	Note number	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
		Group	Company	Company
Non-current investments				
Intangible assets				
Other intangible assets		22 477	22 477	13 715
Total intangible assets	9	22 477	22 477	13 715
Property, plant and equipment				
Leasehold improvements		678 670	90 881	66 246
Equipment and machinery		83 911	66 448	86 093
Other fixtures and fittings, tools and equipment		852 295	789 874	387 811
Construction in progress		48 273	48 273	147 493
Total property, plant and equipment	10	1 663 149	995 476	687 643
Non-current financial investments				
Investments in subsidiaries	11.a		9 500	
Loans to related parties	11.b		1 030 106	
Other loans and non-current receivables	12	93 795	21 654	
Total non-current financial investments		93 795	1 061 260	
Total non-current investments		1 779 421	2 079 213	701 358

	Note number	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
		Group	Company	Company
Current assets				
Inventories				
Raw materials and consumables		261 461	260 777	177 302
Work in progress		42 899	42 899	21 140
Finished products and goods for sale		94 103	88 098	60 055
Prepayments for inventories		15 602	15 602	12 534
Total inventories		414 065	407 376	271 031
Debtors				
Trade receivables		139 265	84 893	74 015
Receivables from related parties			27 333	
Other receivables	13	29 451	29 451	35 746
Deferred expenses		23 407	14 040	8 802
Accrued revenue		16 737	13 111	6 042
Total debtors		208 860	168 828	124 605
Cash	14	399 781	353 408	1 154 760
Total current assets		1 022 706	929 612	1 550 396
TOTAL ASSETS		2 802 127	3 008 825	2 251 754

Notes on pages 47 to 51 form an integral part of these financial statements.

BALANCE SHEET

LIABILITIES AND EQUITY

	Note number	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
		Group	Company	Company
Equity				
Share capital	15	119 377	119 377	119 377
Stock (share) issue premium		1 143 261	1 143 261	1 143 261
Previous years' retained earnings or accumulated loss		265 084	265 084	79 239
Profit or loss for the reporting year		(115 626)	203 098	185 845
Total equity		1 412 096	1 730 820	1 527 722
Liabilities				
Non-current creditors				
Loans from credit institutions	16	564 755	564 755	127 934
Other loans	17	34 455	34 455	21 577
Total non-current liabilities		599 210	599 210	149 511
Short-term creditors				
Loans from credit institutions	16	109 859	109 859	189 178
Other loans	17	69 638	69 638	78 797
Prepayments received from customers		1 921	1 921	1 560
Trade payables		200 050	152 293	99 136
Taxes and State mandatory social insurance contributions	18	182 573	151 181	81 218
Other creditors	19	136 113	114 955	58 656
Accrued liabilities	20	90 667	78 948	65 976
Total short-term creditors		790 821	678 795	574 521
Total liabilities		1 390 031	1 278 005	724 032
TOTAL LIABILITIES AND EQUITY		2 802 127	3 008 825	2 251 754

Notes on pages 51 to 55 form an integral part of these financial statements.



CASH FLOW STATEMENT

INDIRECT METHOD

	01/01/2025 - 31/12/2025 EUR	01/01/2025 - 31/12/2025 EUR	01/01/2024 - 31/12/2024 EUR
	Group	Company	Company
Cash flow from / (used in) operating activities			
Profit or loss before corporate income tax	(110 342)	207 769	187 252
Corrections:			
Depreciation and impairment of property, plant and equipment	245 861	223 536	117 771
Amortization and impairment of intangible assets	3 847	3 847	998
Profit or loss from fluctuations of foreign currency rates	(5 355)	(5 355)	2 821
Other revenue from interest and similar revenue	(2 790)	(16 689)	
Interest expense and similar costs	19 807	19 807	16 894
Other corrections	(7 974)	(7 267)	
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	143 054	425 648	325 736
Change in Working Capital:			
(Increase) or decrease in receivables	(84 255)	(44 223)	(37 465)
(Increase) or decrease in inventories	(143 034)	(136 345)	(102 522)
Increase or (decrease) in trade and other payables	303 578	191 663	(46 696)
Gross cash flow from operating activities	219 343	436 743	139 053
Interest received	2 790	2 243	
Interest paid	(18 607)	(18 607)	(15 694)
Corporate income tax paid	(4 577)	(4 782)	(1 207)
Net cash flow from/ (used in) operating activities	198 949	415 597	122 152

	01/01/2025 - 31/12/2025 EUR	01/01/2025 - 31/12/2025 EUR	01/01/2024 - 31/12/2024 EUR
	Group	Company	Company
Cash flow from/(used in) investing activities			
Investments in subsidiaries, associates or other entities		(9 500)	
Purchase of property, plant and equipment and intangible assets	(1 248 363)	(558 365)	(351 348)
Rental Security Deposits	(72 141)		
Loans issued		(1 015 660)	
Net cash generated from / (used in) investing activities	(1 320 504)	(1 583 525)	(351 348)
Free Cash Flow	(1 116 200)	(1 162 573)	(232 017)
Cash flow from /(used in) financing activities			
Proceeds from share capital increase, bonds issue			1 184 838
Loans received	756 729	756 729	233 736
Repaid loans	(395 508)	(395 508)	(98 240)
Net cash from/ (used in) financing activities	361 221	361 221	1 320 334
Result of fluctuations of foreign currency exchange rates	5 355	5 355	(2 821)
Net increase /(decrease) in cash and cash equivalents	(754 979)	(801 352)	1 088 317
Cash and cash equivalents at the beginning of the year	1 154 760	1 154 760	66 443
Cash and cash equivalents at the end of the year	399 781	353 408	1 154 760

STATEMENT OF CHANGES IN EQUITY

Group	Share capital	Stock (share) issue premium	Retained profits	Total equity
	EUR	EUR	EUR	EUR
As at 31/12/2024	119 377	1 143 261	265 083	1 527 722
Increase/decrease in retained profit			(115 626)	(115 626)
As at 31/12/2025	119 377	1 143 261	149 457	1 412 096

Company	Share capital	Stock (share) issue premium	Retained profits	Total equity
	EUR	EUR	EUR	EUR
As at 31/12/2023	2 800		154 239	157 040
Increase/decrease in share capital	116 577	1 143 261		1 259 838
Increase/decrease in retained profit			110 844	110 844
As at 31/12/2024	119 377	1 143 261	265 083	1 527 722
Increase/decrease in retained profit			203 098	203 098
As at 31/12/2025	119 377	1 143 261	468 181	1 730 820



NOTES TO THE FINANCIAL STATEMENTS

(1) Corporate information

AS "Kalve Coffee" (hereinafter – the Company) was registered with the Republic of Latvia Enterprise Register on 24 January 2017. The registered office of the Company is at Mazcenu aleja 43B, Jaunmārupe, Mārupes pag., Mārupes nov., LV-2166.
The core business activity of the Company is the production and sale of coffee.

This is the first consolidated report of the Company and its subsidiaries.

The consolidated annual report comprises the parent company and its subsidiaries:
Kalve Coffee OÜ - 100% owned (2 500 EUR), consolidation commenced on 02/04/2025
Kalve Coffee UAB - 100% owned (2 000 EUR), consolidation commenced on 03/06/2025
Kalve Coffee SARL - 100% owned (5 000 EUR), consolidation commenced on 12/08/2025

Principles of preparation of financial statements

Subsidiaries, in which the Group has direct or indirect control over operating activities, are consolidated. Control is obtained if the Group has an ability to influence the financial and management matters in a subsidiary, thereby benefiting from it. The control is obtained if the Group is entitled to influence the financial and operating policies applied in a subsidiary, as well as to benefit from its transactions. The consolidation of subsidiaries is based on a cost or acquisition method.

The subsidiaries of the Group are consolidated from the moment when the Group has taken over control and the consolidation is discontinued with the disinvestment of the Group's subsidiary. The financial statements of subsidiaries are consolidated in the Group's financial statements, combining the respective assets, liabilities, profit and loss items. All transactions between the Group companies, settlements and unrealised profit or loss from transactions are eliminated. If necessary, the accounting policies of the Group's subsidiaries have been changed to the Group's accounting policies to ensure compliance with the accounting and measurement methods used by the Group.

The amounts presented in these consolidated financial statements are derived from the accounting records of the Group's subsidiaries, which have been prepared in accordance with the accounting requirements of Latvia, Lithuania, Estonia, and France, making the appropriate adjustments, where necessary, for their presentation, measurement, and disclosure in accordance with the requirements of the Law on Annual Reports and Consolidated Annual Reports. The consolidated financial statements have been prepared on the historical cost basis.

(2) Significant accounting principles

Principles of preparation of financial statements

The annual report has been prepared in accordance with laws of the Republic of Latvia – the Accounting Law and the Law on Annual Reports and Consolidated Annual Reports.

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

The statement of cash flows has been prepared in accordance with indirect method.

These are the combined consolidated financial statements of the Group and the separate financial statements of the Parent Company.

The financial statements of the Group's Parent Company and its subsidiaries are prepared for the same reporting period.

Reporting period

The reporting period is 12 months – from 01/01/2025 to 31/12/2025
The previous reporting period is 12 months – from 01/01/2024 to 31/12/2024

Accounting principles

These financial statements are prepared on the going concern basis, the accounting and measurement methods applied are consistent with those of the previous financial year, and prudent estimates have been made in preparing these financial statements.

Transactions in foreign currencies

The presentation currency of the Company is the euro (EUR), the monetary unit of the European Union.

Transactions in foreign currencies are translated into the euro at the euro foreign exchange reference rate published by the European Central Bank at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the euro applying the euro foreign exchange reference rate published by the European Central Bank at the last day of the reporting year.

Foreign exchange gains and losses are recognised in the statement of profit or loss for the respective reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(2) Significant accounting principles

Related parties

A related party is a person or an entity that is related to the reporting Company.

A person or a close member of that person's family is related to the reporting Company if that person has control, joint control or significant influence over the reporting Company or is a member of the key management personnel of the reporting Company or of a parent of the reporting Company.

An entity is related to the reporting Company if both are members of the same group. Besides, an entity is related to the reporting Company if the entity is controlled, jointly controlled or significantly influenced by a related party of the reporting Company or this related party of the reporting Company is a member of the key management personnel of that entity or of a parent of that entity.

Intangible assets and property, plant and equipment

Property, plant and equipment are recognised at their acquisition value less depreciation and impairment, if applicable. The acquisition value of property, plant and equipment consists of purchase price, import duties and non-refundable purchase taxes, other costs directly attributable to delivery of the assets to their location and getting in the working condition pursuant to the suggested use. Depreciation is calculated over the useful life of the asset according to the linear method applying the following depreciation rates as the basis of calculation:

Buildings and structures	20 years
Technological equipment	5 years
Office equipment	3 years
Computer hardware	3 years
Motor vehicles	5 years
Other fixed assets	2 – 7 years

Land is not depreciated.

Intangible assets are recognised at their acquisition value less amortisation. Amortisation is calculated within the period of useful life of an asset according to the linear method, applying the following rates:

Licenses	5 – 10 years
Other intangible investments	5 years

Gains or losses from sales of property, plant and equipment are displayed in the income statement of the respective period. Repair or renovation expenses that increase the useful life of property, plant and equipment or their value are capitalised and written off within the period of useful life of assets. Other repair or renovation expenses are recognised as expense in profit and loss statement.

Expenses related to leasehold improvements are capitalised and displayed in the property, plant and equipment. Depreciation is calculated over the lease period using the linear method. Loan issue expenses that are directly related to formation of property, plant and equipment and construction in progress are capitalised, if such expenses are reasonably attributable and directly related. Loan issue expenses are capitalised before putting the property, plant and equipment into operation.

Research expenses are recognized in the statement of profit and loss of the reporting year they are incurred. The Company's development costs are capitalized if their recoverability in the future may be substantially proved. Amortisation is calculated during the whole recovery period of development costs.

If any events or changes in circumstances indicate that the carrying value of fixed assets may be irrecoverable, the value of the relevant fixed assets is reviewed to determine their impairment. If there are indications of irrecoverability and if the asset's carrying amount exceeds the estimated recoverable amount, the asset's value is written down to its recoverable amount.

Unfinished construction comprises the cost of cost of construction and work-in-progress and is carried at cost. The initial value includes the cost of materials and other directly attributable costs. Depreciation is not calculated for objects under construction until the relevant asset is completed and put into operation.

NOTES TO THE FINANCIAL STATEMENTS

(2) Significant accounting principles

Non-current financial investments

Related parties

A related party is a company which is directly or indirectly controlled by another company (the parent company – more than 50% of the shareholders' voting rights in this company). The parent company controls the subsidiary company's financial and business policy. The company recognizes income from investments only in case if it receives distribution of profit from the related company after the purchase date. The received distribution which exceeds this profit shall be considered as investment recovery costs and is recognized as a decrease of purchase costs in the related company's investment.

Financial instruments

Long-term loans and claims

A financial asset created by the company by lending money or providing service directly to the debtor; not created with the purpose to sell it immediately or in the near future. Initially loans are recognised in their initial value set by adding the expenses related to issue of the loan to the fair value of the loan amount. After initial recognition the loans are recognised in their amortised value, applying the effective interest rate method. The amortised value is calculated with the account of the loan issue expenses as well as any loan-related discounts and bonuses. The profit or loss due to amortisation is displayed in the profit and loss statement as interest income and expenses. If active decrease in the value has occurred respective reserves are made.

Other long-term financial investments

Investments held to maturity — financial assets with fixed or determinable payments and fixed maturity that a company has the positive intention and ability to hold to maturity. Initially loans are recognised in their initial value set by adding the expenses related to issue of the loan to the fair value of the loan amount. After initial recognition the loans are recognised in their amortised value, applying the effective interest rate method.

Financial assets available for sale — financial assets other than issued loans, chargeable invoices and investments held to maturity; they can be sold to increase liquidity or in case of changes in the interest rates, bank rates and capital value. Financial assets available for sale are recognised in their fair value and changes in value in the period of origin are recognised in the equity capital, in the revaluation reserves. If there are objective references about the decrease in the asset value reserves for decrease in the asset value are made.



NOTES TO THE FINANCIAL STATEMENTS

(2) Significant accounting principles

Short-term financial investments

Financial assets held for sale, acquired or created with the main purpose – to gain profit from short-term price or profit margin fluctuations. Financial assets available for sale are recognised in their fair value and changes in value in the period of origin are recognised in the equity capital, in the revaluation reserves.

Valuation of Inventories

Inventory cost price is determined using FIFO method. Inventories are stated at the lower of cost or net realizable value at the balance date

If inventory units are damaged, have become partly or totally obsolete, or the expenses of production completion or selling increase substantially – corresponding inventory units has to be valued at the net sales price. (Net sales price is the estimated sales price in ordinary transactions, less estimated expense till completion).

Debtors

Debtors are recognized according to the amount of initial invoices, less allowances for doubtful debts. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts. Receivables are written off if their recovery is considered as impossible.

Provisions for bad and doubtful debtors

Provisions for bad and doubtful debtors are written off from the created reserves if their recovery is considered impossible. At the end of the year, the Company evaluated all receivables, bad debts were written off from the created provisions, but for doubtful debtors, provisions were made for doubtful receivables.

Deferred expenses

Deferred expenses reflect the payments made during the accounting year, but the use of expenditure is referring to the following reporting periods. The balance value of the balance sheet asset is assessed to the extent that the expected economic benefit is expected in the following reporting periods.

Cash

Cash is cash in hand and non-cash in payment accounts and deposit accounts.

Provisions

Provisions are recognised when there is obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation. Extent of the liabilities can be credibly assessed while a certain date of liabilities' occurrence or discharge is not precisely known.

Loans and borrowings

All borrowings are recognized initially at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. In subsequent periods, borrowings are recognized at amortized cost.

A borrowing is classified as long-term if the payment or write-off occurs later than one year after the end of the respective reporting year. Amounts payable or written off during the year are presented under short-term borrowings.

Financial leasing liabilities

Leases of assets under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease. Lease interest payments are included in the income statement for the period in order to reflect a constant rate of lease liability.

NOTES TO THE FINANCIAL STATEMENTS

(2) Significant accounting principles

Operating lease

Lessee

Leases of assets under which the lessor assumes substantially all the risks and rewards of ownership are classified as operating leases. Lease payments under an operating lease are recognized as an expense over the term of the lease period using the linear method. The Company's liabilities arising from operating leases are recognized as off-balance sheet liabilities.

Costs of operating lease are charged to the income statement on a linear method basis over the period of the lease.

Lessor

The lessor recognises the leased assets in an operating lease in the balance sheet assets according to the type of leased asset. The lessor recognizes operating lease income as income in the income statement over the lease term.

Depreciable leased assets are subject to the same depreciation policy as other similar fixed assets.

Accrued liabilities

Accrued liabilities for unused vacation compensation

Accrued liabilities for unused vacation compensations are established by multiplying the average salary for the last six months of the reporting period with the number of days of unused annual leaves on the end date of the reporting period, including also the mandatory state social insurance contributions made by the employer.

Accrued liabilities for not received expense invoices

Accrued liabilities for unreceived invoices are clearly known trade liability sums for the goods or services received within the reporting year when a relevant payment document (an invoice) has failed to be received on the date of drawing up the balance sheet. The liability sums are calculated, based on the price, which is defined in the relevant agreement, and on the documents that approve actual receipt of the goods or services.

Accrued liabilities for bonus compensation

Accrued liabilities for bonus payments are made according to the operational results of the reporting year. The accrued liabilities are diminished by making actual money payments to employees.

Deferred income

Payments received before the balance sheet date, but referring to the next reporting periods or further reporting periods, is recognized as deferred income.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, less value added tax and sales-related discounts. Revenue is recognized by reference to the economic nature and substance of the transaction rather than its legal form.

Sale of goods

The Company mainly sells self-roasted specialty coffee, provided for retail and wholesale customers through its own coffee shops, e-commerce platform, and third-party distribution channels.

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, and amounts of income earned and expense incurred in connection with the sale of the relevant goods can be measured reliably.

Rendering of services

The company basically provides coffee equipment (coffee machines) rental services. Revenue from services is recognized in the period in which the services are rendered. Revenue from coffee equipment rental services and corresponding expenses are recognized by reference to the stage of completion at the balance sheet date.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

NOTES TO THE FINANCIAL STATEMENTS

(2) Significant accounting principles

Corporate income tax

Corporate income tax expenses are included in financial statement based on management calculations according to laws of Republic of Latvia. Based on the Corporate Income tax law of the Republic of Latvia, starting from 1 January 2018 corporate income tax is applicable to distributed profits and several expenses that would be treated as profit distribution. The applicable corporate income tax rate is 20% or 20/80 from net expense. Corporate income tax on the payment of dividends is recognized in the profit or loss statement as a cost in the accounting period when the respective dividends are declared, while for other objects - at the time when the costs occurred within the accounting year.

Prior to the declaration of dividends, no provision for corporate income tax is recognized for the payment of dividends.

Reclassification

Certain items in the financial reports of 2024 have been reclassified to correspond to the form of reflecting this year's report.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable. The actual results may ultimately differ from those estimates (e.g., vacation pay reserve, etc.).

The Company based its assumptions and estimates on the parameters available when the financial statements were prepared. However, the current circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The following estimates have a significant impact on the financial results:

- Provisions for doubtful debtors. The management of the Company evaluates the receivables and assesses their recoverability, making provisions for doubtful receivables if necessary. Provisions are established based on the recoverability analysis and the Company's cooperation experience with each individual customer. The Company's management has evaluated the receivables and is confident that provisions are sufficient as of 31 December 2025.
- Net book value of intangible and fixed assets. The Company's management evaluates the useful life and net book value of intangible and fixed assets and assesses whether there are any indications that the recoverable amount of the assets is lower than the accounting value. According to the Company's management, as of 31 December 2025 the Company's intangible and fixed assets are not impaired and are fully used in the Company's operations.
- The Company's management evaluates the carrying value of inventories and assesses whether the net realizable value exceeds the cost price. Allowances are made in order to write off the value of inventories to their net realizable value, if necessary. The Group's management has evaluated the net realizable value of inventories and considers that it is not necessary to make any adjustments with regards to the carrying value of inventories as of 31 December 2025.

Subsequent events

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

NOTES TO THE FINANCIAL STATEMENTS

(3) Net turnover

Net turnover - proceeds from Company's major activity - sale of goods and provision of services without value added tax.

Type of activity	01/01/2025 - 31/12/2025	01/01/2025 - 31/12/2025	01/01/2024 - 31/12/2024
	EUR	EUR	EUR
	Group	Company	Company
Revenue from wholesale	1 889 749	1 992 415	1 438 580
Revenue from retail	3 177 234	2 807 201	1 883 618
Revenue from E-Commerce activities	199 998	199 998	82 694
Total	5 266 981	4 999 614	3 404 892
Net turnover by countries:			
	01/01/2025 - 31/12/2025	01/01/2025 - 31/12/2025	01/01/2024 - 31/12/2024
	EUR	EUR	EUR
Latvia	4 896 936	4 999 614	3 404 892
Estonia	236 303		
Lithuania	133 369		
France	373		
Total	5 266 981	4 999 614	3 404 892

(4) Cost of goods sold or services provided

	01/01/2025 - 31/12/2025	01/01/2025 - 31/12/2025	01/01/2024 - 31/12/2024
	EUR	EUR	EUR
	Group	Company	Company
Costs of purchased raw materials	1 405 275	1 403 407	849 167
Goods for Sale	562 453	469 830	274 869
Personnel costs	384 246	384 246	300 387
Excise and natural resources tax	145 236	145 236	98 867
Depreciation and amortization of fixed assets	79 884	79 884	54 345
Goods Delivery costs	75 634	64 924	45 590
Other small purchases	61 689	61 689	49 003
Rent and Lease costs	36 295	36 295	35 994
Professional services costs	28 958	28 958	13 549
Utilities costs	18 516	18 516	20 582
Transport costs	11 536	11 536	13 216
Customs			196
Total	2 809 722	2 704 521	1 755 765

NOTES TO THE FINANCIAL STATEMENTS

(5) Selling costs	01/01/2025	01/01/2025	01/01/2024
	- 31/12/2025	- 31/12/2025	- 31/12/2024
	EUR	EUR	EUR
	Group	Company	Company
Utilities costs	82 510	63 222	39 776
Rent and Lease costs	178 579	97 520	41 524
Depreciation and amortization of fixed assets	141 355	119 029	53 148
Amortization of intangible assets	3 847	3 847	998
Professional service costs	31 028	23 000	25 760
Personnel costs	1 258 736	1 028 190	634 909
Other small purchases	137 710	108 642	63 756
Design costs	23 440	23 298	11 451
Transportation costs	64 064	63 530	44 764
Advertising costs	15 806	14 615	
Other Selling costs	52 883	49 416	43 047
Total	1 989 958	1 594 309	959 133

(6) Administrative costs	01/01/2025	01/01/2025	01/01/2024
	- 31/12/2025	- 31/12/2025	- 31/12/2024
	EUR	EUR	EUR
	Group	Company	Company
Personnel costs	189 957	189 957	138 023
Accounting and audit costs	44 213	18 514	
Communication costs	7 015	6 092	4 250
Professional services costs	4 506	4 506	8 008
Other small purchases	8 938	8 938	9 694
Insurance costs	20 848	19 767	15 557
Asset impairment	14 387	14 387	
Bank fees	43 295	40 742	25 745
Transportation costs	26 853	26 853	24 504
Occupational safety expenses	3 224	1 629	1 536
Employee training costs	3 734	2 661	7 054
Team Development costs	14 279	13 065	4 513
Legal costs	47 520	14 746	653
Depreciation and amortization of fixed assets	8 964	8 964	4 985
Stock exchange costs	11 002	11 002	182 392
Utilities costs	3 383	3 383	2 345
Rent and Lease costs	12 540	12 540	16 302
Software costs	18 608	18 608	7 310
Consulting costs	45 059	45 059	11 982
Other administrative costs	53 965	51 017	18 137
Total	582 290	512 430	482 990

(7) Other operating income	01/01/2025	01/01/2025	01/01/2024
	- 31/12/2025	- 31/12/2025	- 31/12/2024
	EUR	EUR	EUR
	Group	Company	Company
Subsidies, grants, gifts or donations received	20 599	20 599	
Revenue from foreign currency fluctuations	9 367	9 367	16
Other income	21 997	21 980	9 505
Total	51 963	51 946	9 521

(8) Other operating expenses	01/01/2025	01/01/2025	01/01/2024
	- 31/12/2025	- 31/12/2025	- 31/12/2024
	EUR	EUR	EUR
Other operating expenses	19 611	18 726	8 930
Loss from exchange rate fluctuations	4 012	4 012	2 837
Fines and penalties	834	833	612
Donations	5 842	5 842	
Total	30 299	29 413	12 379

(9) Intangible assets	Group and Company	Other intangible assets	Total intangible assets
		EUR	EUR
		Acquisition value	
31/12/2023			
Additions		14 713	14 713
31/12/2024			
Additions		12 609	12 609
31/12/2025			
27 322			
27 322			
Accumulated amortization			
31/12/2023			
Amortization charge		998	998
31/12/2024			
Amortization charge		3 847	3 847
31/12/2025			
Net book value 31/12/2024		13 715	13 715
Net book value 31/12/2025		22 477	22 477

NOTES TO THE FINANCIAL STATEMENTS

(10) Property, plant and equipment

Group	Leasehold improvements	Equipment and machinery	Other fixed assets and inventory	Construction in progress	Total fixed assets
	EUR	EUR	EUR	EUR	EUR
Acquisition value					
31/12/2023	32 625	171 354	401 097	94 270	699 346
Additions	41 742	3 359	238 311	53 223	336 635
Disposal			(9 551)		(9 551)
31/12/2024	74 367	174 713	629 857	147 493	1 026 430
Additions	651 773	17 463	84 896	537 828	1 291 960
Disposal		(5 065)	(97 442)		(102 507)
Reclassified		5 900	610 023	(637 048)	(21 125)
31/12/2025	726 140	193 011	1 227 334	48 273	2 194 758
Accumulated depreciation					
31/12/2023		68 833	161 734		230 567
Depreciation charge	8 121	19 787	84 570		112 478
Depreciation of fixed assets that have been liquidated or reclassified			(4 258)		(4 258)
31/12/2024	8 121	88 620	242 046		338 787
Depreciation charge	39 349	21 413	170 712		231 474
Depreciation of fixed assets that have been liquidated or reclassified		(933)	(37 719)		(38 652)
31/12/2025	47 470	109 100	375 039		531 609
Net book value 31/12/2024	66 246	86 093	387 811	147 493	687 643
Net book value 31/12/2025	678 670	83 911	852 295	48 273	1 663 149

Company	Leasehold improvements	Equipment and machinery	Other fixed assets and inventory	Construction in progress	Total fixed assets
	EUR	EUR	EUR	EUR	EUR
Acquisition value					
31/12/2023	32 625	171 354	401 097	94 270	699 346
Additions	41 742	3 359	238 311	53 223	336 635
Disposal			(9 551)		(9 551)
31/12/2024	74 367	174 713	629 857	147 493	1 026 430
Additions	49 383		14 751	537 828	601 962
Disposal		(5 065)	(97 442)		(102 507)
Reclassified		5 900	610 023	(637 048)	(21 125)
31/12/2025	123 750	175 548	1 157 189	48 273	1 504 760
Accumulated depreciation					
31/12/2023		68 833	161 734		230 567
Depreciation charge	8 121	19 787	84 570		112 478
Depreciation of fixed assets that have been liquidated or reclassified			(4 258)		(4 258)
31/12/2024	8 121	88 620	242 046		338 787
Depreciation charge	24 748	21 413	162 988		209 149
Depreciation of fixed assets that have been liquidated or reclassified		(933)	(37 719)		(38 652)
31/12/2025	32 869	109 100	367 315		509 284
Net book value 31/12/2024	66 246	86 093	387 811	147 493	687 643
Net book value 31/12/2025	90 881	66 448	789 874	48 273	995 476

NOTES TO THE FINANCIAL STATEMENTS

(11.a) Investments in subsidiaries

	Ownership	Contribution EUR
Kalve Coffee OÜ	100%	2 500
Kalve Coffee UAB	100%	2 000
Kalve Coffee SARL	100%	5 000

(11.b) Loans to related parties

	31/12/2025 EUR Group	31/12/2025 EUR Company	31/12/2024 EUR Company
Long-term loans			
Kalve Coffee OÜ		448 613	
Kalve Coffee UAB		168 012	
Kalve Coffee SARL		413 481	
Total long term loans		1 030 106	

	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
Total loans			
Kalve Coffee OÜ		448 613	
Kalve Coffee UAB		168 012	
Kalve Coffee SARL		413 481	
Total loans to subsidiary companies		1 030 106	

Kalve Coffee OÜ: The loan repayment term is 12.12.2030, with an interest rate of 5%.
 Kalve Coffee UAB: The loan repayment term is 31.10.2030, with an interest rate of 5%.
 Kalve Coffee SARL: The loan repayment term is 31.12.2030, with an interest rate of 4.55%.

(12) Other loans and non-current receivables	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
	Group	Company	Company
Rental Security Deposits	93 795	21 654	
Total	93 795	21 654	

(13) Other receivables	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
Rental Security Deposits			27 022
Incorrectly Deposited Funds	494	494	353
Packaging Deposits	1 748	1 748	
Overpayment to creditors	1 704	1 704	8 371
Promissory Note	12 414	12 414	
Grant	12 670	12 670	
Tax overpayment	421	421	
Total	29 451	29 451	35 746

(14) Cash	31/12/2025 EUR	31/12/2025 EUR	31/12/2024 EUR
Cash in bank accounts	366 287	321 566	1 139 075
Cash on hand	33 494	31 842	15 685
Total	399 781	353 408	1 154 760

(15) Share capital

On 31 December 2025, the share capital has been fully paid. It consists of 1 193 773 shares with the nominal value of 0.10 EUR.

On 31 December 2024, the share capital has been fully paid. It consists of 1 193 773 shares with the nominal value of 0.10 EUR.

NOTES TO THE FINANCIAL STATEMENTS

(16) Loans from credit institutions

	% rate	Maturity date	31/12/2025	31/12/2025	31/12/2024
			EUR	EUR	EUR
			Group	Company	Company
Long-term loans (from 1 to 5 years)					
EUR	3.9% + EURIBOR 6M	15/04/2028			14 010
EUR	2-2.5%	15/03/2026			20 354
EUR	3.1%	15/08/2029			93 570
EUR	4.42% + EURIBOR 6M	04/07/2031	564 755	564 755	
Total long-term borrowings	X	X	564 755	564 755	127 934
Short-term loans					
EUR	4.42% + EURIBOR 6M	15/11/2025			33 456
EUR	2.9% + EURIBOR 6M	15/12/2025			32 902
EUR	3.9% + EURIBOR 6M	15/04/2028			10 008
EUR	2-2.5%	15/03/2026			74 646
EUR	3.1%	15/08/2029			38 166
EUR	4.42% + EURIBOR 6M	04/07/2031	109 859	109 859	
Total short-term loans	X	X	109 859	109 859	189 178

During the reporting year, the Company refinanced its existing credit liabilities. In June 2025, a new loan agreement was concluded with AS "BluOr Bank", as a result of which the bank fully settled the Company's obligations towards the development finance institution "Altum". A commercial pledge covering all assets of the Pledgor as an aggregation of property at the time of pledging, as well as future components thereof, has been registered in favor of AS "BluOr Bank".

(17) Other loans

	% rate	Maturity date	31/12/2025	31/12/2025	31/12/2024
			EUR	EUR	EUR
			Group	Company	Company
Long-term loans (from 1 to 5 years)					
Financial Leasing	2.95-8.07%	30/09/2028	34 455	34 455	14 577
Loans from Shareholders					7 000
Total long-term borrowings	X	X	34 455	34 455	21 577
Short-term loans					
Financial Leasing	2.95-8.07%	30/09/2028	14 921	14 921	17 280
Loans from Shareholders					15 000
Loans from Shareholders			54 717	54 717	46 517
Total short-term loans	X	X	69 638	69 638	78 797

The lease subject serves as collateral for the leasing agreements. Loans from participants are not secured.

NOTES TO THE FINANCIAL STATEMENTS

(18) Taxes and State mandatory social insurance contributions

Till 1 year	31/12/2025	31/12/2025	31/12/2024
	EUR	EUR	EUR
	Group	Company	Company
Value added tax	86 250	70 719	26 218
Personal income tax	25 735	20 059	14 884
State mandatory social insurance contributions	54 369	44 389	29 317
Corporate income tax	294	89	200
Risk duties	29	29	24
Excise tax	15 572	15 572	10 575
Natural Resources Tax	324	324	
Total	182 573	151 181	81 218

(19) Other creditors

Short-term other creditors	31/12/2025	31/12/2025	31/12/2024
	EUR	EUR	EUR
Salary payments	113 067	91 938	55 281
Settlements with advance payment persons	1 057	1 058	1 937
Overpayments from debtors	16 796	16 766	1 438
Installment payments for equipment	5 193	5 193	
Total	136 113	114 955	58 656

(20) Accrued liabilities

	31/12/2025	31/12/2025	31/12/2024
	EUR	EUR	EUR
	Group	Company	Company
Accrued vacation pay	71 069	59 350	54 969
Accrued liabilities to suppliers	16 132	16 132	9 176
Other	3 466	3 466	1 831
Total	90 667	78 948	65 976

(21) Average number of employees

	01/01/2025	01/01/2025	01/01/2024
	-31/12/2025	-31/12/2025	-31/12/2024
Members of the Board	2	2	2
Other employees	104	78	54
Average number of employees	106	80	56

(22) Personnel costs

	01/01/2025	01/01/2025	01/01/2024
	-31/12/2025	-31/12/2025	-31/12/2024
Salary	1 489 395	1 292 532	858 198
Mandatory state social insurance contributions	337 617	304 908	202 858
Other social security costs	1 312	339	229
Total personnel expenses	1 828 324	1 597 779	1 061 285

(23) Information on the payments for members of the council and the board

The remuneration of members of the Supervisory Board and Board for fulfilment of their duties at the Supervisory Board and Board, as well as for performance of their work obligations is as follows:

	01/01/2025	01/01/2025	01/01/2024
	-31/12/2025	-31/12/2025	-31/12/2024
Members of the Board	127 215	127 215	67 846
Members of the Supervisory Board	11 121	11 121	
Total	138 336	138 336	67 846

NOTES TO THE FINANCIAL STATEMENTS

(24) Important events after the end of the report year

The Company has registered a Joint Venture in Portugal (KALVE COFFEE Lda, Reg. No. 519084926, 50% owned) on 26/01/2026 to prepare its market entry into the local market.

In 2026, the Company issued loans totaling EUR 150 000 to subsidiaries to support their operating activities and new investments.

In 2026, the Company received the remaining portion of the BluOr Bank loan amounting to EUR 92 255.

No other events have occurred between the end of the reporting year and the date of signing these financial statements that would have a material impact on the Company's financial position as of 31 December 2025 or that would require disclosure in these financial statements.

(25) Going concern

The financial statements are prepared on the assumption that the Company will continue as a going concern.

ANNUAL REPORT APPROVED BY

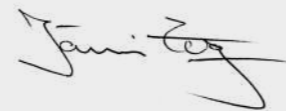
GATIS ZĒMANIS
CEO, Chairman of the Board



RAIMONDS SELGA
CGO, Member of the Board



JĀNIS VIESTURS ZĒGNERS
CFO, Member of the Board



ANNUAL REPORT PREPARED BY

KARĪNA VASIĻJEVA
Head of Accounting



HONEST COFFEE LASTING IMPACT



KALVECOFFEE.COM



KALVE



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*To the shareholders of AS "Kalve Coffee"**Our Opinion on the Separate and Consolidated Financial Statements*

We have audited the accompanying separate financial statements of AS "Kalve Coffee" ("the Company") and accompanying consolidated financial statements of the Company and its subsidiaries ("the Group") set out on pages 19 to 56 of the accompanying separate and consolidated annual report, which comprise:

- the separate and consolidated balance sheet as at 31 December 2025,
- the separate and consolidated profit and loss statement for the year then ended,
- the separate and consolidated statement of changes in equity for the year then ended,
- the separate and consolidated statement of cash flows for the year then ended, and
- the notes to the separate and consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of the Company and the Group, respectively, as at 31 December 2025, and of their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:

- Information about the Group, as set out on page 5 of the accompanying consolidated Annual Report,
- the Management Report, as set out on pages 6 to 17 of the accompanying consolidated Annual Report.

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



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

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

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

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Separate and Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Raivis Irbītis
Member of the Board

Kitija Ķepīte
Sworn auditor
Certificate No. 182