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JĀNIS VIESTURS ZĒGNERS
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KARĪNA VASIĻJEVA
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RAIMONDS SELGA
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GATIS ZĒMANIS
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KALVE

AS KALVE COFFEE
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

REPORTING PERIOD
01/01/2026 – 30/06/2026

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 Vasiļjeva – Head of Accounting
REPORTING PERIOD	from 01/01/2026 to 30/06/2026
PREVIOUS REPORTING PERIOD	from 01/01/2025 to 30/06/2025
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
INFORMATION ON GROUP'S JOINT VENTURE	Kalve Coffee LDA, Reg. No. 519084926, 50% owned
TYPE OF COMPANY'S ACTIVITY	Processing of tea and coffee
NACE CLASSIFICATION CODE	10.83

DEAR **SHAREHOLDERS!**

The first half of 2026 has been a period during which KALVE purposefully continued its transition from rapid growth to sustainable and disciplined development. Following the intensive investments made last year, our main task was to strengthen the established infrastructure, improve operational efficiency, and focus on creating long-term value.

One of the most significant highlights of this period was our further international expansion. We have opened two more KALVE coffee shops in Paris and one in Lisbon. It is particularly gratifying that all three new locations are already demonstrating positive development dynamics in their first months of operation. We see growing customer loyalty, a stable rate of repeat visits, and increasingly strong KALVE brand recognition. This reaffirms that our chosen strategy - to develop KALVE in markets where specialty coffee culture continues to grow rapidly - is the right one.

At the same time, growth requires the ability to make difficult decisions. Recently, we made the decision to close one of our coffee shops in Tallinn in August. Despite the team's dedicated efforts and several operational optimization measures, this specific location was consistently unable to reach profitability targets aligned with our long-term goals. Such decisions are never easy, but we believe that disciplined capital management and focusing resources on the most promising projects are essential to creating shareholder value.

Our B2B segment continued to show very positive results. Both the acquisition of new clients and the growth of existing partnerships ensured stable development across all our markets. An increasing number of companies are choosing not only our specialty coffee, but also a full-service collaboration model that includes coffee equipment solutions, technical support, and professional training. This strengthens our recurring revenue base and makes the company's business model more resilient to market fluctuations.

In this environment, our long-term partnerships with coffee farmers remain one of KALVE's most vital competitive advantages. They allow us to ensure more stable supplies, predictable procurement costs, and, most importantly, consistently high coffee quality, even during periods when the global market experiences significant volatility.

Looking ahead to the second half of the year, our priorities remain unchanged - to strengthen the existing international network, increase efficiency across all areas of the company, and continue building KALVE into one of Europe's leading specialty coffee brands. We believe that sustainable growth is not based solely on opening new locations, but also on the ability to discipline capital management, make bold decisions, and continuously elevate the quality of our operations.

Thank you to our shareholders for your trust, our customers for choosing us, and our team for their professionalism. It is our people who are the main reason KALVE continues to grow and strengthen its position in the European specialty coffee market.

With gratitude,

GATIS ZĒMANIS
CEO, Chairman of the Board

PROGRESS, PARTNERSHIPS & FUTURE OUTLOOK

As we wrap up the first half of 2026, I want to take a moment to reflect on our journey so far. Following a period of major milestones and establishing our rhythm as a public company, H1 2026 has been about disciplined, focused execution. Across all KALVE Coffee business lines, we continue to strengthen and consolidate our efforts, ensuring that our commercial momentum goes hand-in-hand with the values that define us.

The global green coffee market remains a complex landscape. We are still living through a period of volatility, largely driven by El Niño weather patterns and persistent international logistics challenges. However, thanks to agile decision-making and strong forecasting, we secured most of our required coffee volume when market conditions were favourable to us, protecting both our margins and our quality standards.

Our dedication to meaningful producer partnerships continues to yield tangible results. As I write this, we have officially received the green coffee harvest from Timor-Leste, the community initiative we supported last year. This coffee will be available to our guests and clients very soon, bringing full circle our €4,500 investment in specialty infrastructure for those 11 farming families. Furthermore, we have opened an exciting new chapter by establishing a direct relationship with the legendary Hacienda La Esmeralda in Panama, allowing us to bring some of the world's most renowned coffees (Geisha) to our community. At the same time, we remain deeply rooted alongside our long-term partners, continuing our close work with Sancoffee in Brazil, El Fenix in Colombia, and others who form the foundation of our offer.

On the commercial side, our B2B segment delivered extraordinary results, achieving a +50% growth compared to the previous year. What makes this accomplishment even more meaningful is that our team managed this scale with the same core headcount, driving higher volumes with existing clients while actively bringing new partners into the KALVE ecosystem. To complement this growth, we expanded our equipment lineup, adding high-performance machine manufacturers like ETNA Technologies and BaristaOne to deliver even greater value to commercial accounts.

This half-year also marked a major step forward in our regional expansion with a strong B2B start in Estonia. We are now fully operating there with the same comprehensive product and equipment portfolio as in Latvia. Valters, one of our key Latvian B2B team members, is leading this launch on the ground alongside our local Estonian team, replicating our proven model in a new market.

Our team's commitment to coffee excellence continues to gain international recognition. KALVE had a strong presence at the 2026 World Coffee Championships: our Lithuanian Head Barista, Ieva Šuopytė, represented us on the global stage competing in the World Brewers Cup, while I had the privilege of serving as Head Judge for the World Coffee in Good Spirits Championship. Moments like these reflect the depth of expertise and ambition within our organisation, and we always implement this experience into all our operations.

Additionally, as part of this year's World of Coffee festival, Europe's Top 100 Cafes for 2026 were announced, selecting the 100 best out of 5,400 evaluated cafes. Thanks to ratings from both the judges and the public, our Kalve Living Room café on Valdemāra Street was included in this list—confirming our ability to create modern, world-class specialty coffee concepts.

Underpinning all of these operational milestones is our long-term commitment to responsible business. During H1, we formally submitted our B Corp recertification for audit, further solidifying our approach to sustainability with real, measurable meaning rather than superficial targets.

We are also looking forward to another significant step in our development - Kalve Coffee will become a franchise brand in 2027 with the first cafes to open with Avolta at Riga Airport. Starting a franchise partnership, our primary criterion is the compatibility of values, an honest and sustainable approach to business, consistently high coffee quality standards and a long-term view of development.

The past six months have shown what is possible when operational focus, team efficiency, and uncompromising values align. Thank you to our shareholders, partners, and coffee lovers for your continued trust as we build a healthy, sustainable future for KALVE. The journey ahead holds even greater promise.

Warm regards,

RAIMONDS SELGA
CGO, Member of the Board

FINANCE **MANAGEMENT REPORT**

Dear shareholders, analysts and Kalve friends!
As always, Kalve Coffee continues to reach new heights while navigating new and continuous challenges. Following a year of heavy foundation-building in 2025, our focus in the first half of 2026 has been on driving operational strength across our expanding footprint while maintaining the agility that defines our brand.

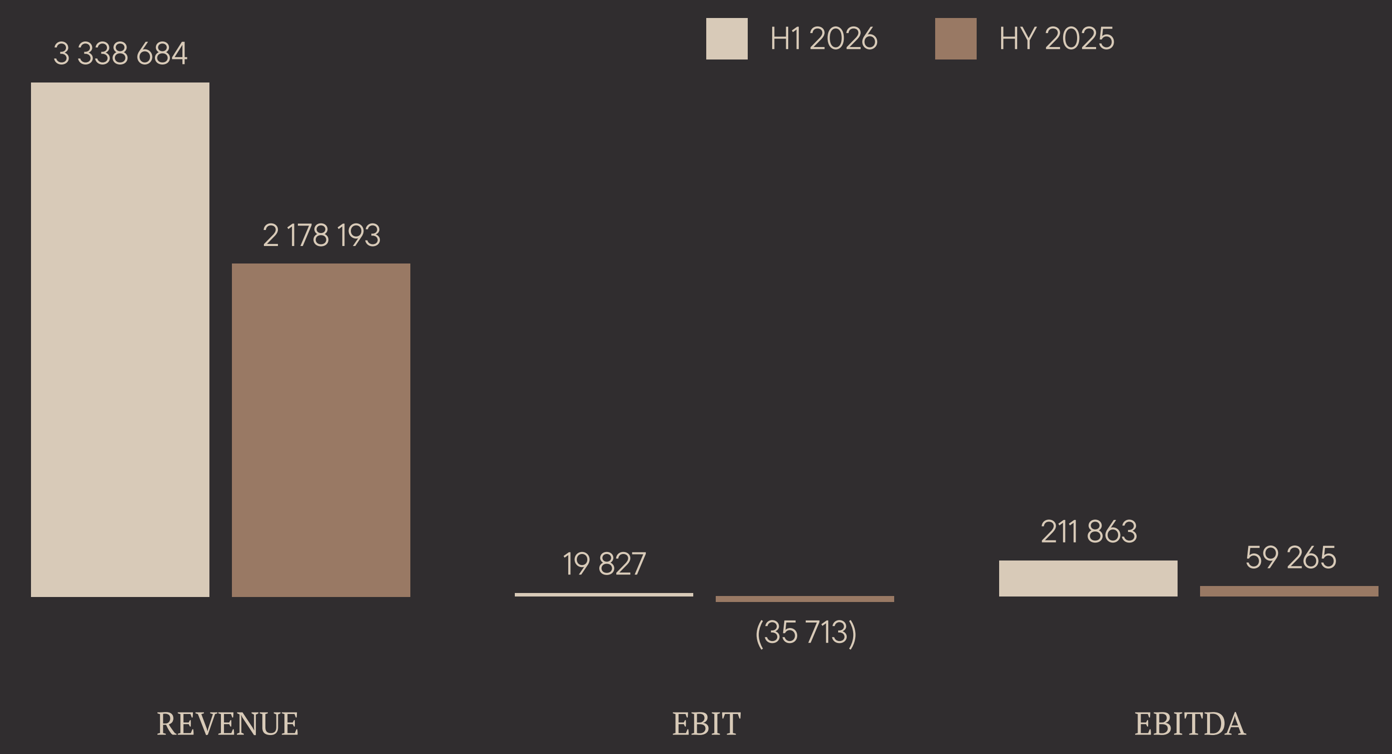
Over the past six months, we have added two new countries to our global map. After navigating initial administrative delays, we officially opened two coffee shops in Paris. We also welcomed Portugal - marking the launch of Kalve's very first Joint Venture. While our strategic priority was to focus on strengthening existing locations, we did not lose our operational agility. Having waited a long time to secure a promising location for our second coffee shop in Lithuania, we decided to seize the opportunity and go for it.

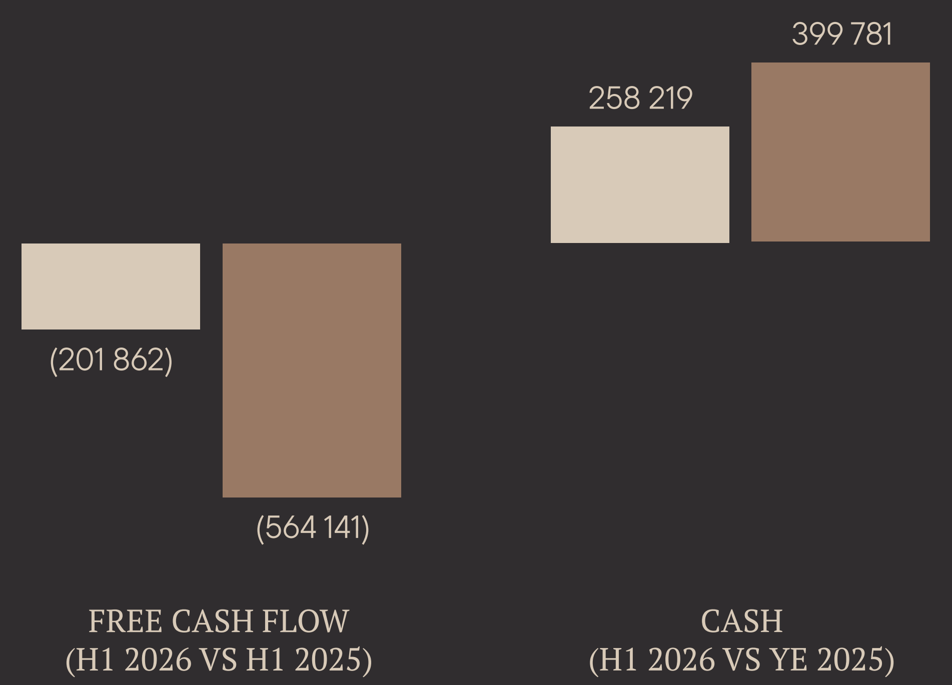
I am very pleased to report strong top-line momentum across the business:

Consolidated Revenue: Reached €3.3 million in H1 2026, an exceptional 53% increase year-over-year.
Coffee Sales: We sold 63 tonnes of specialty coffee, up 35% from the same period last year.
B2C Operations: Our coffee shop business line recorded over 50% YoY growth, largely driven by increased customer volume, alongside a 5% increase in average ticket size (excl. VAT).
B2B Fleet Expansion: Our B2B business line also grew by 50%. The sales team placed 43 additional coffee machines in H1, bringing our total fleet leased out to clients to 184 machines.
International Footprint: Revenue generated from our export markets (Lithuania, Estonia, and France) reached €0.6 million, now representing 18% of total group revenue.

This revenue growth, combined with the cost adjustments we implemented at the end of last summer, significantly boosted profitability in our home market of Latvia. Domestic EBIT surged from €17 thousand in H1 2025 to €330 thousand in H1 2026, while home-market EBITDA almost reached €0.5 million.

However, our primary ongoing challenge lies in our export markets, where we must continue working toward break-even points in each store location. In H1 2026, combined EBIT across our export markets stood at -€0.3 million. Estonia has presented the biggest headwind. We made the choice to close one of our three Tallinn coffee shops in August. This action cuts operating losses from a location that unfortunately did not capture the local market as anticipated, allowing us to simplify operations and focus resources on bringing the remaining two Estonian locations to break-even.





On a more positive note, momentum is building across our other international hubs: Lithuania recorded two months above break-even in H1, and we can also observe promising revenue growth and a healthy gross margin in France. While we cannot take our foot off the gas pedal, these are promising indicators for our long-term trajectory.

Capital expenditure has slowed from our peak investment phase in 2025, but our development momentum continues. In H1 2026, we invested €0.37 million, primarily directed toward funding our Portuguese Joint Venture, opening our second Lithuanian shop, expanding our B2B coffee machine fleet, and upgrading our homepage to elevate the e-commerce experience. To support this commercial momentum, we are currently negotiating an additional loan facility to finance the continued expansion of our B2B segment.

Looking ahead to the second half of 2026, management remains fully focused on executing our international turnaround, bringing our export locations across the break-even threshold, and preparing the business for our next strategic expansion steps in 2027.

MANAGEMENT GUIDANCE FOR 2026

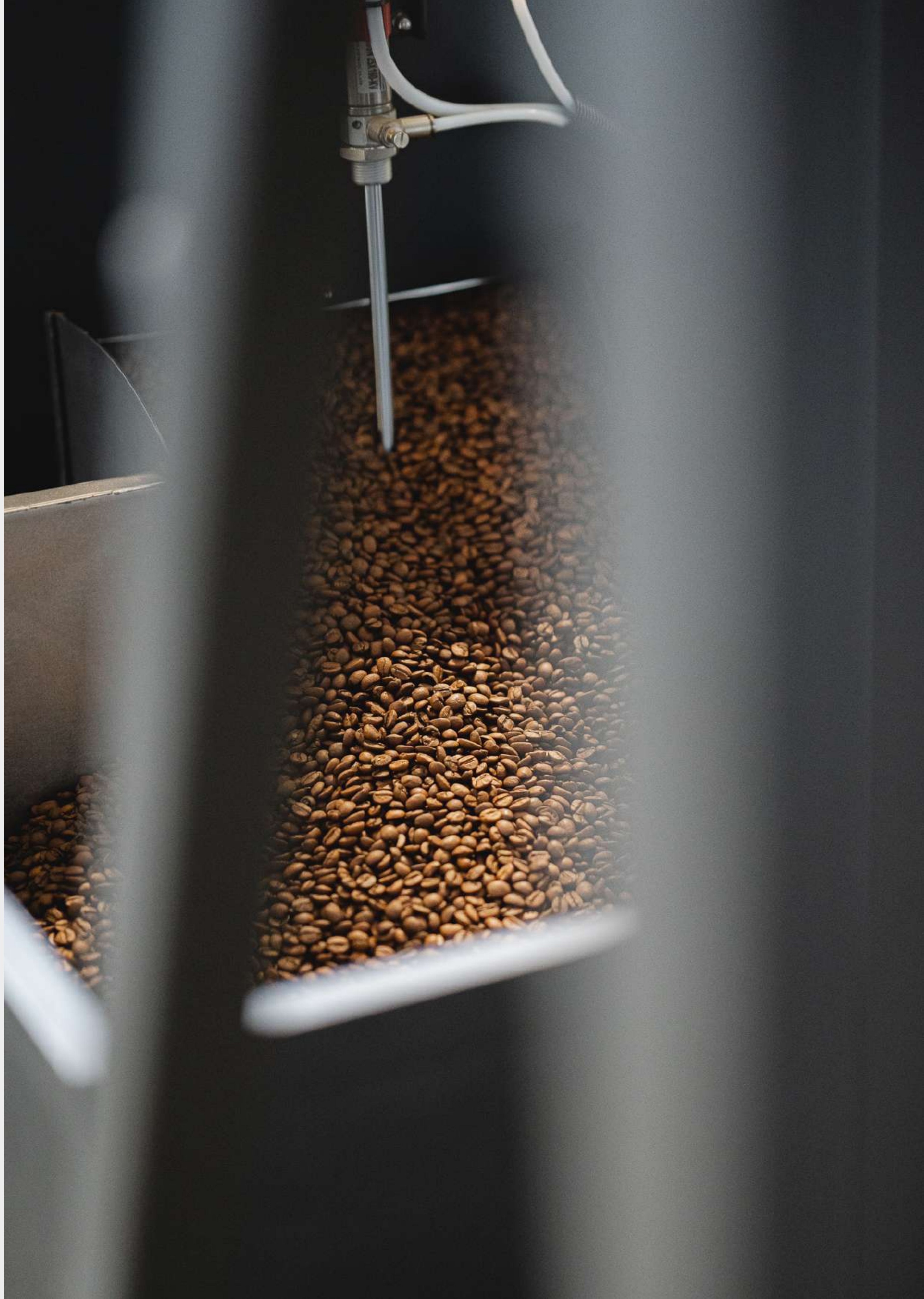
Based on the current business development plan and assumption of stable economic conditions and the absence of significant geopolitical disruptions in the Baltic region and key supplier markets:
The management reiterates its 2026 EBITDA Financial Guidance at circa €0.4 million.

JĀNIS VIESTURS ZĒGNERS
CFO, Member of the Board

	Key ratios & indicators (management data)	H1 2026 EUR Group*	H1 2026 EUR Company	H1 2025 EUR Group*	H1 2025 EUR Company
	Net turnover	**3 338 684**	**2 895 739**	**2 178 193**	**2 173 919**
	Gross profit	1 636 523	1 341 399	983 834	989 152
1	Gross profit, %	*49%*	*46%*	*45%*	*46%*
	EBIT	19 827	330 291	(35 713)	16 645
2	*EBIT, %*	*1%*	*11%*	*(2%)*	*1%*
	EBITDA	**211 863**	**477 282**	**59 265**	**111 622**
3	***EBITDA, %***	**6%**	**16%**	**3%**	**5%**
	Profit or loss for the reporting year	1 943	339 736	(40 308)	11 813
	Cash Flow from Operations	167 009	243 749	22 865	(4 548)
	Cash Flow from Investing Activities	(368 871)	(478 133)	(587 006)	(650 902)
4	**Free Cash Flow**	**(201 862)**	**(234 384)**	**(564 141)**	**(655 450)**
	Cash Flow from Financing Activities	60 300	60 300	(89 802)	(89 802)
	Net Cash Flow	**(141 562)**	**(174 084)**	**(653 943)**	**(745 252)**
	Cash and cash equivalents at the end of the period	258 219	179 324	500 817	409 508
	Leverage ratios				
5	Debt to Equity	59%	41%	55%	45%
6	Current Ratio (x)	1.15	1.40	1.29	1.37
7	Quick Ratio (x)	0.57	0.52	0.72	0.69

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

1 Gross Profit / Net turnover x 100
2 EBIT / Net turnover x 100
3 EBITDA / Net turnover x 100
4 Cash Flow from Operations (Incl. Result of fluctuations of foreign currency exchange rates) + Cash Flow from Investing Activities
5 (Loans from credit institutions + Other loans) / Total Equity
6 Total current assets / Total current liabilities
7 (Cash & Equivalents + Trade & Other Receivables) / Total current liabilities



FINANCIAL STATEMENTS

INCOME STATEMENT

(CLASSIFIED PER FUNCTION OF EXPENDITURE)

	Note number	01/01/2026 - 30/06/2026 EUR Group	01/01/2026 - 30/06/2026 EUR Company	01/01/2025 - 30/06/2025 EUR Group	01/01/2025 - 30/06/2025 EUR Company
Net turnover	3	3 338 684	2 895 739	2 178 193	2 173 919
from other types of principal activity		*3 338 684*	*2 895 739*	*2 178 193*	*2 173 919*
Cost of goods sold or services provided	4	(1 702 160)	(1 554 340)	(1 194 360)	(1 184 767)
Gross profit or loss		**1 636 523**	**1 341 399**	**983 834**	**989 152**
Selling costs	5	(1 383 930)	(839 809)	(766 238)	(724 122)
Administrative costs	6	(273 816)	(215 120)	(274 900)	(269 976)
Other operating income	7	52 213	51 543	24 681	24 681
Other operating expense	8	(8 663)	(7 722)	(3 090)	(3 090)
Interest and similar income		263	27 518	2 480	2 243
from related parties			*27 518*		
from other persons		*263*		*2 480*	*2 243*
Adjustments of reduction in the value of long-term and short-term financial investments:		(2 500)			
a) reduction in the value of participation in the capital of Joint Venture undertakings		*(2 500)*			
Interest expense and similar costs		(17 667)	(17 667)	(6 431)	(6 431)
from other persons		*(17 667)*	*(17 667)*	*(6 431)*	*(6 431)*
Profit or loss before corporate income tax		**2 423**	**340 142**	**(39 664)**	**12 457**
Corporate income tax for the reporting period		(480)	(406)	(644)	(644)
Profit or loss for the reporting period		**1 943**	**339 736**	**(40 308)**	**11 813**

Notes on pages 29 to 34 form an integral part of these financial statements.

BALANCE SHEET

ASSETS

Non-current investments	Note number	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Intangible assets		Group	Company	Group	Company
Concessions, patents, licences, trademarks and similar rights		1 200	1 200		
Other intangible assets		75 671	75 671	22 477	22 477
Total intangible assets	9	**76 871**	**76 871**	**22 477**	**22 477**
Property, plant and equipment					
Leasehold improvements		664 094	75 767	678 670	90 881
Equipment and machinery		56 231	40 328	83 911	66 448
Other fixed assets and inventory		877 846	809 016	852 295	789 874
Construction in progress		37 489	37 489	48 273	48 273
Total property, plant and equipment	10	**1 635 660**	**962 600**	**1 663 149**	**995 476**
Non-current financial investments					
Investments in subsidiaries	11		9 500		9 500
Loans to related parties	12		1 227 361		1 030 106
Investments in joint ventures	13		2 500		
Loans to joint ventures	14	94 300	94 300		
Other loans and non-current receivables	15	100 054	25 137	93 795	21 654
Total non-current financial investments		**194 353**	**1 358 798**	**93 795**	**1 061 260**
Total non-current investments		**1 906 885**	**2 398 269**	**1 779 421**	**2 079 213**

BALANCE SHEET

ASSETS

Current assets	Note number	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Inventories		Group	Company	Group	Company
Raw materials and consumables		332 564	332 564	261 461	260 777
Work in progress		72 543	72 543	42 899	42 899
Finished products and goods for sale		92 439	101 347	94 103	88 098
Prepayments for inventories		7 784	7 784	15 602	15 602
Total inventories		**505 330**	**514 238**	**414 065**	**407 376**
Debtors					
Trade receivables		229 493	166 632	139 265	84 893
Receivables from related parties			127 564		27 333
Due from joint ventures		9 923	9 923		
Other receivables	16	59 520	59 520	29 451	29 451
Deferred expenses		32 577	27 512	23 407	14 040
Accrued revenue		3 048	3 048	16 737	13 111
Total debtors		**334 561**	**394 199**	**208 860**	**168 828**
Cash	17	**258 219**	**179 324**	**399 781**	**353 408**
Total current assets		**1 098 109**	**1 087 761**	**1 022 706**	**929 612**
TOTAL ASSETS		**3 004 994**	**3 486 030**	**2 802 127**	**3 008 825**

LIABILITIES AND EQUITY

Equity	Note number	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
		Group	Company	Group	Company
Share capital	18	120 947	120 947	119 377	119 377
Stock (share) issue premium		1 143 261	1 143 261	1 143 261	1 143 261
Previous years' retained earnings or accumulated loss		147 887	466 612	265 084	265 084
Profit or loss for the reporting year		1 943	339 736	(115 626)	203 098
Total equity		**1 414 038**	**2 070 556**	**1 412 096**	**1 730 820**
Liabilities					
Non-current creditors					
Loans from credit institutions	19	579 924	579 924	564 755	564 755
Other loans	20	57 420	57 420	34 455	34 455
Total non-current liabilities		**637 344**	**637 344**	**599 210**	**599 210**
Short-term creditors					
Loans from credit institutions	19	127 676	127 676	109 859	109 859
Other loans	20	73 987	73 987	69 638	69 638
Prepayments received from customers		1 867	1 847	1 921	1 921
Trade payables		231 118	182 350	200 050	152 293
Taxes and State mandatory social insurance contributions	21	258 215	227 720	182 573	151 181
Other creditors	22	150 048	97 974	136 113	114 955
Accrued liabilities	23	110 701	66 576	90 667	78 948
Total short-term creditors		**953 612**	**778 130**	**790 821**	**678 795**
Total liabilities		**1 590 956**	**1 415 474**	**1 390 031**	**1 278 005**
TOTAL LIABILITIES AND EQUITY		**3 004 994**	**3 486 030**	**2 802 127**	**3 008 825**

Notes on pages 35 to 43 form an integral part of these financial statements.

CASH FLOW STATEMENT

INDIRECT METHOD

	01/01/2026 - 30/06/2026 EUR	01/01/2026 - 30/06/2026 EUR	01/01/2025 - 30/06/2025 EUR	01/01/2025 - 30/06/2025 EUR
Cash flow from / (used in) operating activities	Group	Company	Group	Company
Profit or loss before corporate income tax	**2 423**	**340 142**	**(39 664)**	**12 457**
Corrections:				
Depreciation and impairment of property, plant and equipment	233 229	179 613	89 878	89 878
Amortization and impairment of intangible assets	5 679	5 679	1 576	1 576
Profit or loss from fluctuations of foreign currency rates	2 436	2 383	(5 112)	(5 110)
Other revenue from interest and similar revenue	(263)	(27 518)	(2 480)	(2 243)
Corrections of reduction in value of long-term and short-term financial investments	2 500			
Interest expense and similar costs	17 667	17 667	6 431	6 431
Other corrections	(435)	606	5 698	2 722
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	**263 236**	**518 572**	**56 328**	**105 711**
Change in Working Capital:				
(Increase) or decrease in receivables	(125 701)	(225 371)	(191 858)	(203 122)
(Increase) or decrease in inventories	(91 265)	(106 862)	(145 000)	(139 987)
Increase or (decrease) in trade and other payables	140 625	77 169	302 873	232 567
Gross cash flow from operating activities	**186 895**	**263 508**	**22 343**	**(4 831)**
Interest received	1	1	2 480	2 243
Interest paid	(17 067)	(17 067)	(6 431)	(6 431)
Corporate income tax paid	(384)	(310)	(639)	(639)
Net cash flow from/ (used in) operating activities	**169 445**	**246 132**	**17 753**	**(9 658)**

	01/01/2026 - 30/06/2026 EUR	01/01/2026 - 30/06/2026 EUR	01/01/2025 - 30/06/2025 EUR	01/01/2025 - 30/06/2025 EUR
Cash flow from/(used in) investing activities	Group	Company	Group	Company
Investments in subsidiaries, associates or other entities	(2 500)	(2 500)		(2 000)
Purchase of property, plant and equipment and intangible assets	(265 813)	(214 293)	(561 202)	(513 098)
Rental Security Deposits	(6 259)	(3 483)	(25 804)	(25 804)
Loans issued	(94 300)	(257 857)		(110 000)
Net cash generated from / (used in) investing activities	**(368 871)**	**(478 133)**	**(587 006)**	**(650 902)**
Free Cash Flow	**(201 862)**	**(234 384)**	**(564 141)**	**(655 450)**
Cash flow from /(used in) financing activities				
Loans received	133 215	133 215	214 124	214 124
Repaid loans	(72 915)	(72 915)	(303 926)	(303 926)
Net cash from/ (used in) financing activities	**60 300**	**60 300**	**(89 802)**	**(89 802)**
Result of fluctuations of foreign currency exchange rates	(2 436)	(2 383)	5 112	5 110
Net increase /(decrease) in cash and cash equivalents	**(141 562)**	**(174 084)**	**(653 943)**	**(745 252)**
Cash and cash equivalents at the beginning of the year	**399 781**	**353 408**	**1 154 760**	**1 154 760**
Cash and cash equivalents at the end of the year	**258 219**	**179 324**	**500 817**	**409 508**

STATEMENT OF **CHANGES IN EQUITY**

Group	Share capital EUR	Stock (share) issue premium EUR	Retained profits EUR	Total equity 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**
Increase/decrease in share capital	1 570		(1 570)	
Increase/decrease in retained profit			1 943	**1 943**
As at 30/06/2026	**120 947**	**1 143 261**	**149 830**	**1 414 038**

Company	Share capital EUR	Stock (share) issue premium EUR	Retained profits EUR	Total equity EUR
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**
Increase/decrease in share capital	1 570		(1 570)	
Increase/decrease in retained profit			339 736	**339 736**
As at 30/06/2026	**120 947**	**1 143 261**	**806 347**	**2 070 556**

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 consolidated half-year report of the Company, its subsidiaries, and the joint venture.

The consolidated financial statements include the parent company and the following 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

The parent company also holds a 50% participating interest in the joint venture Kalve Coffee LDA (interest acquired on 27/03/2026, initial investment value 2 500 EUR). This joint venture is not consolidated in the consolidated financial statements. Considering the financial results of the joint venture, the investment value of 2 500 EUR has been fully written off during the reporting period.

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.

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	**01/01/2026 - 30/06/2026** EUR Group	**01/01/2026 - 30/06/2026** EUR Company	**01/01/2025 - 30/06/2025** EUR Group	**01/01/2025 - 30/06/2025** EUR Company
Revenue from wholesale	1 199 538	1 319 550	799 262	814 432
Revenue from retail	2 006 979	1 444 022	1 308 242	1 288 798
Revenue from E-Commerce activities	132 167	132 167	70 689	70 689
Total	**3 338 684**	**2 895 739**	**2 178 193**	**2 173 919**

Net turnover by company	**01/01/2026 - 30/06/2026** EUR	**01/01/2026 - 30/06/2026** EUR	**01/01/2025 - 30/06/2025** EUR	**01/01/2025 - 30/06/2025** EUR
Kalve Coffee AS	2 748 272	2 895 739	2 158 749	2 173 919
Kalve Coffee OÜ	227 090		19 444	
Kalve Coffee UAB	196 663			
Kalve Coffee SARL	166 658			
Total	**3 338 684**	**2 895 739**	**2 178 193**	**2 173 919**

(4) Cost of goods sold or services provided	**01/01/2026 - 30/06/2026** EUR Group	**01/01/2026 - 30/06/2026** EUR Company	**01/01/2025 - 30/06/2025** EUR Group	**01/01/2025 - 30/06/2025** EUR Company
Costs of purchased raw materials	779 262	763 616	607 201	606 358
Goods for Sale	414 166	299 363	207 403	198 959
Personnel costs	249 098	249 098	177 501	177 501
Excise and natural resources tax	79 336	79 336	60 645	60 645
Depreciation and amortization of fixed assets	45 885	45 885	34 780	34 780
Other small purchases	39 705	39 705	39 360	39 360
Goods Delivery costs	50 803	33 479	28 396	28 090
Rent and Lease costs	21 000	21 000	17 295	17 295
Professional services costs	8 517	8 517	3 402	3 402
Utilities costs	9 970	9 970	12 186	12 186
Transport costs	4 166	4 166	6 191	6 191
Customs	253	205		
Total	**1 702 160**	**1 554 340**	**1 194 360**	**1 184 767**

NOTES TO **THE FINANCIAL STATEMENTS**

(5) Selling costs	**01/01/2026 - 30/06/2026** EUR	**01/01/2026 - 30/06/2026** EUR	**01/01/2025 - 30/06/2025** EUR	**01/01/2025 - 30/06/2025** EUR
	Group	Company	Group	Company
Personnel costs	842 260	522 898	482 559	456 753
Depreciation and amortization of fixed and intangible assets	123 670	78 627	51 265	51 265
Rent and Lease costs	166 246	56 529	52 763	43 593
Other small purchases	65 275	44 677	64 859	60 229
Transportation costs	41 897	41 716	29 244	29 036
Utilities costs	66 495	34 954	31 057	29 353
Advertising costs	23 197	14 440	2 162	2 147
Design costs	8 201	8 064	12 648	12 506
Amortization of intangible assets	5 073	5 073	1 576	1 576
Professional services costs	6 966	5 776	13 391	13 099
Other Selling costs	34 649	27 055	24 714	24 565
Total	**1 383 930**	**839 809**	**766 238**	**724 122**

(6) Administrative costs	**01/01/2026 - 30/06/2026** EUR	**01/01/2026 - 30/06/2026** EUR	**01/01/2025 - 30/06/2025** EUR	**01/01/2025 - 30/06/2025** EUR
	Group	Company	Group	Company
Personnel costs	83 282	83 282	101 318	101 318
Legal costs	10 400	2 700	15 595	12 703
Accounting and audit costs	1 170	1 170	8 014	8 014
Bank fees	31 341	16 672	19 556	19 541
Consulting costs	47 820	15 153	15 561	13 894
Transportation costs	13 584	13 584	13 984	13 984
Insurance costs	13 805	13 046	6 583	6 583
Software costs	10 322	10 322	10 525	10 525
Asset impairment	11 883	11 883		
Team Development costs	4 437	4 257	6 726	6 726
Rent and Lease costs	3 825	3 825	6 270	6 270
Stock exchange costs	5 965	5 966	5 689	5 689
Depreciation of fixed and intangible assets	4 918	4 918	3 833	3 833
Other small purchases	1 458	1 458	8 276	8 276
Communication costs	5 218	3 325	3 037	3 011
Professional services costs	4 152	4 152	1 970	1 970
Employee training costs	57	57	2 027	2 027
Utilities costs	2 885	2 885	1 643	1 643
Occupational safety expenses	1 013	950		
Other administrative costs	16 282	15 515	44 292	43 969
Total	**273 816**	**215 120**	**274 900**	**269 976**

NOTES TO **THE FINANCIAL STATEMENTS**

(7) Other operating income	01/01/2026 - 30/06/2026 EUR	01/01/2026 - 30/06/2026 EUR	01/01/2025 - 30/06/2025 EUR	01/01/2025 -30/06/2025 EUR
	Group	Company	Group	Company
Subsidies, grants, gifts or donations received	47 321	47 321	4 110	4 110
Revenue from foreign currency fluctuations	3 717	3 717	5 515	5 514
Other income	1 174	505	15 056	15 057
Total	**52 213**	**51 543**	**24 681**	**24 681**

(8) Other operating expenses	01/01/2026 - 30/06/2026 EUR	01/01/2026 - 30/06/2026 EUR	01/01/2025 - 30/06/2025 EUR	01/01/2025 - 30/06/2025 EUR
Other operating expenses	2 508	1 622	2 617	2 617
Loss from exchange rate fluctuations	6 154	6 100	404	404
Fines and penalties	1		69	69
Total	**8 663**	**7 722**	**3 090**	**3 090**

(9) Intangible assets Group and Company	Concessions, patents, licences, trademarks and similar rights EUR	Other intangible assets EUR	Total intangible assets EUR
Acquisition value			
31/12/2024		**14 713**	**14 713**
Additions		12 609	**12 609**
31/12/2025		**27 322**	**27 322**
Additions	1 200	58 873	**60 073**
30/06/2026	**1 200**	**86 195**	**87 395**
Accumulated amortization			
31/12/2024		**998**	**998**
Amortization charge		3 847	**3 847**
31/12/2025		**4 845**	**4 845**
Amortization charge		5 679	**5 679**
30/06/2026		**10 524**	**10 524**
Net book value 31/12/2025		**22 477**	**22 477**
Net book value 30/06/2026	**1 200**	**75 671**	**76 871**

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**
Acquisition value	EUR	EUR	EUR	EUR	EUR
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**
Additions	42 929		17 409	203 691	**264 028**
Disposal		(12 000)	(35 605)		**(47 605)**
Reclassified		1 049	148 656	(214 475)	**(64 770)**
30/06/2026	**769 069**	**182 060**	**1 357 794**	**37 489**	**2 346 411**
Accumulated depreciation					
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**
Depreciation charge	57 505	17 429	110 297		**185 231**
Depreciation of fixed assets that have been liquidated or reclassified		(700)	(5 389)		**(6 089)**
30/06/2026	**104 975**	**125 829**	**479 947**		**710 751**
Net book value 31/12/2025	**678 670**	**83 911**	**852 295**	**48 273**	**1 663 149**
Net book value 30/06/2026	**664 094**	**56 231**	**877 846**	**37 489**	**1 635 660**

Company	**Leasehold improvements**	**Equipment and machinery**	**Other fixed assets and inventory**	**Construction in progress**	**Total fixed assets**
Acquisition value	EUR	EUR	EUR	EUR	EUR
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**
Additions	9 907			203 691	**213 598**
Disposal		(12 000)	(35 605)		**(47 605)**
Reclassified		1 049	148 656	(214 475)	**(64 770)**
30/06/2026	**133 657**	**164 597**	**1 270 240**	**37 489**	**1 605 983**
Accumulated depreciation					
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**
Depreciation charge	25 021	15 869	99 298		**140 188**
Depreciation of fixed assets that have been liquidated or reclassified		(700)	(5 389)		**(6 089)**
30/06/2026	**57 890**	**124 269**	**461 224**		**643 383**
Net book value 31/12/2025	**90 881**	**66 448**	**789 874**	**48 273**	**995 476**
Net book value 30/06/2026	**75 767**	**40 328**	**809 016**	**37 489**	**962 600**

NOTES TO **THE FINANCIAL STATEMENTS**

(11) Investments in subsidiaries	Ownership	Contribution EUR
Kalve Coffee OÜ	100%	2 500
Kalve Coffee UAB	100%	2 000
Kalve Coffee SARL	100%	5 000

(12) Loans to related parties	30/06/2026 EUR	31/12/2025 EUR
Long-term loans	Company	Company
Kalve Coffee OÜ	520 561	448 613
Kalve Coffee UAB	222 996	168 012
Kalve Coffee SARL	483 804	413 481
Total long term loans	**1 227 361**	**1 030 106**

Kalve Coffee OÜ: The loan repayment term is 12/05/2030-11/05/2031, with an interest rate of 5%.
Kalve Coffee UAB: The loan repayment term is 15/10/2030-25/02/2031, with an interest rate of 5%.
Kalve Coffee SARL: The loan repayment term is 27/08/2030-28/05/2031, with an interest rate of 4.55%.

(13) Investments in joint ventures	Ownership	Contribution EUR
Kalve Coffee LDA	50%	2 500

(14) Loans to joint ventures	30/06/2026 EUR	31/12/2025 EUR
Long-term loans	Company	Company
Kalve Coffee LDA	94 300	
Total long term loans	**94 300**	

Kalve Coffee LDA: The loan repayment term is 23/04/2031-30/06/2031, with an interest rate of 5%.

(15) Other loans and non-current receivables	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
	Group	Company	Group	Company
Rental Security Deposits	100 054	25 137	93 795	21 654
Total	**100 054**	**25 137**	**93 795**	**21 654**

(16) Other receivables	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Packaging Deposits	2 790	2 790	1 748	1 748
Overpayment to creditors	1 425	1 425	1 704	1 704
Promissory Note	12 414	12 414	12 414	12 414
Grant	42 891	42 891	12 670	12 670
Tax overpayment			421	421
Incorrectly Deposited Funds			494	494
Total	**59 520**	**59 520**	**29 451**	**29 451**

(17) Cash	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Cash in bank accounts	195 161	119 972	366 287	321 566
Cash on hand	63 058	59 352	33 494	31 842
Total	**258 219**	**179 324**	**399 781**	**353 408**

(18) Share capital

On 30 June 2026, the share capital has been fully paid. It consists of 1 209 473 shares with the nominal value of 0.10 EUR. 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.

The share capital has increased by 15 700 EUR compared to 31 December 2025, using previously accumulated retained earnings under the employee option programme. The nominal value of one share is 0.10 EUR.

The Company has implemented a stock option plan to motivate employees and incentivize long-term value creation. Options are granted to key employees, board, and supervisory board members, and exercised at nominal value charged against retained earnings.

In 2026, 15 700 employee options were exercised, resulting in the option holders acquiring 15 700 shares of the Company.

NOTES TO **THE FINANCIAL STATEMENTS**

(19) Loans from credit institutions	% rate	Maturity date	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Long-term loans (from 1 to 5 years)			Group	Company	Group	Company
EUR	2.30% + EURIBOR 6M	04/07/2031	579 924	579 924	564 755	564 755
Total long-term loans			**579 924**	**579 924**	**564 755**	**564 755**

Short-term loans	% rate	Maturity date	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
EUR	2.30% + EURIBOR 6M	04/07/2031	127 676	127 676	109 859	109 859
Total short-term loans			**127 676**	**127 676**	**109 859**	**109 859**

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".

(20) Other loans	% rate	Maturity date	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Long-term loans (from 1 to 5 years)			Group	Company	Group	Company
Financial Leasing	1.99-5.00%	30/04/2031	57 420	57 420	34 455	34 455
Total long-term loans			**57 420**	**57 420**	**34 455**	**34 455**

Short-term loans	% rate	Maturity date	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Financial Leasing	1.99-5.00%	30/04/2031	18 670	18 670	14 921	14 921
Loans from Shareholders	-	31/12/2026	55 317	55 317	54 717	54 717
Total short-term loans			**73 987**	**73 987**	**69 638**	**69 638**

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

NOTES TO **THE FINANCIAL STATEMENTS**

(21) Taxes and State mandatory social insurance contributions	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Till 1 year	Group	Company	Group	Company
Value added tax	172 001	155 030	86 250	70 719
Personal income tax	20 525	16 575	25 735	20 059
State mandatory social insurance contributions	51 217	41 643	54 369	44 389
Corporate income tax	185	185	294	89
Risk duties	31	31	29	29
Excise tax	14 024	14 024	15 572	15 572
Natural Resources Tax	232	232	324	324
Total	**258 215**	**227 720**	**182 573**	**151 181**

(22) Other creditors Short-term other creditors	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
Salary payments	117 249	85 837	113 067	91 938
Settlements with advance payment persons	1 491	1 491	1 057	1 058
Overpayments from debtors	5 002	5 002	16 796	16 766
Installment payments for equipment	5 644	5 644	5 193	5 193
Other	20 662			
Total	**150 048**	**97 974**	**136 113**	**114 955**

(23) Accrued liabilities	30/06/2026 EUR	30/06/2026 EUR	31/12/2025 EUR	31/12/2025 EUR
	Group	Company	Group	Company
Accrued vacation pay	87 176	57 832	71 069	59 350
Accrued liabilities to suppliers	5 278	5 278	16 132	16 132
Other	18 247	3 466	3 466	3 466
Total	**110 701**	**66 576**	**90 667**	**78 948**

(24) Average number of employees	01/01/2026 -30/06/2026	01/01/2026 -30/06/2026	01/01/2025 -30/06/2025	01/01/2025 -30/06/2025
Members of the Board	2	2	2	2
Other employees	111	82	76	72
Average number of employees	**113**	**84**	**78**	**74**

(25) Personnel costs	01/01/2026 - 30/06/2026 EUR	01/01/2026 - 30/06/2026 EUR	01/01/2025 - 30/06/2025 EUR	01/01/2025 -30/06/2025 EUR
Salary	961 460	693 267	612 572	594 729
Mandatory state social insurance contributions	213 421	162 975	146 975	140 145
Other social security costs	904	181	304	161
Total personnel expenses	**1 175 785**	**856 423**	**759 851**	**735 035**

(26) Information on the payments for members of the council and the board	01/01/2026 - 30/06/2026 EUR	01/01/2026 - 30/06/2026 EUR	01/01/2025 - 30/06/2025 EUR	01/01/2025 - 30/06/2025 EUR
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:				
Members of the Board	51 480	51 480	51 313	51 313
Members of the Supervisory Board	2 250	2 250	4 499	4 499
Total	**53 730**	**53 730**	**55 812**	**55 812**

NOTES TO **THE FINANCIAL STATEMENTS**

(27) Important events after the end of the report period

Management has decided to close one coffee shop location in Estonia, effective 01/08/2026. This move will incur a partial capital write-off and one-time severance costs, but is expected to reduce Kalve Coffee OÜ's operational losses for the remainder of 2026. A portion of the fixed assets will be transferred back to Kalve Coffee AS for future reuse.

Kalve Coffee AS has negotiated an expansion of its loan facility with AS BluOr Bank by up to EUR 320,000. These funds will be used to finance the company's continued B2B growth strategy, with all underlying terms remaining unchanged.

No other events have occurred between the end of the reporting period and the date of signing these financial statements that would have a material impact on the Company's financial position as of 30 June 2026 or that would require disclosure in these financial statements.

(28) Going concern

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

ANNUAL REPORT APPROVED BY

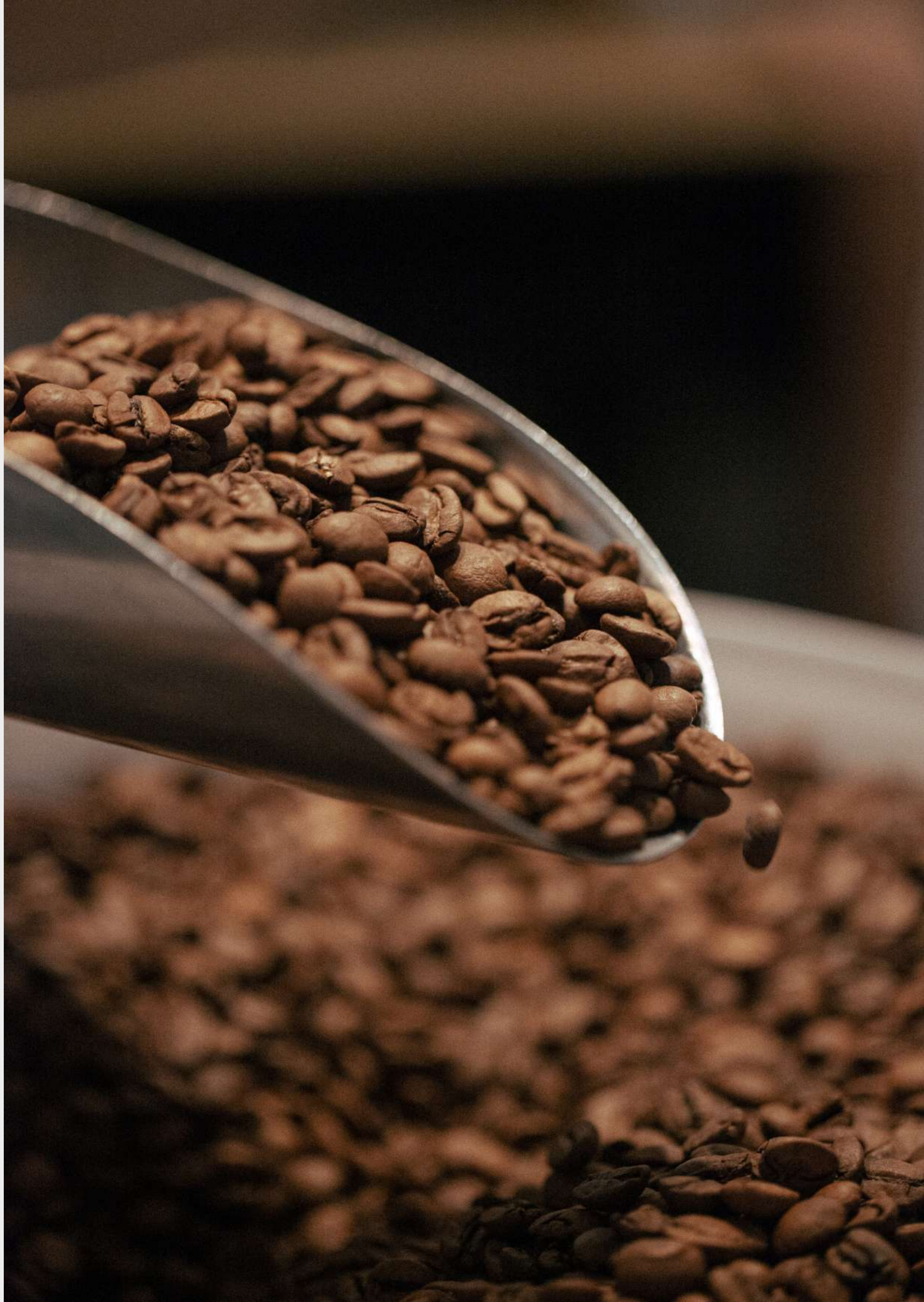
GATIS ZĒMANIS
CEO, Chairman of the Board

RAIMONDS SELGA
CGO, Member of the Board

JĀNIS VIESTURS ZĒGNERS
CFO, Member of the Board

ANNUAL REPORT PREPARED BY

KARĪNA VASIĻJEVA
Head of Accounting



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