

CleanR Grupa AS

(REGISTRATION NUMBER 40103799972)

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
(TRANSLATION FROM LATVIAN)**

** This version of annual report is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of annual report takes precedence over this translation.*

RIGA, 2026

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General Information

Name of the Company	CleanR Grupa AS
Legal status of the Company	Joint Stock Company
Number, place and date of registration	40103799972, Riga, 16 June, 2014
Address	Vietalvas street 5, Riga, LV – 1009, Latvia
NACE Code and type of operations	Activities of holding companies (NACE 64.21) Activities of head offices (NACE 70.10)
Shareholders of the Company	TAK Capital SIA (85.79%) Vietalvas street 5, Riga, LV-1009, Latvia Harijs Krongorns (10.09%) Holders of personnel shares (4.12%)
Board members	Juris Gulbis, Chairman of the Board Inta Liepa, Member of the Board Guntars Levics, Member of the Board Agita Baltbārde, Member of the Board
Council members	Guntars Kokorevičs, Chairman of the Council Harijs Krongorns, Deputy chairman of the Council Māris Mančinskis, Member of the Council
Person responsible for accounting	Anžela Vjaževiča – Chief accountant
Financial year	1 January 2025 – 31 December 2025
Previous financial year	1 January 2024 – 31 December 2024
Information on the auditor	KPMG Baltics SIA Certified Auditors' Company Licence No. 55 Roberta Hirša street 1, Riga, LV-1045 Latvia Responsible Certified Auditor: Inna Talanova Certificate No. 206

Information on the subsidiaries of the Company

Parent company	Subsidiary	Participating interest in the subsidiary	Type of operations of the subsidiary	Legal address of the subsidiary
AS CleanR Grupa	SIA Clean R	100%	Collection of non-hazardous waste	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA CleanR Verso	100%	Collection of non-hazardous waste	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Vizii Urban	100%	Other cleaning services	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Vizii Management	100%	Activities of holding companies, Activities of head offices	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Brīvais kalns	100%	Activities of holding companies	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA CleanR Industry	100% (from 01.08.2024)	Manufacture of plastics in primary forms	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA CleanR NĪ	100% (from 05.08.2024)	Renting and operating of own or leased real estate	Vietalvas street 5, Riga, LV - 1009, Latvia
AS CleanR Grupa	SIA Zajā josta	70% (until 21.02.2024) 55% (from 21.02.2024)	Material recovery	Mūkusalas street 42A, Riga, LV - 1004, Latvia
AS CleanR Grupa	SIA WasteTech	18.28% (until 14.08.2025) 66.25% (from 14.08.2025)	Activities of holding companies	Vietalvas street 5, Riga, LV - 1009, Latvia

Management Report

Business Activity

CleanR Grupa AS (hereinafter – the Company) operates primarily in the fields of Activities of Financial Holding Companies (NACE 64.21) and Activities of Head Offices (NACE 70.10).

Information on the Company's Share Capital

The Company's registered and fully paid-in share capital amounts to EUR 13 870 425, consisting of 13 870 425 shares with a nominal value of EUR 1 each.

Company's Operations During the Reporting Year

The Company's financial result for the reporting year is a profit of EUR 713 711.

During the reporting year, the Company focused on the targeted development and growth of the CleanR Group, both by improving financial performance and expanding operations across regions. The Group strengthened its position in the environmental management and urban maintenance sector, invested in infrastructure and equipment modernization, and implemented environmental education initiatives. During the reporting year, the Group received top recognition for investor relations at the Nasdaq Baltic Awards 2025, as well as several awards acknowledging improvements in the work environment.

In January 2025, in order to carry out the reorganization of the Group's waste processing company Vides resursu centrs SIA by separating the waste recovery business line into an independent business unit, WasteTech SIA was established. Following the establishment of WasteTech SIA, the reorganization process of Vides resursu centrs SIA was completed. Subsequently, WasteTech SIA established its subsidiary Ropažu enerģija SIA, which will focus on the development of the waste recovery segment in Latvia and attracting a strategic investor for the project.

To diversify services and expand environmental management services offered in regional markets, subsidiary of the Company Clean R SIA acquired a 41.25% shareholding in Ķīlupe SIA during the reporting year.

In July 2025, the acquisition of the regional environmental maintenance company Tranzīts L was completed, following approval from the Competition Council, allowing Vizii Urban SIA to gain decisive influence over Tranzīts L SIA.

Expanding into new business segments, in November 2024 Clean R SIA acquired Lautus SIA – a company specializing in the management of medical and hazardous waste, as well as the provision of wastewater pumping services. During the reporting year, the Company issued a guarantee as part of the partial refinancing of the acquisition, in favour of Swedbank AS; this guarantee was discharged during the reporting year upon fulfilling certain bank requirements.

At the end of the reporting year, CleanR Grupa AS refinanced bonds in the amount of EUR 15 million. During the public bond offering, the demand for bonds exceeded the offered amount by 2.5 times. Institutional and retail investor demand reached EUR 37.8 million, significantly exceeding the offer target of EUR 15 million. This bond issue marks an important stage in the CleanR Group's development strategy and is the first step in a EUR 50 million bond program intended to support the Group's future growth. Starting with 4 February 2026, bonds issued by CleanR Grupa AS in the amount of EUR 15 million are listed on the Nasdaq Baltic regulated market.

Maintaining group affiliation and shared development goals, each of the Company's subsidiaries continued to provide customers with a wide range of services – comprising both specialized services and joint services provided across the Group. The separation of specialized functions into individual entities has demonstrated that a streamlined administrative structure and a clear business focus promote dynamic and efficient growth.

During the reporting year, the CleanR Group strategy was reviewed and supplemented with a development vision until 2028, setting clear development goals and priorities for the period 2026 – 2028. The strategy defines the Group's key strategic priorities and outlines the most significant development directions that will contribute to achieving these objectives. Its central element is improving efficiency across all areas of the Group's operations.

In May and November, the Company increased its share capital, allocating newly issued shares to participants of the Company's employee stock option plan, thereby expanding the shareholder structure to include senior management members enrolled in the employee option scheme established in 2024.

Management Report (continued)

Detailed information about the sustainability achievements of the Company and the enterprises under its management is included in the CleanR Group's consolidated annual report and sustainability reports, available online at <https://cleanrgrupa.lv/ilgtspeja/>.

Exposure to risks

The Company is not exposed to currency risk, as all settlements are made in EUR.

Liquidity risk: The Company manages liquidity risk by maintaining adequate cash reserves and ensuring sufficient funding, continuously monitoring forecasted and actual cash flows, and aligning the maturity structure of financial assets and liabilities.

Credit risk: The Company is exposed to credit risk. It monitors issued loans and other receivables to ensure it can meet its short-term obligations.

Interest rate risk: The Company is exposed to the risk of changes in market interest rates in relation to its long-term and short-term liabilities, as well as lease liabilities that are subject to a variable interest rate. The Company manages interest rate risk by regularly assessing the borrowing interest rates available in the market

Subsequent events

In January 2026, the Competition Council granted approval for the Group's company Clean R SIA to carry out a merger transaction with Kīlupe SIA, thereby increasing its ownership in the company to 100%. On 5 March 2026 the changes were registered in the Register of Enterprises.

In February 2026, with the aim of developing the Group's activities in projects focused on promoting circularity, the Company acquired a minority shareholding (19.8% of the registered, subscribed, and paid-in share capital) in Wingo Deposit SIA.

There have been no other events since the last day of the reporting year that would materially affect the results of the reporting year.

Management Board's proposed profit distribution

The Management Board proposes leaving the decision on the distribution of the Company's profit for the reporting year as dividends to the shareholders' meeting.

Future outlook

In 2026, the Company's management will continue to strengthen the corporate governance model in line with global best practices and ensure adherence to principles of transparency and openness in stakeholder relations. At the same time, in accordance with the Group's defined strategy, improvements in the Group's structure and process efficiency will be implemented. All business development activities and investments aimed at enhancing the business model and operational efficiency will focus on organic growth of the Group's companies, supported by completed and potential M&A transactions.

CleanR Group, bringing together leading companies in the environmental sector, recognises its economic and social impact as well as its environmental impact. Therefore, in 2026 the Group will continue strategic sustainability management at the Group level, balancing business development objectives with the requirements of European Union regulations and best practices. Despite potential changes in regulation, the non-financial reporting practice initiated in 2022 will be continued by publishing an Integrated Annual Report that combines sustainability and financial information.

Juris Gulbis
Chairman of the Board

Guntars Levics
Member of the Board

Inta Liepa
Member of the Board

Agita Baltbārde
Member of the Board

Statement of Management Responsibilities

The Board of the Company (hereinafter – the Management) is responsible for the preparation of the enclosed financial statements of the Company.

The financial statements on pages 8 to 49 are prepared based on accounting records and supporting documents, and provide true and fair view on the Company's financial position as at 31 December 2025 and its financial performance and cash flows for the year then ended.

The financial statements have been prepared according to the IFRS Accounting Standards as adopted by the European Union (EU), on a going concern basis.

This is the first year when IFRS Accounting Standards have been applied to the preparation of the financial statements. Estimates and judgements made during preparation of these financial statements by the Management have been prudent and reasonable.

The Management is also responsible for maintaining appropriate accounting records that would provide a true and fair presentation of the financial position of the Company at a particular date and financial performance and cash flows and enable the Management to prepare the financial statements according to the IFRS Accounting Standards as adopted by the EU.

Juris Gulbis
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Guntars Levics
Member of the Board

Inta Liepa
Member of the Board

Agita Baltbārde
Member of the Board

Statement of Profit and Loss and Comprehensive Income

	Note	2025 EUR	2024* EUR
Revenue	1	5 621 831	5 028 539
Cost of sales	2	(2 710 780)	(2 083 041)
Gross profit		2 911 051	2 945 498
Selling expenses	3	(1 187 409)	(1 148 491)
Administrative expenses	4	(1 291 805)	(1 331 417)
Other operating income		1 817	7 703
Other operating expenses	5	(209 977)	(273 421)
Profit from investments in subsidiaries	12	1 820 882	3 826 418
Interest income and similar income	6	629 504	1 029 907
Interest expenses and similar expenses	7	(1 930 374)	(1 746 366)
Profit before tax		743 689	3 309 831
Corporate income tax		(29 978)	(47 288)
Profit for the year		713 711	3 262 543
Other comprehensive income/ (loss) for the year		-	-
Profit and other comprehensive income for the year, total		713 711	3 262 543

* Comparatives for the period from 01.01.2024 to 31.12.2024 were restated in accordance with the IFRS Accounting Standards as adopted by the European Union (EU).

Notes on pages 13 to 49 are an integral part of these financial statements.

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Anžela Vjaževiča
Chief Accountant

Statement of Financial Position

ASSETS	Note	31.12.2025 EUR	31.12.2024* EUR	01.01.2024* EUR
NON-CURRENT ASSETS				
Intangible assets	9	2 001 756	2 709 320	3 300 602
Property, plant and equipment	10	180 991	98 901	67 376
Right-of-use assets	11	264 527	343 303	211 155
Investments in subsidiaries	12	13 088 567	12 407 091	13 239 291
Loans and other long-term receivables from related parties	13	2 280 463	6 540 436	9 612 782
Other long-term financial assets	14	77 114	75 700	74 286
TOTAL NON-CURRENT ASSETS		17 893 418	22 174 751	26 505 492
CURRENT ASSETS				
Inventory		13 849	12 289	3 105
Receivables from related parties and contract assets	13	1 191 666	2 813 449	2 913 816
Other current assets	15b	5 180 548	165 647	81 723
Cash and cash equivalents	15	9 295 472	10 667 434	6 028 399
TOTAL CURRENT ASSETS		15 681 535	13 658 819	9 027 043
TOTAL ASSETS		33 574 953	35 833 570	35 532 535

* Comparatives for the period from 01.01.2024 to 31.12.2024 were restated in accordance with the IFRS Accounting Standards as adopted by the European Union (EU).

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Chief Accountant

Statement of Financial Position (continued)

EQUITY AND LIABILITIES	Note	31.12.2025 EUR	31.12.2024* EUR	01.01.2024* EUR
EQUITY				
Share capital	16	13 870 425	13 580 000	346 000
Share options reserve	17	129 575	10 926	-
Retained earnings		3 142 635	3 837 998	18 699 146
TOTAL EQUITY		17 142 635	17 428 924	19 045 146
LIABILITIES				
Non-current liabilities				
Issued debt securities	18	14 943 112	-	14 752 808
Other liabilities	19	204 252	717 240	787 850
Total non-current liabilities		15 147 364	717 240	15 540 658
Current liabilities				
Issued debt securities	18	102 026	14 874 316	-
Accounts payable and other payables		716 815	408 296	425 470
Payables to related parties	20	935	39 431	10 652
Other liabilities	19	76 437	262 460	229 217
Taxes and state mandatory social insurance payments	21	182 741	157 903	281 392
Dividends payable	22	206 000	1 945 000	-
Total current liabilities		1 284 954	17 687 406	946 731
TOTAL LIABILITIES		16 432 318	18 404 646	16 487 389
TOTAL EQUITY AND LIABILITIES		33 574 953	35 833 570	35 532 535

* Comparatives for the period from 01.01.2024 to 31.12.2024 restated in accordance with the IFRS Accounting Standards as adopted by the European Union (EU).

Notes on pages 13 to 49 are an integral part of these financial statements.

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Chief Accountant

Statement of Changes in Equity

	Share capital	Share options reserve	Retained earnings	Total equity
	EUR	EUR	EUR	EUR
As at 31 December 2023 as reported before	346 000	-	18 665 128	19 011 128
Adjustments made on adoption of IFRS (Note (x))	-	-	34 018	34 018
As at 1 January 2024 in accordance with IFRS	346 000	-	18 699 146	19 045 146
<i>Comprehensive income</i>				
Profit for the year	-	-	3 262 543	3 262 543
<i>Transactions with the shareholders of the Company</i>				
Increase of share capital	13 234 000	-	(280 000)	12 954 000
Dividends	-	-	(17 832 765)	(17 832 765)
Share options reserve	-	10 926	(10 926)	-
As at 31 December 2024	13 580 000	10 926	3 837 998	17 428 924
<i>Comprehensive income</i>				
Profit for the year	-	-	713 711	713 711
<i>Transactions with the shareholders of the Company</i>				
Increase of share capital	290 425	(290 425)	-	-
Dividends	-	-	(1 000 000)	(1 000 000)
Share options reserve	-	409 074	(409 074)	-
As at 31 December 2025	13 870 425	129 575	3 142 635	17 142 635

Notes on pages 13 to 49 are an integral part of these financial statements.

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Anžela Vjaževiča
Chief Accountant

Statement of Cash Flows

	Note	2025 EUR	2024* EUR
Cash flow from operating activities			
Profit before tax		743 689	3 309 831
Adjustments for:			
decrease in value of intangible assets, property, plant and equipment and right-of-use assets		893 172	844 789
interest and similar income		(629 504)	(1 029 907)
interest and similar expenses		1 930 374	1 746 366
income from investments in subsidiaries		(1 820 882)	(3 826 418)
Profit before adjustments to current assets and current liabilities		1 116 849	1 044 661
(Increase)/ decrease in receivables		(191 816)	1 140 547
Increase in inventory		(1 560)	(9 184)
Decrease in payables		(428 800)	(365 537)
Gross cash flow from operating activities		494 673	1 810 487
Corporate income tax payments		(31 190)	(47 281)
Net cash flow from operating activities		463 483	1 763 206
Cash flow from investing activities			
Acquisition of subsidiaries		(681 476)	(352 800)
Sale of subsidiaries		-	1 185 000
Acquisition of property, plant and equipment and intangibles		(214 015)	(223 226)
Loans issued		(84 813)	(1 162 000)
Repayment of loans issued		5 304 312	3 620 200
Deposit placements		(5 000 000)	-
Interest received		782 014	518 536
Dividends received		2 070 882	3 826 418
Net cash flow from investing activities		2 176 904	7 412 128
Cash flow from financing activities			
Increase of share capital	16	-	12 954 000
Borrowings received	18	15 000 000	-
Borrowings repaid	18	(15 000 000)	-
Payment of lease liabilities		(72 271)	(54 041)
Dividends paid		(2 739 000)	(15 887 765)
Interest paid		(1 201 078)	(1 548 493)
Net cash flow from financing activities		(4 012 349)	(4 536 299)
Net cash flow of the reporting year		(1 371 962)	4 639 035
Cash and cash equivalents at the beginning of the reporting year		10 667 434	6 028 399
Cash and cash equivalents at the end of the reporting year	15	9 295 472	10 667 434

* Comparatives for the period from 01.01.2024 to 31.12.2024 restated in accordance with the IFRS Accounting Standards as adopted by the European Union (EU).

Notes on pages 13 to 49 are an integral part of these financial statements.

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Agita Baltbārde
Member of the Board

Anžela Vjaževiča
Chief Accountant

Notes to the Financial Statements

General information on the Company

CleanR Grupa AS (hereinafter – the Company) operates as a holding company of the group and deals with management of its related companies. According to NACE these activities are classified as Activities of holding companies (NACE 64.21) and Activities of head offices (NACE 70.10).

The legal address of CleanR Grupa AS is Vietalvas street 5, Riga. The Company is registered in the Enterprise Register with registration number 40103799972. Chairman of the Board of the Company is Juris Gulbis, its members of the Board are Guntars Levics, Inta Liepa and Agita Baltbārde. The Auditor of the Company is KPMG Baltics SIA. More detailed information about the Company is provided in a separate section of this annual report on pages 3 to 4.

The financial statements were approved by the Board of the Company on 23 April 2026. The financial statements are subject to approval by the Shareholders' Meeting, which is appointed by the Board of the Company after receipt of the independent auditors' report.

Summary of significant accounting policies

This section sets out the significant accounting policies and valuation methods that have been applied in the preparation of these financial statements. These policies are applied consistently in the presentation of all comparative information unless stated otherwise.

a) General accounting and valuation principles

These financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the EU. Due to the European Union endorsement process, this note also includes standards and interpretations that have not yet been endorsed for use in the European Union, as these standards and interpretations may have an impact on the financial statements of future periods when they are endorsed.

These are the first Company's financial statements that are prepared in accordance with IFRS. The financial statements for the year ended 31 December 2024 and earlier were prepared in accordance with the laws of the Republic of Latvia Accounting Law and Law on the Annual Reports and Consolidated Annual Reports (GPL). IFRS 1 – First time adoption of IFRS, has been applied to the preparation of these financial statements as described in details in section x) of Summary of significant accounting policies.

The financial statements are prepared on the historical cost basis. The statement of cash flows is prepared using the indirect method. The statement of Profit and Loss and Comprehensive Income is classified by function of expense.

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

While preparing these financial statements, the Company has not early adopted standards and interpretations that become effective for the annual periods starting on or after 1 January 2026 or are not yet endorsed by the EU. The most significant of those are:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective from 1 January 2026, adopted by the EU);
- Amendments Related to the Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (effective from 1 January 2026, adopted by the EU);
- Annual Improvements to IFRS Accounting Standards Volume 11 (issued on 18 July 2024) (effective from 1 January 2026, adopted by the EU);
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024) (effective from 1 January 2027, adopted by the EU);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024) (effective from 1 January 2027, not yet adopted by the EU).

The Management of the Company evaluates the impact from adoption of these standards and interpretations on these financial statements. In addition to the above, the Company's Management has assessed the impact of other standards and interpretations that will be effective from 1 January 2026 and does not expect them to have a material impact on the financial statements.

These are separate financial statements of the Company. In accordance with the section 61 of the Law On the Annual Reports and Consolidated Annual Reports the Company is preparing a separate consolidated financial statements. The Management of the Company expects to prepare and publish the consolidated financial statements in accordance with the terms envisaged in the law.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

b) Segment reporting

The Company provides management services for the Group and ensures holding of the Group companies; thus, the Management considers that all the revenue, assets and liabilities are related to one operating segment. As the Company operates as one operating segment, no separate presentation of segment information is performed in these financial statements.

c) Foreign currency translation

Functional and presentation currency

The functional and presentation currency of the Company is euro (hereinafter – EUR). All items in the financial statements are presented in EUR, unless stated otherwise.

Transactions and balances in foreign currencies

The Company maintains its accounts in EUR. During the reporting year transactions in foreign currencies are recorded using EUR foreign exchange reference rates that are published based on a regular daily reconciliation procedure between central banks of the European System of Central Banks and other central banks. At the end of the reporting year foreign currency cash balance, loans issued and borrowings taken denominated in foreign currencies, as well as other debtors' or creditors' debts payable in foreign currencies are translated from the foreign currency to EUR in accordance with the foreign exchange rates in force on the last date of the reporting year. The resulting profit or loss is charged to the profit and loss statement.

d) Investments in subsidiaries

Investments in subsidiaries are carried at historical cost, less impairment losses.

Revenue is recognized only to the extent the Company has received a share of profit of the subsidiary generated after the date of acquisition. Any amounts in excess of this profit are treated as recovery of investment and booked as a decrease in the historical cost of the investment.

If there is objective evidence of impairment of the investment in a subsidiary, the impairment loss is calculated as the difference between the carrying amount and the recoverable amount of the investment. Impairment loss may be reversed when the estimates underlying the impairment have changed since the last date of recognition of the impairment loss.

e) Intangible assets

Intangible assets are mainly comprised of costs of software and licences, as well as patents and trademarks. Where computer software is an integral part of the related hardware that cannot operate without that specific software, it is treated as property, plant and equipment.

Intangible assets are initially recognised at cost. Intangible assets have a finite useful life. After initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and, where the carrying amount of the intangible investment is greater than its estimated recoverable amount, which is the highest of the fair value less costs to sell and the value in use of the intangible investment, the carrying amounts thereof are immediately reduced to the recoverable value by recognising the difference in the profit and loss statement. Impairment indicators are assessed at the end of each reporting date.

Recoverable value of intangible assets, which are not yet ready to be used, is determined annually, irrespective of whether there is any indication that it may be impaired. For the purposes of assessing impairment, intangible assets are grouped at the lowest level, for which there are separately identifiable cash flows.

Subsequent costs are included in the carrying amount of an intangible asset or recognised as a separate intangible asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other costs are expensed in the profit and loss statement as incurred.

Intangible assets are amortized using the straight-line method over their useful lives. Intangible assets are amortised by 10% - 20% per annum.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

f) Property, plant and equipment

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on a straight-line basis to write down each asset to its estimated residual value over its estimated useful life by 20 – 33% per annum.

Any profit or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss statement in the year the property, plant and equipment item is derecognised.

Leasehold improvements are written down on a straight-line basis over the shorter of the estimated useful life of the leasehold improvement and the term of the lease.

g) Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is calculated using the FIFO method. Net realisable value is the estimated selling price in the ordinary course of business less applicable costs to complete and variable selling costs. Where required, slow moving, obsolete or damaged inventories are written down.

h) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i) Financial assets

The Company's financial assets include loans issued, receivables from related parties, trade receivables, and cash and cash equivalents. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

The Company has no financial assets that are measured at fair value through other comprehensive income (FVTOCI), as well as no financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Subsequent measurement

After the initial measurement, financial assets, except for the assets recognized at fair value, are measured at the amortised cost by applying effective interest rate method less impairment. Amortised cost is calculated taking into account the purchase discount or bonus, as well as fees or costs, which form integral part of the effective interest rate.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire. The Company does not transfer the contractual rights to receive cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances of current account with banks and short-term deposits with maturity up to 90 days.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

Impairment of financial assets

The Company assess on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and contract assets recognised under IFRS 15. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes,
- time value of money and
- all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

For trade receivables and contract assets without a significant financing component, the Company applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivables.

Considering limited number of counterparties, as well as the fact that majority of receivables refers to related party receivables, ECL is calculated for each significant receivable, with insignificant receivable being such that does not exceed EUR 5 thousand individually with cumulative unassessed amount not exceeding EUR 50 thousand. More details on assumptions used to arrive to ECL are provided in Notes 13 and 14.

j) Financial liabilities

Initial recognition and measurement

The Company's financial liabilities consist of issued debt securities, accounts payable to suppliers and contractors and other financial liabilities. Financial liabilities are classified as financial liabilities at amortised cost. Group determines classification of financial liabilities at the moment of initial recognition thereof. All the financial liabilities are initially measured at their fair value, less directly attributable transaction costs.

Subsequent measurement

After the initial recognition, financial liabilities are measured at their amortised cost by applying effective interest rate method.

Amortised cost is calculated taking into account the purchase discount or bonus, as well as fees or costs, which form integral part of the effective interest rate. Interest calculated under effective interest rate method is included in the profit and loss statement line item interest expenses and other similar expenses.

Derecognition

A financial liability is derecognized, if the obligation specified in the contract is discharged, cancelled or expired. Where there has been an exchange of existing financial instrument and new financial instrument, involving an existing lender, however with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the respective carrying amounts is recognized in consolidated statement of comprehensive income.

k) Offsetting financial instruments

Financial assets and liabilities are offset and net amount is presented in the statement on financial position only in case of valid legal rights to perform mutual offsetting and recognise the amounts, and there is intent to perform net settlements or sell the asset and settle the liabilities at the same time.

Notes to the Financial Statements (continued)**Summary of significant accounting policies** (continued)**l) Leases - the Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant and equipment' policy (section f) of the Summary of significant accounting policies.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit and loss statement accordingly.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient for all such leases where there is a non-lease component and its separation is impracticable.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

m) Employees' benefits

Short-term employee benefits are recognized as a current expense in the period when employees render services. These include salaries, social insurance contributions, bonuses, accruals for unused annual leave and other benefits.

The Company makes social insurance contributions to the state-funded pension scheme in accordance with Latvian laws. The state-funded pension scheme is a defined contribution pension plan, and the Company is required to make contributions of statutory amount. The Company does not incur any additional legal or constructive obligations to make additional payments if the state-funded pension scheme is unable to meet its obligations to employees. Social insurance contributions are recognised as an expense on an accrual basis and recognised under Personnel expenses.

The accrued unused annual leave expenses are calculated by multiplying the number of days of unused leave at the end of the accounting year by the average daily salary during the last six months of the reporting year.

n) Share based payments

The Company recognises its issued share options as a share based payments and reflect the corresponding transactions in its financial statements. All the share options are equity instruments, providing certain employees with the right to receive shares of the Company, conditional to fulfillment of specific criteria listed in option emission regulations.

Initially share options are valued at their fair value on the issuance date.

Share options are recognised as a share option reserve in equity. Upon fulfillment of criteria, reserve is decreased and share capital is recognised. Whenever there is a difference between the amount of share capital recognised and share option reserve, it is recognised as share premium.

o) Corporate income tax

The corporate income tax consists of the income tax calculated for the reporting year.

Current tax

Corporate income tax is calculated based on legislation enforced at the end of the reporting year. In case of reinvestment of profit, corporate income tax rate on retained earnings is 0%. Distributed profits are taxed at a rate of 20% of their gross amount or 20/80 of net expenses.

Corporate income tax on dividends is recognised as an expense in the profit and loss statement in the accounting year in which the dividend is declared and, for other items of deemed profit, when the cost is incurred within the accounting year, irrespective of when the payment is made.

Corporate income tax on deemed profit distribution (which does not meet the definition of corporate income tax per IAS 12) is recognised in the profit and loss statement as part of Other operating expenses.

p) Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the liability.

q) Revenue recognition

Revenue is recognised in accordance with IFRS 15 Revenue from contracts with customers, whereas principles for revenue recognition are prescribed. In order to determine, when and in what amount revenue should be recognised, the Company applies five-step revenue recognition model. Depending on compliance with particular criteria, revenue is recognized:

- over the time by reflecting the Company's fulfilment of the contract; or
- at a certain point in time.

IFRS 15 stipulates principles the Company should comply with to present qualitative and quantitative information, which would provide the users of the financial statements with useful information on the nature, amount, time and uncertainty of revenue and cash flow, which originates from a contract with customer.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

IFRS 15 provides that the asset should be recognised for extra costs, arising from the acquisition of the contracts with customers, when the recovery of such expenses is expected over time. Taking into account the specifics of the operations of the Company, there are no contractual costs to be capitalised.

Revenue from contracts with customers is recognised based on fulfilment of performance obligations towards the customer. Revenue is recognised to the extent that reflects the remuneration expected by the Company to be received in exchange for goods or services provided. Model provides for revenue recognition once the services are provided and accepted by the customer even if these services are not invoiced, however, there is a high probability that the Company will receive the economic benefits arising from the transaction. Accounting policies for main types of revenue of the Company are described below.

Provision of services

Revenue generated from the services is recognised during the period of provision of these services according to the requirements and conditions of the contract.

Services included in the contract may be separated, and they are priced separately. Revenue from these services is recognised separately – in the period of provision of the service. Services are usually invoiced during the first 10 days of the month subsequent to the provision of the service, while in some cases prepayment invoices are in place. Payment for services is made on invoice basis with average payment term of 20 days from the invoice date.

The Company generates revenue from the use of trademark, as well as the Company provides public relations and internal communication, marketing and sustainability management services to its subsidiaries. All revenue is generated from long-term contracts, whereas obligations are fulfilled over time.

Other income

Other revenue from provision of services is recognised during the period of provision thereof.

r) Related parties

Related parties are defined as CleanR Group AS Group companies, shareholders of the Company, members of the Council and the Board, their close relatives and companies in which they have a significant influence or control.

s) Subsequent events

Post-year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes only when material.

t) Contingent liabilities and assets

Contingent liabilities are not recognised in these financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in these financial statements but disclosed when an inflow of economic benefits is probable.

u) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed within the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

All other liabilities are classified as non-current.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

v) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilise the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 – quoted (unadjusted) market prices in active markets for respective assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in the market;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

When applicable, further information about the assumptions made in determining fair values is disclosed in the financial statements specific to that asset or liability.

The carrying value of the Company's current financial assets and liabilities is assumed to approximate to their fair value. Fair value of the non-current financial instruments is estimated by discounting the expected future cash flows to net present values using appropriate market interest rates available at the end of the reporting year.

w) Estimates and assumptions

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. The significant areas of estimation used in the preparation of the accompanying financial statements relate to estimated credit losses for financial assets, as well as determination of fair value of share options. Although these estimates are based on the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. Key estimates and assumptions used in the preparation of these consolidated financial statements are described below.

Recoverability of investments in subsidiaries

During the reporting year, no indicators of impairment were identified; therefore, a detailed recoverability assessment of investments in subsidiaries was not performed. More detailed information on the Company's subsidiaries is provided in Note 12.

Recoverability of intangible assets

During the reporting year, no indicators of impairment were identified; therefore, a detailed recoverability assessment of intangible assets was not performed. More detailed information on the Company's intangible assets is provided in Note 9.

Impairment of financial assets

The Company assess on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. Principles of impairment calculations are described in the section i) to the accounting policy.

Determination of fair value of share options

Fair value of share option is determined at its issuance date. Detailed information on determining fair value is provided in Note 17.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

x) First time adoption of International Financial Reporting Standards

These are the first financial statements of the Company that are prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

Accounting and valuation principles applied to the preparation of financial statements for 2025, as well as while presenting comparative information for 2024 and opening balances as at 1 January 2024 (date of transition to IFRS) are described in more details in sections a) through v) of the Notes to the financial statements.

CleanR Grupa AS has prepared its consolidated financial statements applying IFRS since 2023. As the Company has adopted IFRS for its reporting purposes after IFRS was adopted at the consolidated level, the Management of the Company elected to apply optional exemption provided in IFRS 1.D16 (a). While applying this exemption, the Company recognizes assets and liabilities using the values that were previously used while preparing its consolidated financial statements. Appropriate adjustments are made to reflect consolidation adjustments and potential adjustments arising from business combinations.

While preparing the opening balance sheet in accordance with IFRS, the Company adjusted balances presented in the financial statements in accordance with the GPL. All the adjustments made, their impact on the financial statements of the Company, as well as application of IFRS 1 First time adoption of international financial reporting standards (IFRS 1) are described in this note and explanation tables therein.

In accordance with IFRS 1, while applying IFRS for the first time, the Company can decide on application of one or more exemptions in the preparation of opening balances. Following exemptions were used by the Company:

- Exemption related to business combinations was applied to all business combinations prior to 1 January 2022.
- Following mandatory exemptions from application of IFRS are as follows:
 - Exemption related to derecognition of financial assets and financial liabilities is not relevant to the operations of the Company;
 - Exemption on hedge accounting is not relevant for the Company;
 - Estimates made on the date of transition to IFRS do not differ significantly from those made under GPL, unless stated otherwise below.

IFRS 1 required the Company to present all the adjustments made to the statement of changes in equity, statement of comprehensive income, statement of financial position and statement of cash flows for respective periods.

Adjustments made to comply with IFRS 1 requirements are presented in the following tables:

- Adjustments to the statement of Changes in Equity as at 1 January 2024 and 31 December 2024;
- Adjustments to the statement of Financial Position as at 1 January 2024;
- Adjustments to the statement of Financial Position as at 31 December 2024;
- Adjustments to the statement of Profit and Loss and Comprehensive Income for 2024;
- Adjustments to the statement of Cash Flows for 2024.

Summary of the adjustments to the statement of changes in equity:

	31.12.2024	01.01.2024
	EUR	EUR
Equity as per GPL	17 447 025	19 011 128
1) Recognition of leases (IFRS 16)	(9 623)	(5 504)
2) Adjustments to the fair value of loans issued (IFRS 9)	(257 388)	(407 262)
3) Amortisation of commission (IFRS 9)	125 684	247 192
4) Adjustments to the fair value of instalment transaction (IFRS 9)	123 226	199 592
Equity as per IFRS	17 428 924	19 045 146

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

While adopting IFRS, several adjustments with impact on the total value of equity were made. Nature of these adjustments is as follows:

1) Recognition of leases (IFRS 16)

While adopting IFRS, all lease agreements were assessed. As a result, right-of-use assets and lease liabilities were recognised on the balance sheet for those leases accounted for off-balance sheet as operating leases under GPL. Total adjustment that resulted in lease recognition did not have material effect on the equity.

2) Adjustments to the fair value of loans issued (IFRS 9)

Applying requirements of IFRS 9 "Financial instruments", adjustments to the initial fair value of interest free loans were made – loans were recognised at their fair value, applying discount rate applicable at the issuance date to similar loan issued under market terms.

3) Amortisation of commission (IFRS 9)

Evaluating the profit and loss items of CleanR Grupa AS for 2022, it was concluded that expenses directly attributable to the issue of bonds in 2022 were accounted for as expenses in 2022, while under IFRS such expenses should be amortised as part of the effective interest rate over the life of the financial liability. This was amended while applying IFRS.

4) Adjustment to the fair value of the instalment transaction (IFRS 9)

Applying the requirements of IFRS 9 Financial instruments, adjustments to the initial fair value of interest free borrowings were made – liabilities under the instalment transaction were recognised at their fair value, applying the discount rate applicable at the issuance date to similar borrowings issued under market terms.

5) Change of classification

The adoption of IFRS Accounting Standards resulted in a number of reclassification adjustments in both the balance sheet and the profit and loss statement, indicated in the tables below under column Change of classification. The classification was changed to ensure better and more comprehensive use of the financial statements, unifying some positions and ensuring a more comprehensive presentation of information in the financial statements and avoiding presentation of massive immaterial information.

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

Statement of Financial Position as at 1 January 2024

GPL	GPL	Change of classification	Recognition of leases (IFRS16)	Adjustments to the fair value of loans issued (IFRS 9)	Amortisation of commission (IFRS 9)	Adjustments to the fair value of instalment transaction (IFRS 9)	IFRS	IFRS
Description of the adjustment		(5)	(1)	(2)	(3)	(4)		
Name of the line item	EUR	EUR	EUR	EUR	EUR	EUR	EUR	Name of the line item
ASSETS								
NON-CURRENT ASSETS								
Intangible assets								
Concessions, patents, licences, trademarks and similar rights	3 300 602	-	-	-	-	-	3 300 602	Intangible assets
Intangible assets total:	3 300 602						3 300 602	
Property, plant and equipment								
Long-term leasehold improvements	36 305	31 071	-	-	-	-	67 376	Property, plant and equipment
		-	211 155	-	-	-	211 155	Right-of-use assets
Other PPE and fixtures	31 071	(31 071)	-	-	-	-	-	
Property, plant and equipment total:	67 376						278 531	
Non-current financial investments								
Investments in subsidiaries	13 239 291	-	-	-	-	-	13 239 291	Investment in subsidiaries
Loans and other long-term receivables from related parties	10 019 188	856	-	(407 262)	-	-	9 612 782	Loans and other long-term receivables from related parties
Other loans and other long-term receivables	74 286	-	-	-	-	-	74 286	Other long-term financial assets
Non-current financial investments total:	23 332 765						22 926 359	
Non-current assets total:	26 700 743	856	211 155	(407 262)	-	-	26 505 492	TOTAL NON-CURRENT ASSETS
CURRENT ASSETS								
Inventory								
Raw materials	3 105	-	-	-	-	-	3 105	Inventory
Inventory total:	3 105						3 105	
Accounts receivable								
Receivables from related parties	2 914 672	(856)	-	-	-	-	2 913 816	Receivables from related parties
Other receivables	4 726	76 997	-	-	-	-	81 723	Other current assets
Next period expenses	55 970	(55 970)	-	-	-	-	-	
Accrued income	21 027	(21 027)	-	-	-	-	-	
Accounts receivable total:	2 996 395						2 995 539	
Cash	6 028 399	-	-	-	-	-	6 028 399	Cash and cash equivalents
Current assets total:	9 027 899	(856)	-	-	-	-	9 027 043	TOTAL CURRENT ASSETS
Total assets	35 728 642	-	211 155	(407 262)	-	-	35 532 535	TOTAL ASSETS

GPL	GPL	Change of classification	Recognition of leases (IFRS16)	Adjustments to the fair value of loans issued (IFRS 9)	Amortisation of commission (IFRS 9)	Adjustments to the fair value of instalment transaction (IFRS 9)	IFRS	IFRS
Description of the adjustment		(5)	(1)	(2)	(3)	(4)		
Name of the line item	EUR	EUR	EUR	EUR	EUR	EUR	EUR	Name of the line item
EQUITY								
Share capital	346 000	-	-	-	-	-	346 000	Share capital
Share options reserve	-	-	-	-	-	-	-	Share options reserve
Retained earnings:								
Previous years' retained earnings	18 638 771	26 357	(5 504)	(407 262)	247 192	199 591	18 699 146	Retained earnings
Profit for the year	26 357	(26 357)	-	-	-	-	-	
Total equity:	19 011 128	-	(5 504)	(407 262)	247 192	199 591	19 045 146	TOTAL EQUITY
LIABILITIES								
Non-current liabilities								
Issued debt securities	15 000 000	-	-	-	(247 192)	-	14 752 808	Issued debt securities
Other liabilities	750 000	-	161 076	-	-	(123 226)	787 850	Other liabilities
Total non-current liabilities:	15 750 000	-	161 076	-	(247 192)	(123 226)	15 540 658	Total non-current liabilities
Current liabilities								
Issued debt securities	-	-	-	-	-	-	-	Issued debt securities
Accounts payables	139 172	286 298	-	-	-	-	425 470	Accounts payable and other payables
Payables to related parties	10 652	-	-	-	-	-	10 652	Payables to related parties
Other liabilities	322 502	(72 502)	55 583	-	-	(76 365)	229 217	Other liabilities
Taxes and state mandatory social insurance payments	281 392	-	-	-	-	-	281 392	Taxes and state mandatory social insurance payments
Dividends payable	-	-	-	-	-	-	-	Dividends payable
Accrued liabilities	213 796	(213 796)	-	-	-	-	-	
Total current liabilities:	967 514	-	55 583	-	-	(76 365)	946 731	Total current liabilities
Total equity and liabilities	35 728 642	-	211 155	(407 262)	-	-	16 487 389	TOTAL LIABILITIES
							35 532 535	TOTAL EQUITY AND LIABILITIES

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

Statement of Financial Position as at 31 December 2024

GPL	GPL	Change of classification	Recognition of leases (IFRS16)	Adjustments to the fair value of loans issued (IFRS 9)	Amortisation of commission (IFRS 9)	Adjustments to the fair value of instalment transaction (IFRS 9)	IFRS	IFRS
Description of the adjustment		(5)	(1)	(2)	(3)	(4)		
Name of the line item	EUR	EUR	EUR	EUR	EUR	EUR	EUR	Name of the line item
ASSETS								
NON-CURRENT ASSETS								
Intangible assets								
Concessions, patents, licences, trademarks and similar rights	2 709 320	-	-	-	-	-	2 709 320	Intangible assets
Intangible assets total:	2 709 320						2 709 320	
Property, plant and equipment								
Long-term leasehold improvements	-	98 901	-	-	-	-	98 901	Property, plant and equipment
			343 303	-	-	-	343 303	Right-of-use assets
Other PPE and fixtures	98 901	(98 901)	-	-	-	-	-	
Property, plant and equipment total:	98 901						442 204	
Non-current financial investments								
Investments in subsidiaries	12 407 091	-	-	-	-	-	12 407 091	Investment in subsidiaries
Loans and other long-term receivables from related parties	6 761 188	36 636	-	(257 388)	-	-	6 540 436	Loans and other long-term receivables from related parties
Other loans and other long-term receivables	75 700	-	-	-	-	-	75 700	Other long-term financial assets
Non-current financial investments total:	19 243 979						19 023 227	
Non-current assets total:	22 052 200	36 636	343 303	(257 388)	-	-	22 174 751	TOTAL NON-CURRENT ASSETS
CURRENT ASSETS								
Inventory								
Raw materials	12 289	-	-	-	-	-	12 289	Inventory
Inventory total:	12 289						12 289	
Accounts receivable								
Receivables from related parties	2 850 085	(36 636)	-	-	-	-	2 813 449	Receivables from related parties
Other receivables	15 241	150 406	-	-	-	-	165 647	Other current assets
Other loans	62 414	(62 414)	-	-	-	-	-	
Next period expenses	79 011	(79 011)	-	-	-	-	-	
Accrued income	8 981	(8 981)	-	-	-	-	-	
Accounts receivable total:	3 015 732						2 979 096	
Cash	10 667 434	-	-	-	-	-	10 667 434	Cash and cash equivalents
Current assets total:	13 695 455	(36 636)	-	-	-	-	13 658 819	TOTAL CURRENT ASSETS
Total assets	35 747 655	-	343 303	(257 388)	-	-	35 833 570	TOTAL ASSETS

GPL	GPL	Change of classification	Recognition of leases (IFRS16)	Adjustments to the fair value of loans issued (IFRS 9)	Amortisation of commission (IFRS 9)	Adjustments to the fair value of instalment transaction (IFRS 9)	IFRS	IFRS
Description of the adjustment		(5)	(1)	(2)	(3)	(4)		
Name of the line item	EUR	EUR	EUR	EUR	EUR	EUR	EUR	Name of the line item
EQUITY								
Share capital	13 580 000	-	-	-	-	-	13 580 000	Share capital
Share options reserve	10 926	-	-	-	-	-	10 926	Share options reserve
Retained earnings:								
Previous years' retained earnings	541 437	3 314 662	(9 623)	(257 388)	125 684	123 226	3 837 998	Retained earnings
Profit for the year	3 314 662	(3 314 662)	-	-	-	-	-	
Total equity:	17 447 025	-	(9 623)	(257 388)	125 684	123 226	17 428 924	TOTAL EQUITY
LIABILITIES								
Non-current liabilities								
Issued debt securities	-	-	-	-	-	-	-	Issued debt securities
Other liabilities	500 000	-	280 667	-	-	(63 427)	717 240	Other liabilities
Total non-current liabilities:	500 000	-	280 667	-	-	(63 427)	717 240	Total non-current liabilities
Current liabilities								
Issued debt securities	15 000 000	-	-	-	(125 684)	-	14 874 316	Issued debt securities
Accounts payables	55 737	352 559	-	-	-	-	408 296	Accounts payable and other payables
Payables to related parties	39 431	-	-	-	-	-	39 431	Payables to related parties
Other liabilities	340 110	(90 110)	72 259	-	-	(59 799)	262 460	Other liabilities
Taxes and state mandatory social insurance payments	157 903	-	-	-	-	-	157 903	Taxes and state mandatory social insurance payments
Dividends payable	1 945 000	-	-	-	-	-	1 945 000	Dividends payable
Accrued liabilities	262 449	(262 449)	-	-	-	-	-	
Total current liabilities:	17 800 630	-	72 259	-	(125 684)	(59 799)	17 687 406	Total current liabilities
							18 404 646	TOTAL LIABILITIES
Total equity and liabilities	35 747 655	-	343 303	(257 388)	-	-	35 833 570	TOTAL EQUITY AND LIABILITIES

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

Statement of Profit and Losses and Comprehensive Income for 2024

GPL	GPL	Recognition of leases (IFRS16)	Adjustments to the fair value of loans issued (IFRS 9)	Amortisation of commission (IFRS 9)	Adjustments to the fair value of instalment transaction (IFRS 9)	IFRS	IFRS
Description of the adjustment		(1)	(2)	(3)	(4)		
Name of the line item	EUR	EUR	EUR	EUR	EUR	EUR	Name of the line item
Revenue	5 028 539	-	-	-	-	5 028 539	Revenue
Cost of sales	(2 083 361)	320	-	-	-	(2 083 041)	Cost of sales
Gross profit	2 945 178	320	-	-	-	2 945 498	Gross profit
Selling expenses	(1 148 491)	-	-	-	-	(1 148 491)	Selling expenses
Administrative expenses	(1 332 293)	876	-	-	-	(1 331 417)	Administrative expenses
Other operating income	-	7 703	-	-	-	7 703	Other operating income
Other operating expenses	(273 421)	-	-	-	-	(273 421)	Other operating expenses
Income from investments in subsidiaries	3 826 418	-	-	-	-	3 826 418	Profit/ (loss) from investments in subsidiaries
Interest income and similar income	880 034	-	149 873	-	-	1 029 907	Interest income and similar income
Interest expenses and similar expenses	(1 535 475)	(13 018)	-	(121 508)	(76 365)	(1 746 366)	Interest expenses and similar expenses
Profit before tax	3 361 950	(4 119)	149 873	(121 508)	(76 365)	3 309 831	Profit before tax
Corporate income tax	(47 288)	-	-	-	-	(47 288)	Corporate income tax
Profit for the year	3 314 662	(4 119)	149 873	(121 508)	(76 365)	3 262 543	Profit and Comprehensive Income for the year

Notes to the Financial Statements (continued)

Summary of significant accounting policies (continued)

Statement of Cash Flows for 2024

GPL	GPL	Change of classification	Recognition of leases (IFRS16)	Adjustments to the fair value of loans issued (IFRS 9)	Amortisation of commission (IFRS 9)	Adjustments to the fair value of instalment transaction (IFRS 9)	IFRS	IFRS
Description of the adjustment	EUR	(5)	(1)	(2)	(3)	(4)	EUR	Name of the line item
Name of the line item	EUR	EUR	EUR	EUR	EUR	EUR	EUR	Name of the line item
Operating cash flow								Operating cash flow
Profit before corporate income tax	3 361 950	-	(4 119)	149 873	(121 508)	(76 365)	3 309 831	Profit before corporate income tax
Adjustments for:								Adjustments for:
decrease in value of intangible assets, property, plant and equipment	778 926	-	65 863	-	-	-	844 789	decrease in value of intangible assets, property, plant and equipment and right-of-use assets
interest and similar income	(880 034)	-	-	(149 873)	-	-	(1 029 907)	interest and similar income
interest and similar expenses	1 535 475	-	13 018	-	121 508	76 365	1 746 366	interest and similar expenses
income from investments in subsidiaries and associates	(3 826 418)	-	-	-	-	-	(3 826 418)	income from investments in subsidiaries
Profit before adjustments to current assets and current liabilities	969 899	-	74 762	-	-	-	1 044 661	Profit before adjustments to current assets and current liabilities
Decrease in receivables	1 140 547	-	-	-	-	-	1 140 547	Decrease in receivables
(Increase) in inventory	(9 184)	-	-	-	-	-	(9 184)	(Increase) in inventory
(Decrease) in payables	(357 834)	-	(7 703)	-	-	-	(365 537)	(Decrease) in payables
Gross cash flow from operating activities	1 743 428	-	67 059	-	-	-	1 810 487	Gross cash flow from operating activities
Corporate income tax payments	(47 281)	-	-	-	-	-	(47 281)	Corporate income tax payments
Net cash flow from operating activities	1 696 147	-	67 059	-	-	-	1 763 206	Net cash flow from operating activities
Cash flow from investing activities								Cash flow from investing activities
Acquisition of subsidiaries and associates	(352 800)	-	-	-	-	-	(352 800)	Acquisition of subsidiaries
Sale of subsidiaries and associates	1 185 000	-	-	-	-	-	1 185 000	Sale of subsidiaries
Acquisition of property, plant and equipment and intangibles	(223 226)	-	-	-	-	-	(223 226)	Acquisition of property, plant and equipment and intangibles
Loans issued	(1 162 000)	-	-	-	-	-	(1 162 000)	Loans issued
Repayment of loans issued	3 620 200	-	-	-	-	-	3 620 200	Repayment of loans issued
Interest received	518 536	-	-	-	-	-	518 536	Interest received
Dividends received	3 826 418	-	-	-	-	-	3 826 418	Dividends received
Net cash flow from investing activities	7 412 128	-	-	-	-	-	7 412 128	Net cash flow from investing activities

GPL	GPL	Change of classification	Recognition of leases (IFRS16)	Adjustments to the fair value of loans issued (IFRS 9)	Amortisation of commission (IFRS 9)	Adjustments to the fair value of instalment transaction (IFRS 9)	IFRS	IFRS
Description of the adjustment		(5)	(1)	(2)	(3)	(4)		
Name of the line item	EUR	EUR	EUR	EUR	EUR	EUR	EUR	Name of the line item
Cash flow from financing activities								Cash flow from financing activities
Increase of share capital	12 954 000	-	-	-	-	-	12 954 000	Increase of share capital
			(54 041)				(54 041)	Payments for leased assets
Dividends paid	(15 887 765)	-	-	-	-	-	(15 887 765)	Dividends paid
Interest paid	(1 535 475)	-	(13 018)	-	-	-	(1 548 493)	Interest paid
Net cash flow from financing activities	(4 469 240)	-	(67 059)	-	-	-	(4 536 299)	Net cash flow from financing activities
Net cash flow of the reporting year	4 639 035	-	-	-	-	-	4 639 035	Net cash flow of the reporting year
Cash and cash equivalents at the beginning of the reporting year	6 028 399	-	-	-	-	-	6 028 399	Cash and cash equivalents at the beginning of the reporting year
Cash and cash equivalents at the end of the reporting year	10 667 434	-	-	-	-	-	10 667 434	Cash and cash equivalents at the end of the reporting year

Notes to the Financial Statements (continued)**(1) Revenue**

	2025 EUR	2024 EUR
Revenue from contracts with customers (IFRS 15):		
Public relations, internal communication, marketing and sustainability management services, income from the use of trademark	5 188 454	4 652 634
Other revenue	433 377	375 905
	<u>5 621 831</u>	<u>5 028 539</u>

All revenue is generated in Latvia.

In both 2025 and 2024 the Company had two customers whose revenue accounted for more than 10% of the Company's total revenue.

(2) Cost of sales

Salaries	1 154 505	743 897
Amortisation of intangible assets	723 148	743 347
State mandatory social insurance payments	299 953	175 681
Communication and IT costs	123 469	69 863
Other personnel costs	110 898	42 470
Depreciation of property, plant and equipment and right-of-use assets	68 381	57 607
Transportation costs	49 528	30 831
Office rent and maintenance related costs	961	14 239
Other costs	179 937	205 106
	<u>2 710 780</u>	<u>2 083 041</u>

(3) Selling expenses

Marketing, advertising and public relations costs	817 205	888 890
Salaries	249 977	175 436
State mandatory social insurance payments	59 346	41 425
Depreciation of property, plant and equipment and right-of-use assets	23 735	9 813
Other personnel costs	9 952	4 909
Transportation costs	8 390	5 858
Office rent and maintenance related costs	2 694	6 599
Amortisation of intangible assets	2 469	357
Communication and IT costs	1 011	1 238
Other costs	12 630	13 966
	<u>1 187 409</u>	<u>1 148 491</u>

Notes to the Financial Statements (continued)**(4) Administrative expenses**

	2025	2024
	EUR	EUR
Salaries	780 266	713 376
Professional fees*	164 084	325 245
State mandatory social insurance payments	121 795	148 255
Business trip costs	69 068	26 475
Amortisation of intangible assets	47 660	1 958
Transportation costs	34 018	45 057
Depreciation of property, plant and equipment and right-of-use assets	27 779	31 708
Other personnel costs	17 542	16 387
Office rent and maintenance related costs	3 874	3 698
Communication and IT costs	1 425	1 565
Other administrative expenses	24 294	17 693
	1 291 805	1 331 417

* Professional fees mainly include legal and audit fees.

(5) Other operating expenses

Other expenses	138 187	211 407
Personnel sustainability expenses	57 060	50 229
Bank commissions	14 730	11 565
Penalties	-	220
	209 977	273 421

(6) Interest income and similar income

Interest income from related parties	355 257	568 361
Interest income from third parties	274 247	461 546
	629 504	1 029 907

(7) Interest expenses and similar expenses

Interest expenses on issued debt securities	1 440 044	1 656 983
Impact from prolonging long-term receivable agreement (see Note 13)	348 709	-
Interest expenses on instalment payments	123 226	76 365
Interest expenses on lease liabilities	18 395	13 018
	1 930 374	1 746 366

Notes to the Financial Statements (continued)**(8) Remuneration and number of employees**

	2025	2024
Average number of employees during the reporting year:	<u>42</u>	<u>33</u>
Employees by category		
Council members*	1	1
Board members*	4	4
Other employees	<u>37</u>	<u>28</u>
	<u>42</u>	<u>33</u>

* Other Council and Board members are not employed by the Company.

	2025	2024
	EUR	EUR
Salary	1 369 583	948 029
State mandatory social insurance payments	322 849	223 906
Changes in accruals for unused vacations and associated state mandatory social insurance payments	101 567	10 039
Enterprise risk duty	<u>161</u>	<u>121</u>
	<u>1 794 160</u>	<u>1 182 095</u>
Council members:		
· Salary	87 000	87 000
· State mandatory social insurance payments	<u>20 523</u>	<u>20 523</u>
	<u>107 523</u>	<u>107 523</u>
Board members:		
· Salary	645 824	589 434
· State mandatory social insurance payments	<u>118 335</u>	<u>119 018</u>
	<u>764 159</u>	<u>708 452</u>

One out of the three Council members received remuneration for his duties on the Council, while the other two members did not receive remuneration for performing their duties.

Notes to the Financial Statements (continued)**(9) Intangible assets**

	Concessions, patents, licences, trademarks and similar rights EUR
Cost	
31.12.2023	7 322 019
Additions	103 406
Reclassification	56 488
31.12.2024	7 481 913
Accumulated amortisation	
31.12.2023	4 021 417
Amortisation	745 662
Reclassification	5 514
31.12.2024	4 772 593
Net book value as at 31.12.2023	3 300 602
Net book value as at 31.12.2024	2 709 320
	Concessions, patents, licences, trademarks and similar rights EUR
Cost	
31.12.2024	7 481 913
Additions	65 712
31.12.2025	7 547 625
Accumulated amortisation	
31.12.2024	4 772 593
Amortisation	773 276
31.12.2025	5 545 869
Net book value as at 31.12.2024	2 709 320
Net book value as at 31.12.2025	2 001 756

CleanR trademark is recognised under intangible assets with a remaining carrying amount of EUR 1 827 000 as at 31 December 2025 (31 December 2024: EUR 2 557 800). The remaining useful life of this trademark is 2.5 years. The Company has no other individually significant intangible assets.

The trademark was initially recognized in 2014, when the shareholders of the Company acquired Clean R SIA through Vides investīcijas SIA. At the time of acquisition, Clean R SIA operated in the household waste management business (Clean R SIA today), construction debris management (CleanR Verso SIA today), and the facility cleaning business (Vizii SIA today). To simplify the business structure, in 2018, as a result of a reorganization, Vides Investīcijas SIA was merged into Clean R SIA. During this reorganization, the CleanR trademark was recognized in the balance sheet of Clean R SIA. In January 2023, following another reorganization, the CleanR trademark was carved out into the company CleanR Trademark SIA, and in December 2023, CleanR Trademark SIA was merged into CleanR Grupa AS, thus allowing the Company to obtain the CleanR trademark.

Additionally, the CleanR trademark initially included the facility cleaning business, which in 2021 was separated under the Vizii brand through a reorganization in which Vizii SIA was spun off from Clean R SIA. From that moment, a separate Vizii trademark was established.

Notes to the Financial Statements (continued)

(10) Property, plant and equipment

	Long-term leasehold improvements EUR	Other PPE and equipment EUR	Total EUR
Cost			
31.12.2023	36 813	39 755	76 568
Additions	19 675	100 145	119 820
Reclassification	(56 488)	-	(56 488)
Disposals	-	(5 746)	(5 746)
31.12.2024	-	134 154	134 154
Accumulated depreciation			
31.12.2023	508	8 684	9 192
Depreciation	5 006	28 258	33 264
Reclassification	(5 514)	-	(5 514)
Disposals	-	(1 689)	(1 689)
31.12.2024	-	35 253	35 253
Net book value as at 31.12.2023	36 305	31 071	67 376
Net book value as at 31.12.2024	-	98 901	98 901
	Other PPE and equipment EUR	Assets under construction EUR	Total EUR
Cost			
31.12.2024	134 154	-	134 154
Additions	71 313	76 989	148 302
Disposals	(45 705)	(3 720)	(49 425)
31.12.2025	159 762	73 269	233 031
Accumulated depreciation			
31.12.2024	35 253	-	35 253
Depreciation	41 085	-	41 085
Disposals	(24 298)	-	(24 298)
31.12.2025	52 040	-	52 040
Net book value as at 31.12.2024	98 901	-	98 901
Net book value as at 31.12.2025	107 722	73 269	180 991

Property, plant and equipment of the Company are not pledged or otherwise encumbered.

Notes to the Financial Statements (continued)

(11) Right-of-use assets	Right-of-use of premises EUR	Right-of-use of vehicles EUR	Total EUR
Cost			
01.01.2024	191 792	139 651	331 443
New lease agreements	327 586	-	327 586
Termination of lease	(191 792)	(86 526)	(278 318)
31.12.2024	327 586	53 125	380 711
Accumulated depreciation			
01.01.2024	32 315	87 973	120 288
Depreciation	46 281	19 582	65 863
Termination of lease	(62 217)	(86 526)	(148 743)
31.12.2024	16 379	21 029	37 408
Net book value as at 31.12.2023	159 477	51 678	211 155
Net book value as at 31.12.2024	311 207	32 096	343 303
	Right-of-use of premises EUR	Right-of-use of vehicles EUR	Total EUR
Cost			
31.12.2024	327 586	53 125	380 711
Changes in lease agreements	-	34	34
31.12.2025	327 586	53 159	380 745
Accumulated depreciation			
31.12.2024	16 379	21 029	37 408
Depreciation	65 517	13 293	78 810
31.12.2025	81 896	34 322	116 218
Net book value as at 31.12.2024	311 207	32 096	343 303
Net book value as at 31.12.2025	245 690	18 837	264 527

The Company leases mainly cars and office premises. The average lease term is 4 years (2024: 5 years). The Company has a right to purchase certain assets at the end of the lease term, with this option being assessed individually for each asset. Lease liabilities alongside with their term structure are presented in Note 24.

Amounts included into the Statement of Profit and Loss and Comprehensive Income are as follows:

	2025 EUR	2024 EUR
Depreciation for right-of-use assets	78 810	65 863
Interest expenses on lease liabilities	18 395	13 019

Notes to the Financial Statements (continued)**(12) Investments in subsidiaries****(a) Investments in subsidiaries**

Name of the Company	Balance sheet value of the investment in subsidiary			Participating interest in share capital of subsidiary		
	31.12.2025	31.12.2024	01.01.2024	31.12.2025	31.12.2024	01.01.2024
	EUR	EUR	EUR	%	%	%
Clean R SIA	300 000	300 000	300 000	100%	100%	100%
Brīvais kalns SIA	5 000 000	5 000 000	5 000 000	100%	100%	100%
CleanR Verso SIA	350 000	350 000	350 000	100%	100%	100%
CleanR Industry SIA	2 800	2 800	-	100%	100%	-
CleanR NĪ SIA	350 000	350 000	-	100%	100%	-
Vizii Management SIA	353 646	353 646	353 646	100%	100%	100%
Vizii Urban SIA	1 935 645	1 935 645	1 935 645	100%	100%	100%
Zaļā josta SIA	4 115 000	4 115 000	5 300 000	55%	55%	70%
WasteTech SIA	681 476	-	-	66.25%	-	-
	13 088 567	12 407 091	13 239 291			

(b) Movement table on changes in investments in subsidiaries

	2025 EUR	2024 EUR
Balance sheet value at the beginning of the reporting period	12 407 091	13 239 291
Establishment of subsidiaries	-	352 800
Purchase of subsidiaries	681 476	-
Disposals	-	(1 185 000)
Balance sheet value at the end of the reporting period	13 088 567	12 407 091

In August 2024 the Company established CleanR Industry SIA and CleanR NĪ SIA with a purpose to make further reorganisation of the Group. Both companies were established via cash paid for their share capital. In October 2024, assets and liabilities were transferred to these new companies from Clean R SIA performing a reorganisation so that each company is focused on its core activities. The operating activities of CleanR Industry SIA are focused on recycling of plastic, production of granules, and sorting of waste. While those of CleanR NĪ SIA, are the management of the real estate properties owned by the Group.

During 2024, the Company sold 15% of shares of Zaļā Josta SIA thus decreasing its shareholding from 70% to 55% while retaining control over the subsidiary. No profit was generated as a result of the sale, i.e. the investment was sold for its initial acquisition value.

On 16 January the Company together with an unrelated party established its subsidiary WasteTech SIA. The Company paid EUR 66 250 cash for acquiring 66.25% of shares. WasteTech SIA is established to promote waste regeneration station business. With this aim in view, on 31 March 2025 the reorganisation of WasteTech SIA was registered, investing into it assets and liabilities of Vides resursu centrs SIA related to creation and development of a waste regeneration station. During this reorganisation, the Company paid compensation of EUR 197 874 to a third party for its shares in Vides resursu centrs SIA. As a result of the reorganisation, the subsidiary of the Company Clean R SIA became the largest shareholder of WasteTech SIA holding 47.97% of shares, while the investment held by the Company reduced to 18.28%. On 14 August 2025, the Company purchased 47.97% shares of WasteTech SIA from its subsidiary Clean R SIA for a cash consideration of EUR 417 352. As a result, the total share of the holding in WasteTech SIA increased to 66.25% ensuring direct control over this company.

During 2025, dividends received from subsidiaries amounted to EUR 1 820 882 (2024: EUR 3 826 418).

Notes to the Financial Statements (continued)**(c) Information on subsidiaries:**

Name of the company	Equity		Profit	
	31.12.2025 EUR	31.12.2024 EUR	2025 EUR	2024 EUR
Clean R SIA	21 864 071	12 589 513	9 274 558	8 697 836
Brīvais kalns SIA*	1 579 096	1 827 338	138 350	255 804
CleanR Verso SIA	5 396 151	5 146 221	249 930	629 873
CleanR Industry SIA**	7 366 183	-	2 104 071	-
CleanR NĪ SIA***	3 945 969	-	114 821	-
Vizii Management SIA	870 541	625 520	245 021	268 635
Vizii Urban SIA	5 677 062	4 121 183	1 555 879	1 567 676
Zaļā josta SIA	5 928 035	5 053 652	1 174 383	1 163 617
WasteTech SIA****	1 581 669	-	491 177	-

* Unaudited data

** Reporting period 01.08.2024. – 31.12.2025.

*** Reporting period 05.08.2024. – 31.12.2025.

**** Reporting period 16.01.2025. – 31.12.2025.

When assessing impairment indicators (reviewing profit trends over the past three years, equity ratio, liquidity ratio, and other internal factors), no subsidiary was identified requiring a detailed recoverable amount assessment.

Although the recent years show a downward trend in the profitability of Brīvais kalns SIA, and the carrying amount of the investment is EUR 5 million, the value of this investment is still recoverable. This is because it must be evaluated in the context of the 50% ownership stake held by Brīvais kalns SIA in Roadeks SIA. Roadeks SIA has shown stable results over recent years, generating profit of about EUR 2 million annually, and it is expected to continue operating profitably in the foreseeable future.

(13) Loans, contract assets and other receivables from related parties

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Loan with repayment term of less than five years*	86 813	1 527 990	1 625 990
Receivables from related parties**	650 760	3 284 958	6 409 177
Receivables from related parties ***	1 542 890	1 727 488	1 577 615
Receivables from related parties – non-current	2 280 463	6 540 436	9 612 782
Loans to related parties	-	1 455 829	403 986
Receivables from related parties	714 718	970 320	2 509 830
Accrued income from related parties (contract assets)	476 948	387 300	-
Receivables from related parties – current	1 191 666	2 813 449	2 913 816
	3 472 129	9 353 885	12 526 598

* A loan maturing on 31 December 2028.

** A receivable from the subsidiary maturing on 31 December 2027.

*** A receivable from the subsidiary with initial maturity on 30 June 2026, maturity extended to 30 June 2029.

Receivables are not secured by pledges or other credit enhancements.

Notes to the Financial Statements (continued)

When a loan is issued free of interest, it is initially recognised at its fair value, applying the market interest rate as a discount rate. During subsequent periods, the discounting effect is recognised in the profit and loss as interest income. During 2025, the agreement with the related party on the repayment of interest-free loan was extended to 30 June 2029. While evaluating changes made to the agreement, it was concluded that these were significant changes, thus the effect from derecognition of the previous loan and recognition of a new loan was charged to the profit and loss in the amount of EUR 348 709.

Contract assets (accrued income) mainly relate to amounts calculated for services provided during the reporting period, for which invoices have not yet been issued.

Expected credit loss is determined individually against receivables from each related party, evaluating its assets and the ability to repay debt. Probability of default for each related party is determined via identifying the most relevant Standards&Poors credit rating category and applying either a 12-month or lifetime probability of default that is attributable to that rating. Loss given default is determined via assessing balance sheet assets of the related party and arriving at potential liabilities coverage with an additional 30% discount on assets to account for the quick sales value. ECL for loans and other receivables from related parties is not recognised in these financial statements, as the amounts calculated are immaterial.

(14) Other financial assets

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Loan with repayment term of less than 5 years*	77 114	75 700	74 286
Other financial assets – non-current	77 114	75 700	74 286
Loan**	36 095	62 414	-
Other financial assets – current	36 095	62 414	-

* A loan maturing on 10 June 2028. The loan bears a 2% fixed interest repayable on maturity together with the principal amount. The loan is secured by commercial pledge against the equity shares owned by the borrower in proportion to the loan amount.

** A loan maturing by the end of 2025. The loan bears a 10.198% fixed interest repayable on maturity together with the principal amount. The loan is not secured. As at 31 December 2025, a half of the principal on this loan was repaid, the repayment of remaining amount is actively managed by the management of the Company.

Expected credit loss is determined individually against receivables from each party, evaluating its assets and ability to repay debt. Probability of default for each party is determined via identifying the most relevant Standards&Poors credit rating category and applying either a 12-month or lifetime probability of default that is attributable to that rating. Loss given default is determined via assessing balance sheet assets of the related party and arriving at potential liabilities coverage with an additional 30% discount on assets to account for the quick sales value. ECL for other financial assets is not recognised in these financial statements, as the amounts calculated are immaterial.

(15) Cash and cash equivalents and deposits**(a) Cash and cash equivalents**

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Cash in bank (on demand)	2 665 887	199 355	2 905 002
Cash in overnight deposits	2 629 585	5 468 079	123 397
Cash in term deposits (with original maturity of 1 month or less)	4 000 000	5 000 000	3 000 000
	9 295 472	10 667 434	6 028 399

Notes to the Financial Statements (continued)

Estimated credit losses on cash and cash equivalents have not been recognised as the estimated amounts are immaterial.

The Company uses cash pooling accounts in its operations that are maintained for group purposes. The primary function of the cash pool is the virtual consolidation of funds across multiple settlement accounts within the Group. Under the terms of the cash pooling agreements, companies may borrow or lend funds within the limits of available balances in the pool, up to the individually assigned limits for each company. Overdrafts are not allowed under the cash pooling structure, and therefore, the Group does not bear liabilities in respect of the total balance of the pooled accounts.

Credit rating as assigned by the Moody's credit rating agency and balances with the banks used by the Company are as follows:

Credit rating	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Aa2	5 641 274	-	-
Aa3	-	9 470 363	2 123 397
A2	1 584 392	74 534	-
A3	-	-	2 870 788
Baa1	2 030 419	11 228	-
Baa2	-	-	17 298
No rating assigned	39 387	1 111 309	1 016 916
	9 295 472	10 667 434	6 028 399

Credit ratings of foreign banks' branches in Latvia are presented based on the rating of their head company. Credit ratings of subsidiaries of foreign banks without individual rating in Latvia are presented based on their foreign parent company credit ratings.

The majority of the Company's funds are held with banks, which have received good credit ratings, and it is expected that these credit institutions will be able to comply with all of their financial liabilities on a timely basis. Estimated credit losses on cash balances have not been recognised as the estimated amounts are immaterial taking into account bank credit ratings and cash balances.

(b) Deposits

Deposits with initial maturity above 3 months are included in Other current assets. As at 31 December 2025, the Company had deposits with maturity of more than 3 months amounting to EUR 5 million (zero as at 30.12.2024 and 01.01.2024) with interest rates between 1.93% and 3% per annum.

Deposits amounting to EUR 2 million were placed with a bank with Moody's credit rating of Aa2, while EUR 3 million deposit was placed with a bank without credit rating. While placing deposits with maturities over 3 months, the management of the Company evaluates not only credit rating but also overall credibility of the bank in the market.

Estimated credit losses on deposits have not been recognised as the estimated amounts are immaterial.

(16) Share capital

As of 31 December 2025 the registered and fully paid share capital of the Company is EUR 13 870 425 (31.12.2024: EUR 13 580 000), consisting of 13 870 425 shares (31.12.2024: 13 580 000), of which 13 300 000 are Category A shares (31.12.2024: 13 300 000) and 570 425 are personnel shares (31.12.2024: 280 000) (see also Note 17). The nominal value of each share is EUR 1. The ultimate beneficial owner of the Group's parent company is Guntars Kokorevičs.

During 2024, share capital was increased by EUR 13 234 000, through a payment of cash of EUR 12 954 000 and capitalisation of retained earnings of EUR 280 000.

During 2025, share options were exercised and converted to shares. As a result, the Company's share capital increased by EUR 290 425 with a corresponding decrease in share option reserve.

Notes to the Financial Statements (continued)**(17) Share options reserve**

On 27 March 2024, the Company has issued employee share options and in relation to it a conditional increase of share capital was effected by EUR 10 926, recognising a share options reserve. On 28 February 2025, a further increase of the conditional capital was registered increasing it by EUR 409 074 due to the increase in employee share options issued and a previous increase in share capital.

Employee share options are granted to certain senior employees of selected CleanR Group companies'. Each employee has a right to convert one employee share into one employee share free of charge (one option equals one share with a nominal value of EUR 1; the estimated fair value of one share option is EUR 1). The vesting conditions foresee that the conversion can take place after 12 months since the grant date and only in case the employee continues its employment within CleanR Group companies. Employee share options are covered by retained earnings.

Holders of employee shares have no right to sell their shares, employee shares cannot be inherited and are returnable to the Company upon termination of employment. Employee shares have no voting rights; however, they have a right to receive their share of dividends on the same conditions as Category A shareholders.

Movement in employee share options during the reporting year:

	2025	2025	2024	2024
	EUR	Number of options	EUR	Number of options
Employee share options at the beginning of the reporting year	10 926	10 926	-	-
Granting of employee share options to employees	-	-	10 926	10 926
Change in employee share options resulting from increase in share capital	409 074	409 074	-	-
Exercise of employee share options	(290 425)	(290 425)	-	-
Employee share options at the end of the reporting year	129 575	129 575	10 926	10 926

Employee shares were granted to employees with one sole purpose – to participate in the profit sharing of the Company, therefore, the fair value of the employee share options is based on the discounted cash flow model, which accounts for the present value of the future expected dividend cash flows.

- As the rights attached to employee shares are limited and these shares have no voting rights, the fair value of employee share options cannot be determined with reference to the value of the Company.
- Future expected dividends are estimated with reference to past dividend payments.
- The discount factor used in the calculations is 6.5%.
- It is expected that employees will continue their employment with the Company or the Group for approximately 5 years, which is determined with reference to historical employee turnover rates.

Notes to the Financial Statements (continued)**(18) Issued debt securities**

In 2022, the Company issued bonds (ISIN LV0000802676) with the total value of EUR 15 000 000, the number of quoted financial instruments is 15 000 with a nominal value of EUR 1 000 each. The bonds are registered at the Latvian Central Depository and admitted to trading on Nasdaq Riga AS on 31 January 2023. On 31 December 2024, the subsidiary of the Company held bonds in the amount of EUR 1 000 000.

The coupon rate is 3M EURIBOR + 6.5% and the coupon is paid on a quarterly basis. Shares of the subsidiaries of the Group Clean R SIA, CleanR Verso SIA, Vizii Urban SIA serve as collateral against the bonds with the maximum amount of claim against them of EUR 18 370 950. The repayment deadline of the principal amount was 9 December 2025.

In 2025, the Company started the process of refinancing its bonds issued in 2022. The first tranche of new bonds was registered in the Latvian Central Depository on 14 November 2025 (ISIN LV0000107365). About 70% or EUR 10 644 000 out of the total approved issue of EUR 15 million were allocated among existing bond holders, who subscribed to the bond swap offer (existing bonds were swapped with the new bonds). Approximately 30% of bonds were allocated to new investors. EUR 4 356 000 generated as a result of the bond issue to new investors were used to settle the liabilities towards the bondholders who did not participate in the bond swap offer. This settlement occurred on 14 November 2025.

Bonds of EUR 15 million issued in November 2025 are a part of the total issue amounting to EUR 50 million. Bonds of EUR 15 000 000 are comprised of 15 000 bonds with a nominal value of EUR 1 000 each. The issue regulations foresee listing on the Nasdaq Riga AS regulated market within 3 months from the initial date of issue. On 31 December 2025, the subsidiary of the Company held bonds of EUR 1 000 000.

Starting with 4 February 2026, bonds issued by CleanR Grupa AS in the amount of EUR 15 million are listed on the Nasdaq Baltic regulated market.

The coupon rate is fixed and amounts to 6.5%, the coupon is paid on a quarterly basis. The bonds hold no collateral. The repayment deadline of the principal amount is 14 November 2029 with all the principal repayable on maturity.

Movement in issued debt securities (financial liabilities at amortised cost) during the reporting year:

	2025	2024
	EUR	EUR
Issued debt securities at the beginning of the reporting year	14 874 316	14 752 808
Issue of new bonds	15 000 000	-
Transaction costs (deducted from the issue value)	(86 539)	-
Redemption of bonds	(15 000 000)	-
Accrued interest	1 440 043	1 656 983
Interest paid	(1 182 682)	(1 535 475)
Issued debt securities at the end of the reporting year	15 045 138	14 874 316
incl. current portion	102 026	14 874 316
non-current portion (2 – 5 years)	14 943 112	-

Notes to the Financial Statements (continued)**(19) Other liabilities**

Other liabilities are comprised of payables under the instalment transaction and lease liabilities.

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Liabilities under the instalment transaction	-	626 774	800 408
Lease liabilities	280 689	352 926	216 659
Total other liabilities	280 689	979 700	1 017 067

(a) Liabilities under the instalment transaction

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Liabilities maturing in 2-5 years	-	436 573	626 774
Liabilities maturing in less than 1 year	-	190 201	173 635
Total liabilities under the instalment transaction	-	626 774	800 408

The instalment transaction refers to the share purchase agreement entered into by the Company in 2021. Shares of the subsidiary were acquired from a third party registered in the Republic of Latvia. The initial payment terms foresaw deferred payments in instalments; however, did not include interest. Therefore, upon initial recognition, liabilities under this agreement were recognised at their fair value applying the market discount rate. Subsequently discounting effect is recognised in profit and loss statement as interest expense.

During 2025, the liability under this agreement was settled in full, recognising the effect from discounting in the profit or loss as interest expense.

Movements in the instalment transaction liabilities during the reporting year:

	2025 EUR	2024 EUR
Liabilities at the beginning of the year	626 774	800 408
Repayment of principal	(750 000)	(250 000)
Accrued interest	123 226	76 366
Interest paid	-	-
Liabilities at the end of the reporting year	-	626 774

(b) Lease liabilities

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Liabilities maturing in 2-5 years	204 252	280 667	161 076
Liabilities maturing in less than 1 year	76 437	72 259	55 583
Total lease liabilities	280 689	352 926	216 659

The Company has entered into lease agreements for vehicles and office premises. As at 31 December 2025 the interest rates were set at 2.73% to 4.46% (31 December 2024: 2.73% to 5.60%).

Notes to the Financial Statements (continued)

Movements in lease liabilities during the reporting year:

	2025 EUR	2024 EUR
Lease liabilities at the beginning of the year	352 926	216 659
New leases	-	327 586
Amendments to existing leases	33	-
Terminated leases	-	(137 278)
Lease payments	(72 270)	(54 041)
Accrued interest	18 395	13 018
Interest paid	(18 395)	(13 018)
Lease liabilities at the end of the reporting year	280 689	352 926

(20) Payables to related parties

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Accounts payable to related parties	348	39 431	8 653
Accrued liabilities towards related parties	587	-	1 999
	<u>935</u>	<u>39 431</u>	<u>10 652</u>

(21) Taxes and state mandatory social insurance payments

State mandatory social insurance payments	62 980	48 457	35 621
Personal income tax	41 700	50 882	47 316
Value added tax	71 415	51 618	192 070
Corporate income tax	6 632	6 936	6 378
Enterprise risk duty	14	10	7
	<u>182 741</u>	<u>157 903</u>	<u>281 392</u>

(22) Related party transactions

During the reporting year, the Company was involved in the following transactions with related parties:

Revenue and expenses from transactions with related parties:	2025		2024	
	EUR	EUR	EUR	EUR
	Subsidiaries	Other related parties	Subsidiaries	Other related parties
Revenue	5 796 607	610	5 447 137	-
Expenses	181 075	3 149	(185 952)	-

Receivables from related parties and loans issued to related parties are disclosed in Note 13, while payables to related parties are disclosed in Note 20.

Outstanding balances as at the year-end are unsecured, and settlements are expected to take place. There have been no guarantees provided or received for any related party receivables.

Information on remuneration to the Company's Council and Board members is disclosed in Note 8.

Notes to the Financial Statements (continued)**Dividends to related parties:**

	Year	Dividends paid, EUR
To the shareholders of the Company	2025	2 739 000
To the shareholders of the Company	2024	15 887 765

Outstanding unpaid dividends at the year-end amount to EUR 206 000 (31.12.2024: EUR 1 945 000).

(23) Financial risk management

The Company is exposed to market, credit and liquidity risks that arise from its financial instruments. Financial risk management is ensured by the Board and Chief Financial Officer of the Company. Financial risk management measures are undertaken to support the Company's underlying business activities. The Company does not engage in any speculative transactions that could increase its exposure to foreign currency or interest rate risks.

Financial instruments owned by the Company are classified as follows:

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Financial assets at amortised cost			
Loans and other long-term receivables from related parties	2 280 463	6 540 436	9 612 782
Other long-term financial assets	77 114	75 700	74 286
Receivables from related parties	1 191 666	2 813 449	2 913 816
Other current assets	5 065 383	71 395	21 027
Cash and cash equivalents	9 295 472	10 667 434	6 028 399
Total financial assets	17 910 098	20 168 414	18 650 310
Financial liabilities at amortised cost			
Issued debt securities	15 045 138	14 874 316	14 752 808
Other liabilities	-	626 774	800 408
Lease liabilities	280 689	352 926	216 659
Payables to related parties	935	39 431	10 652
Unpaid dividends	206 000	1 945 000	-
Other liabilities (including non-current portion)	263 315	26 059	82 003
Total financial liabilities	15 796 077	17 864 506	15 862 530

Market risk

Market risk is the risk that changes in market factors such as foreign exchange rates, interest rates, and commodity prices, will affect the Company's revenue or the value of its financial instruments. Market risk includes foreign currency risk and interest rate risk.

Interest rate risk

Interest rate risk is the risk of incurring losses due to changes in the interest rates applicable to the Company's financial assets and financial liabilities. The Company is exposed to market interest rate fluctuations in relation to its non-current and current borrowings, as well as lease liabilities that bear variable interest rates. The Company's borrowings and part of its lease liabilities carry variable interest rates. For a detailed description of the interest rates applicable to the borrowings, see Notes 18 and 19. The Company manages interest rate risk by regularly assessing the borrowing rates available in the market. If lower interest rates become available compared to the existing rates, Management evaluates the financial benefits or refinancing. Management has decided not to use derivative financial instruments to manage interest rate risk.

Notes to the Financial Statements (continued)

The following table shows the sensitivity of the Company's profit before tax to reasonably possible changes in interest rates at the end of each reporting year, with all other variables held constant. Equity of the Company, except for the current year result, is not impacted.

	2025	Impact on profit before tax (EUR)	2024	Impact on profit before tax (EUR)
	Increase/ decrease in interest rate (percentage)		Increase/ decrease in interest rate (percentage)	
EURIBOR	(+1%)	(155 899)	(+1%)	(158 119)
	(-1%)	155 899	(-1%)	158 119

Foreign currency risk

Foreign currency risk is the risk of incurring losses due to unfavourable movements in foreign exchange rates in relation to assets and liabilities denominated in foreign currencies. This risk arises when financial assets in a foreign currency do not match financial liabilities in the same currency, resulting in open currency positions. The Company does not have significant financial assets and liabilities denominated in currencies other than the EUR. Accordingly, in the reporting year and in prior reporting years, the Company was not materially exposed to foreign currency risk.

Credit risk

Credit risk is the risk that a counterparty may fail to fulfil its obligations to the Company, resulting in significant financial losses. The Company is exposed to credit risk arising directly from its operating activities – primarily trade receivables – and to credit risk related to its investing activities – mainly loans granted and cash and cash equivalents.

Company's maximum exposure to credit risk is:

	31.12.2025 EUR	31.12.2024 EUR	01.01.2024 EUR
Cash and cash equivalents	9 295 472	10 667 434	6 028 399
Loans issued	2 357 577	6 616 136	9 687 068
Trade receivables and other receivables (gross amounts, excluding advances received and prepayments)	6 257 049	2 884 844	2 934 843
	17 910 098	20 168 414	18 650 310

Cash and cash equivalents

The credit risk arising from the Company's cash held with banks is managed by the Company's Finance Management. The Company is permitted to invest its free cash only in deposits or money market funds. Before placing funds with banks (in deposits or current accounts), the Company's Finance Management evaluates the banks' credit ratings and the interest rates offered. Detailed information on the credit ratings of the banks used by the Company is provided in Note 15.

Trade receivables

The Company assesses its concentration risk of trade receivables as high, as all receivables are from related parties. As at 31 December 2025 the Company had two counterparties (2024: three counterparties), which owed the Company 73% (2024: 86%) of the total trade receivables. The majority of the Company's debtors are those whose payment due date has either not yet occurred or is overdue by up to 30 days.

The Company regularly monitors overdue trade receivables and tracks compliance with payment due dates. The carrying amount of trade receivables is reduced by allowances recognised for expected credit losses. The Company has not received collateral as security for trade receivables. Further information on expected credit losses is provided in Note 13.

Issued non-current and current loans

The Company manages its credit risk by continuously assessing the financial indicators of borrowers, the adequacy and quality of collateral and the credit history of the borrowers. The carrying amount of loans issued is reduced to reflect expected credit losses.

Notes to the Financial Statements (continued)**Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's Finance Management oversees liquidity risk by maintaining adequate cash reserves and securing sufficient funding, while continuously monitoring forecast and actual cash flows and aligning the maturities of financial assets and financial liabilities.

Management prepares a long-term cash flow forecast for the year and an operational monthly cash flow forecast to ensure that the Company has sufficient funds available to finance expected operating expenses, settle financial obligations, and undertake necessary investments.

The Company does not hold any financial assets specifically for the purpose of managing liquidity risk.

Most financial assets are short-term (with an average settlement period of less than one month) and are expected to be readily available to meet potential liquidity needs. The maturity structure of long-term financial assets is disclosed in Note 13.

As at 31 December 2025, current assets exceeded current liabilities by EUR 14 396 581, and the liquidity ratio was 12.2 (31 December 2024: current liabilities exceeded current assets by EUR 4 028 587 and the liquidity ratio was 0.8, as the refinancing date of the issued bonds was approaching).

The following tables present an analysis of the Company's financial liabilities by their contractual maturities, based on undiscounted cash flows of financial obligations, including interest payments:

31 December 2025	Book value	Less than	3 to 12	1 to 5 years	More than	Total
	EUR	3 months	months	EUR	5 years	EUR
		EUR	EUR		EUR	
Issued debt securities	15 045 138	243 750	736 250	17 935 000	-	18 915 000
Loans and other borrowings	280 689	90 669	158 290	63 427	-	312 386
Other liabilities	470 250	470 250	-	-	-	470 250
TOTAL:	15 796 077	804 669	894 540	17 998 427	-	19 697 636

31 December 2024	Book value	Less than	3 to 12	1 to 5 years	More than	Total
	EUR	3 months	months	EUR	5 years	EUR
		EUR	EUR		EUR	
Issued debt securities	14 874 316	372 413	16 030 341	-	-	16 402 754
Loans and other borrowings	979 700	90 653	422 824	639 539	-	1 153 016
Other liabilities	2 010 490	2 010 490	-	-	-	2 010 490
TOTAL:	17 864 506	2 473 556	16 453 165	639 539	-	19 566 260

Notes to the Financial Statements (continued)

(24) Fair value measurements

31/12/2024	Level 1	Level 2	Level 3	Fair value	Carrying amount
Loans and other receivables from related parties (except for accounts receivable)	-	-	7 607 294	7 607 294	7 996 265
Other non-current financial assets	-	-	67 840	67 840	75 700
Receivables from related parties	-	-	1 357 620	1 357 620	1 357 620
Other current assets	-	-	71 395	71 395	71 395
Cash and cash equivalents	-	10 667 434	-	10 667 434	10 667 434
Total financial assets	-	10 667 434	9 104 149	19 771 583	20 168 414
Issued debt securities	-	14 874 316	-	14 874 316	14 874 316
Instalment transaction liabilities	-	-	669 710	669 710	626 774
Lease liabilities	-	-	352 926	352 926	352 926
Payables to related parties	-	-	39 431	39 431	39 431
Accounts payable	-	-	26 059	26 059	26 059
Dividends payable	-	-	1 945 000	1 945 000	1 945 000
Total financial liabilities	-	14 874 316	3 033 126	17 907 442	17 864 506
31/12/2025	Level 1	Level 2	Level 3	Fair value	Carrying amount
Loans and other receivables from related parties (except for accounts receivable)	-	-	2 228 780	2 228 780	2 280 463
Other non-current financial assets	-	-	71 272	71 272	77 114
Receivables from related parties	-	-	1 191 666	1 191 666	1 191 666
Other current assets	-	-	5 065 383	5 065 383	5 065 383
Cash and cash equivalents	-	9 295 472	-	9 295 472	9 295 472
Total financial assets	-	9 295 472	8 557 101	17 852 573	17 910 098
Issued debt securities	-	15 033 826	-	15 033 826	15 045 138
Instalment transaction liabilities	-	-	-	-	-
Lease liabilities	-	-	280 689	280 689	280 689
Payables to related parties	-	-	935	935	935
Accounts payable	-	-	263 315	263 315	263 315
Dividends payable	-	-	206 000	206 000	206 000
Total financial liabilities	-	15 033 826	750 939	15 784 765	15 796 077

The fair value of loans issued, other non-current financial assets, and liabilities under instalment transaction has been determined by discounting the expected future cash flows using the market interest rates prevailing at the balance sheet date.

For all other financial assets and financial liabilities, their fair value approximates their carrying amount, as they are either current or bear variable interest rates.

Notes to the Financial Statements (continued)**(25) Financial and contingent liabilities**

During 2025, the Company issued two guarantees securing liabilities assumed by its subsidiaries.

- A guarantee with a maturity date of 29 January 2027, issued in favour of a credit institution as security for a guarantee agreement in the amount of EUR 2 000 000;
- A guarantee with a maturity date of 30 January 2032, issued in favour of a credit institution as a security for a leasing agreement for the acquisition of equipment in the amount of EUR 1 136 800.

The Company does not expect either of these guarantees to be called upon, therefore, no provisions for expected credit losses on these contingent liabilities were recognised.

In 2024, the Company had no guarantees, sureties, or performance/ security commitments issued on its own behalf or on behalf of its subsidiaries.

(26) Capital management

The Company manages its capital to ensure its ability to continue as a going concern while maximizing returns to shareholders by optimising the balance of debt and equity. Management reviews the Company's capital structure annually. In performing this assessment, Management considers the existing capital structure and the risks and benefits associated with each category of capital.

The Company's capital structure consists of its net debt (borrowings and lease liabilities, as disclosed in Notes 18, 19 and 20, offset by cash held with banks) and equity (comprising issued capital and retained earnings).

The prospectus for the Company's bonds stipulates compliance with certain financial covenants. As at 31 December 2025 and 31 December 2024, all covenant requirements were met.

In relation to the bonds issued by the Company, the following specific covenants must be observed:

- Equity ratio above 30% – as at 31 December 2025 this ratio was 53.7% (31.12.2024: 51.3%)
- Interest coverage ratio above 3 – as at 31 December 2025 this ratio was 15 (31.12.2024: 13)
- Net debt ratio below 3.5 – as at 31 December 2025 this ratio was (0.05) (31.12.2024: 0.06)

(27) Capital commitments

As at the end of financial year, the Company has no capital commitments to be undertaken during subsequent accounting periods.

(28) Research and development

During the reporting year, the Company did not incur any research and development costs to be included in intangible assets and property, plant and equipment, as well as to be reflected in the profit and loss statement. No employees have been involved in research and development, and no state or municipality funding has been received. The Company does not have contracts for research work with other companies.

Notes to the Financial Statements (continued)**(29) Subsequent events**

In January 2026, the Competition Council granted approval for the Group's company Clean R SIA to carry out a merger transaction with Kīlupe SIA, thereby increasing its ownership in the company to 100%. On 5 March 2026 the changes were registered in the Register of Enterprises.

Starting with 4 February 2026, bonds issued by CleanR Grupa AS in the amount of EUR 15 million are listed on the Nasdaq Baltic regulated market.

In February 2026, with the aim of developing the Group's activities in projects focused on promoting circularity, the Company acquired a minority shareholding (19.8% of the registered, subscribed, and paid-in share capital) in Wingo Deposit SIA.

No other events have occurred subsequent to the reporting date that would materially affect the Company's financial position as at 31 December 2025 or that would require additional disclosure in these financial statements.

Juris Gulbis
Chairman of the Board

Guntars Levics
Member of the Board

Inta Liepa
Member of the Board

Agita Baltbārde
Member of the Board

Anžela Vjaževiča
Chief accountant

ELECTRONIC SIGNATURES OF THE BOARD MEMBERS RELATE TO THE ANNUAL REPORT AS A SINGLE DOCUMENT FROM PAGE 1 TO 49.

ELECTRONIC SIGNATURE OF THE PERSON RESPONSIBLE FOR ACCOUNTING RELATES TO THE FINANCIAL STATEMENTS FROM PAGE 3 TO 4 AND FROM PAGE 8 TO 49.