



# Klappir

The smart way to sustainability

## **Klappir Green Solutions hf.**

### **Consolidated Financial Statements**

1. January - 31. December 2025

**Klappir Green Solutions hf.**

Hlíðasmára 3 | 201 Kópavogur | Iceland

Id: 630914-1080

# Contents

---

Key performance indicators .....	3
Endorsement and Statement by the Board of Directors and the CEO .....	4
Independent Auditor's Report .....	7
Consolidated Statement of Comprehensive Income .....	10
Consolidated Statement of Financial Position .....	11
Consolidated Statement of Changes in Equity .....	12
Consolidated Statement of Cash Flows .....	13
Notes to the Consolidated Financial Statements .....	14

## Key performance indicators

---

	2025	2024
Operating revenue .....	2.543.382	2.446.983
EBITDA .....	1.100.903	993.763
EBIT .....	575.960	505.152
Profit .....	264.629	323.574
Return on equity .....	8,1%	10,9%
Return on assets .....	3,7%	4,7%
Total assets .....	7.163.342	6.878.222
Equity .....	3.285.299	2.973.328
Total liabilities .....	3.878.043	3.904.894
Current ratio .....	2,2	3,6
Equity ratio .....	45,9%	43,2%
Intrinsic value of equity .....	6,6	3,1
<b>Various measures as a percentage of revenue</b>		
Other operating expenses .....	19,9%	33,0%
EBITDA margin .....	43,3%	40,6%
EBIT margin .....	22,6%	20,6%
Profit margin .....	10,4%	13,2%

# Endorsement by the Board of Directors and the CEO

---

Founded in 2014, Klappir Green Solutions hf. ("Klappir") is one of the most dynamic and forward-looking software, resource and sustainability companies in the Nordic region. Klappir has, over the past decade, evolved into a global infrastructure company connecting more than 4,500 companies, municipalities, and institutions across 58 countries.

Klappir is positioned as a domain specific data infrastructure provider for resource management and sustainability. It delivers the foundational layer organizations rely on to collect, structure, govern, and activate resource data across regulatory, operational, and strategic use cases. By transforming fragmented and complex data into trusted, decision grade intelligence, Klappir embeds resource data and sustainability at the core of business operations. This infrastructure-led approach enables organizations to integrate resource management and sustainability directly into day-to-day performance management, and long term strategic decision making. This is turning sustainability into a source of control, resilience, and competitive advantage.

Klappir stands out through its holistic approach, combining deep domain expertise, a scalable and proven technology platform, and a rapidly expanding global partner network. Klappir delivers an integrated system that supports continuous sustainability management, enabling organizations to improve efficiency, reduce risk, and make informed decisions with confidence.

As sustainability becomes a defining driver of competitiveness and value creation, Klappir is not only growing its own global footprint, but also shaping how organizations worldwide navigate the transition to a more transparent, resilient, and sustainable economy.

Klappir journey is defined by innovation, impact, and scale, delivering lasting value for customers, partners, and society.

## Operations in 2025

The Company's operating profit (EBIT) in 2025 amounted to 576 thousand euros. The Company's equity at year-end amounted to EUR 3.3 million. The company's board of directors proposes that no dividend be paid in 2026 and refers to the Financial Statements regarding the allocation of profit and other changes in equity accounts.

The business in 2025 can be best understood in the context of Mark Carney's Davos 2026 address, which described a global shift from deep globalization toward a more fragmented world. In this environment, geopolitical risk, climate change, and resource constraints have become structural forces shaping markets. Carney's core message was that resilience, sustainability, and trusted data are no longer peripheral concerns, but central determinants of competitiveness, capital allocation, and long-term value creation.

In this new world order, organizations and economies that can measure, manage, and act on sustainability and resource risks will be better positioned to attract capital, manage uncertainty, and sustain long term growth. Klappir is built for this, providing the data foundation organizations need to navigate uncertainty, meet regulatory demands, and turn sustainability into a lasting strategic advantage in an increasingly fragmented global economy.

Klappir has successfully executed its 2019–2025 strategy, embedding a scalable growth model that combines Product-Led Growth (PLG) and Partner-Led sales & service (PL) at the core of the business. This dual engine supports efficient international expansion, high operating leverage, and predictable long term value creation. This dual approach enables rapid international scaling while maintaining operational efficiency and platform consistency.

As part of this execution, 2025 marked the final year in which Klappir delivered consultancy services directly. From 2026 onwards, these services will be fully delivered through Klappir's global partner network, with associated revenues transitioning to partners.

# Endorsement and Statement by the Board of Directors and the CEO contd.:

---

## Operations in 2025 contd.:

This shift strengthens Klappir scalability, accelerates international expansion, and ensures customers benefit from localized expertise. Through its Partner-Led (PL) model, Klappir has built a trusted global network of resellers, consultants, and implementation partners, dramatically expanding market reach and accelerating customer adoption. In parallel, the Product-Led-Growth (PLG) model leverages automation, standardized onboarding, and intuitive self-service functionality to simplify delivery, reduce implementation time, and lower total cost of ownership for customers.

At the heart of the company technology is the Klappir Platform and the infrastructure it is built upon, which serves as the core data infrastructure on which partners and customers operate through a shared foundation for resource management and sustainability. As data flows within the ecosystem, the Klappir Platform governs, structures, and activates this data seamlessly across the ecosystem, enabling consistent, scalable, and decision-grade use across regulatory, operational, and strategic applications.

Klappir's unique data foundation enables true decision intelligence. By expanding the use of its longitudinal data, Klappir uncovers patterns, risks, and opportunities that remain invisible in short term snapshots. The result is deeper insight into efficiency and resilience, empowering organizations to anticipate change, optimize operations, and deliver measurable lasting impact.

This data advantage positions Klappir as a long term strategic partner, helping customers continuously improve performance, reduce risk, and create sustainable value over time. It also unlocks new opportunities for collaboration, enabling partners to build and distribute their own solutions on top of Klappir's core data infrastructure and distribute through the Klappir marketplace.

## Share capital and Articles of Association

To align Klappir's share structure with euro-denominated market standards, the Company has undertaken a restructuring of its share capital. This restructuring includes an adjustment of nominal value and a share consolidation, reducing the number of issued shares from 140,153,700 to 5,063,130 shares.

Following the consolidation, Klappir's total share capital amounts to EUR 506,313, divided into 5,063,130 shares. The restructuring does not affect the overall value of any shareholder's holdings. Instead, it simplifies Klappir's capital structure, enhances price comparability, and prepares the Company for international trading and valuation standards associated with a dual listing on Nasdaq First North Sweden.

At year-end 2025, the number of shareholders was 318, compared to 314 at the end of 2024. The largest shareholders are:

	Total shares	B-shares	A-shares	Ownership
Kvistar holding ehf. ....	2.422.196	636.936	1.785.260	47,8%
Sindrandi ehf. ....	1.182.510	1.182.510	0	23,4%
Pund ehf. ....	180.628	180.628	0	3,6%
Nýsköpunarsjóður atvinnulífsins ....	130.760	130.760	0	2,6%
Stey ehf. ....	108.377	108.377	0	2,1%
Kjalvegur ehf. ....	108.377	108.377	0	2,1%
Eyktaðalir ehf. ....	95.856	95.856	0	1,9%
Dexter fjárfestingar ehf. ....	93.927	93.927	0	1,9%
Klappir ehf. ....	81.336	81.336	0	1,6%
Bjarni Þór Björnsson ....	78.591	78.591	0	1,6%
Haru Holding ehf. ....	72.252	72.252	0	1,4%
Other shareholders ....	508.320	487.300	21.020	10,0%
Total shares ....	<b>5.063.130</b>	<b>3.256.850</b>	<b>1.806.280</b>	<b>100%</b>

# Endorsement and Statement by the Board of Directors and the CEO contd.:

---

## **Corporate governance**

The Board of Directors of Klappir Green Solutions hf. places strong emphasis on maintaining good corporate governance practices and on complying with applicable guidelines on corporate governance issued by the Icelandic Chamber of Commerce, Nasdaq OMX Iceland hf., and Confederation of Icelandic Enterprise.

The Board is responsible for defining the Company's strategy and overseeing the work of the Chief Executive Officer. The rules of procedure include provisions on Board meetings, the roles and responsibilities of Board members, reporting obligations, and the CEO's reporting to the Board. Shareholders of Klappir Green Solutions hf. are subject to these governance rules in accordance with applicable legislation.

## **Accounting standards**

The consolidated financial statements of Klappir Green Solutions hf. for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

## **Non-financial information**

Non-financial information is presented in a separate sustainability statement.

## **Statement by the Board of Directors and the CEO**

In the opinion of the Board of Directors and the Chief Executive Officer of Klappir Green Solutions hf., the consolidated financial statements presents all information necessary to provide a true and fair view of the Company's financial position as at 31 December 2025, its operating results, and its financial performance for the year 2025.

The Board of Directors and the Chief Executive Officer hereby confirm the annual accounts of the Company by their signatures.

Kópavogur, 5. February 2026.

### **Board of directors:**

Águst Einarsson  
Hildur Jónsdóttir  
Sigrún Hildur Jónsdóttir  
Vilborg Einarsdóttir

### **CEO:**

Þorsteinn Svanur Jónsson

# Independent auditor's report

---

To the Board of Directors and Shareholders of Klappir Green Solutions hf.

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Klappir Green Solutions hf. ("the Company"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, consolidated changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and additional Icelandic disclosure requirement in accordance with Icelandic Financial Statements Act No. 3/2006.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to audits of the consolidated financial statements in Iceland and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Responsibilities of the Board of Directors and CEO for the Consolidated Financial Statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union and additional Icelandic disclosure requirement in accordance with Icelandic Financial Statements Act No. 3/2006, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors and CEO are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors and CEO are responsible for overseeing the Company's financial reporting process.

## Independent auditor's report, contd.:

---

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

## Independent auditor's report, contd.:

---

### **Report on Other Legal and Regulatory Requirements**

Pursuant to the legal requirement under Article 104, Paragraph 2 of the Icelandic Financial Statements Act No. 3/2006, we confirm that, to the best of our knowledge, the report of the Board of Directors and CEO accompanying the consolidated financial statements includes the information required by the Financial Statements Act if not disclosed elsewhere in the financial statements.

Kópavogur, 5. February 2026.

***KPMG ehf.***

Jón Arnar Óskarsson

# Consolidated Statement of Comprehensive Income for the year 2025

	Notes	2025	2024*
<b>Operating revenue</b>			
Sales of goods and services .....		2.439.740	2.328.353
Other income .....		103.642	118.630
		<u>2.543.382</u>	<u>2.446.983</u>
<b>Operating expenses</b>			
Salaries and related expenses .....	3	935.448	646.009
Other operating expenses .....		507.031	807.211
Amortization and depreciation .....	6	524.943	488.611
		<u>1.967.422</u>	<u>1.941.831</u>
<b>Profit before finance income and finance expenses (EBIT) .....</b>		575.960	505.152
Finance income .....		34.450	59.147
Finance expenses .....		( 265.911)	( 319.488)
Foreign exchange difference .....		( 39.628)	78.315
<b>Net finance income (finance expenses)</b>	4	<u>( 271.089)</u>	<u>( 182.026)</u>
<b>Profit before income tax (EBT) .....</b>		304.871	323.126
Income tax .....	12	( 40.242)	448
<b>Profit for the year .....</b>		<u>264.629</u>	<u>323.574</u>
<b>Other comprehensive income:</b>			
Foreign exchange differences from subsidiary operations .....		5	1.427
<b>Total comprehensive profit for the year .....</b>		<u>264.634</u>	<u>325.001</u>

\* Restated income statement due to the adoption of International Financial Reporting Standards. See Note 20.  
The notes on pages 14 to 32 form an integral part of the financial statements.

# Consolidated Statement of Financial Position

## as at 31 December 2025

	Notes	31.12.2025	31.12.2024*	1.1.2024*
<b>Assets</b>				
Intangible assets .....	5	4.553.618	2.785.695	1.982.021
Property and equipment .....	6	323.768	408.972	512.227
Security deposit .....		9.858	9.858	9.858
Deferred income tax asset .....	12	155.259	195.540	197.276
		<b>Non-current assets</b>	<b>5.042.503</b>	<b>3.400.065</b>
		<b>5.042.503</b>	<b>3.400.065</b>	<b>2.701.382</b>
Trade receivables .....		63.129	150.246	114.182
Other receivables .....	7	1.064.209	1.485.699	1.348.663
Cash and cash equivalents .....	8	993.501	1.842.212	1.906.129
		<b>Current assets</b>	<b>2.120.839</b>	<b>3.478.157</b>
		<b>2.120.839</b>	<b>3.478.157</b>	<b>3.368.974</b>
		<b>Total assets</b>	<b>7.163.342</b>	<b>6.878.222</b>
		<b>7.163.342</b>	<b>6.878.222</b>	<b>6.070.356</b>
<b>Equity:</b>				
Share capital .....		499.428	966.252	966.252
Share premium .....		0	3.323.136	3.323.136
Other restricted equity .....		4.437.088	2.544.624	1.201.928
Retained earnings .....		( 1.651.217)	( 3.860.684)	( 2.866.511)
	9	<b>Total equity</b>	<b>3.285.299</b>	<b>2.973.328</b>
		<b>3.285.299</b>	<b>2.973.328</b>	<b>2.624.805</b>
<b>Liabilities</b>				
Non-current loans and borrowings .....	10	2.404.303	2.371.804	2.175.971
Liabilities to related parties .....	19	297.518	273.704	245.620
Lease liabilities .....	11	212.957	294.320	348.959
		<b>Non-current liabilities</b>	<b>2.914.778</b>	<b>2.939.828</b>
		<b>2.914.778</b>	<b>2.939.828</b>	<b>2.770.550</b>
Current maturities of lease liabilities .....	11	129.084	127.054	128.036
Trade payables .....		185.479	170.926	155.394
Other payables .....		350.448	326.837	391.571
Deferred revenue .....	13	298.254	340.249	0
		<b>Current liabilities</b>	<b>963.265</b>	<b>965.066</b>
		<b>963.265</b>	<b>965.066</b>	<b>675.001</b>
		<b>Total liabilities</b>	<b>3.878.043</b>	<b>3.904.894</b>
		<b>3.878.043</b>	<b>3.904.894</b>	<b>3.445.551</b>
		<b>Total equity and liabilities</b>	<b>7.163.342</b>	<b>6.878.222</b>
		<b>7.163.342</b>	<b>6.878.222</b>	<b>6.070.356</b>

\* Restated balance sheet due to the adoption of International Financial Reporting Standards. See Note 20.  
The notes on pages 14 to 32 form an integral part of the financial statements.

# Consolidated Statement of Changes in Equity for the year 2025

	Notes	Share capital	Share premium	Other restricted equity	Retained Earnings	Total equity
<b>Year 2025</b>						
Equity at 1.1.2025 .....		966.252	3.323.136	2.544.624	( 3.860.684)	2.973.328
Total comprehensive income .....				5	264.629	264.634
Share capital reduced to offset losses .....		( 467.653)			467.653	0
Sale of treasury shares .....		829	11.519			12.348
Transferred to restricted equity .....				1.892.459	( 1.892.459)	0
Accrued expense related to share option agreements .....					34.989	34.989
Share premium reduced to offset losses .....			( 3.334.655)		3.334.655	0
Equity at 31.12.2025 .....	9	499.428	0	4.437.088	( 1.651.217)	3.285.299
<b>Year 2024*</b>						
Equity at 31.12.2023 previously publ. FS .....		966.252	3.323.136	1.207.576	( 2.872.158)	2.624.806
Changes due to the adoption of IFRS .....		0	0	0	0	0
Equity at 1.1.2024 .....		966.252	3.323.136	1.207.576	( 2.872.158)	2.624.806
Total comprehensive income .....				1.427	323.574	325.001
Transferred to restricted equity .....				1.335.621	( 1.335.621)	0
Accrued expense related to share option agreements .....					23.521	23.521
Equity at 31.12.2024 .....	9	966.252	3.323.136	2.544.624	( 3.860.684)	2.973.328

\*Restated statement of changes in equity due to the adoption of International Financial Reporting Standards. See Note 20.

The notes on pages 14 to 32 form an integral part of the financial statements.

# Consolidated Statement of Cash Flows for the year 2025

	Notes	2025	2024*
<b>Operating activities:</b>			
Profit for the year .....		264.629	323.574
Adjustments for:			
Share options .....		34.989	23.521
Amortization and depreciation .....	5	524.943	488.611
Net finance expenses .....		271.089	182.026
Income tax .....	12	40.242	( 448)
		Cash flow provided by operations	
		1.135.892	1.017.284
Changes in operating assets and liabilities			
Trade receivables and other receivables, decrease (increase) .....		480.224	( 173.100)
Trade payables and other payables, (decrease) increase .....		( 60.249)	149.642
		419.975	( 23.458)
Interest income received .....		33.704	59.147
Interest expenses paid .....		( 170.112)	( 63.939)
		Net cash provided by operating activities	
		1.419.459	989.034
<b>Investing activities</b>			
Investment in intangible assets .....	5	( 2.192.642)	( 1.187.388)
Investments in property and equipment .....	6	0	( 1.640)
		( 2.192.642)	( 1.189.028)
<b>Financing activities:</b>			
Sold treasury shares .....		12.348	0
New long term borrowings .....	10	0	209.010
Payments of lease liability .....	11	( 87.315)	( 71.712)
		( 74.967)	137.298
Decrease in cash and cash equivalents .....		( 848.150)	( 62.696)
<b>Cash and cash equivalents at the beginning of the year</b> .....		1.842.212	1.906.129
<b>Effect of exchange rate fluctuations</b> .....		( 561)	( 1.220)
<b>Cash and cash equivalents at the end of the year</b> .....		993.501	1.842.212

\*Restated cash flow statement due to the adoption of international financial reporting standards. See Note 20. The notes on pages 14 to 32 form an integral part of the financial statements.

# Notes

---

## 1. Reporting entity

Klappir Green Solutions hf. ("the Group") is an Icelandic limited liability company. The address of the Company's main office is Hlíðasmári 2, Kópavogi. The consolidated financial statements of the Company as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries, together referred to as the "Group" and individually as "Group entities". The Group's aim is to develop and sell green software

## 2. Basis of preparation

### a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The consolidated financial statements also comply with the Icelandic Financial Statements Act and regulation on presentation and content of financial statements and consolidated financial statements.

This is the Company's first set of financial statements prepared in accordance with IFRS, and IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied in their preparation. The effects of the adoption on the Company's financial position, financial performance, cash flows, and presentation of its financial statements are disclosed in Note 20. The company also provides more detailed disclosures regarding the implementation of the standards.

During the year, the Company changed its functional currency from Icelandic króna (ISK) to euro (EUR). Presentation in EUR represents the economic environment in which the Company operates. The change was applied in accordance with International Financial Reporting Standards.

These financial statements were approved by the Board of Directors on 5 February 2026 and subsequently signed with a qualified electronic signature in accordance with Act No. 55/2019 on electronic identification and trust services for electronic transactions.

### b. Functional and presentation currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate ruling on that date.

### c. Revenue recognition

Revenue from the sale of goods and services is recognized in profit or loss when a significant portion of the risks and rewards has been transferred to the buyer. Revenue from the provision of services is recognized in profit or loss when the service has been rendered, which generally occurs at the beginning or end of each month, or over the applicable period in accordance with the relevant agreements.

### d. Software

Development costs are capitalized in the statement of financial position based on direct salaries and other related expenses. Amortization is charged to profit or loss when the product is ready for sale, and the amortization period is ten years. The carrying amount of capitalized development costs is transferred from retained earnings to a restricted reserve within equity in accordance with the Icelandic Annual Accounts Act; see Note 5 for further details.

### e. Other intangible assets and property and equipment

Other intangible assets and property, plant and equipment are recognized at cost less accumulated depreciation and, where applicable, accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets until their residual value is reached.

## Notes, contd.:

---

### 2. Basis of preparation, cont.

#### f. Right of use assets

##### (i) The Group as lessee

At the beginning of the contract, the group evaluates whether the contract or part of it constitutes a lease agreement. An agreement is a partial or full lease agreement if it includes the right to control a specific property for a specific period of time in exchange for payment. When assessing whether a lease agreement includes control of a specific asset, the group uses the definition of a lease agreement according to IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

## Notes, contd.:

---

### 2. Basis of preparation, cont.

#### **Right of use assets, contd.:**

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

#### *Short term leases and leases of low value assets*

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **g. Trade receivables and other receivables**

Trade receivables and other short-term receivables are recognized in the statement of financial position at nominal value, taking into account impairment.

#### **h. Cash and cash equivalents**

Cash and cash equivalents consist of unrestricted bank deposits.

#### **i. Deferred tax asset**

A deferred tax asset is only recognized to the extent that it is considered probable that future taxable profit will be available against which the asset can be utilized. The deferred tax asset is assessed at each reporting date and reduced to the extent that it is no longer expected to be realized.

#### **j. Income tax**

Income tax expense comprises current and deferred income tax. Income tax is recognized in statement of comprehensive income except to the extent that it relates to operating items recognized directly in equity or in statement of comprehensive income, in which case the income tax is recognized in those items.

Current income tax is the expected tax payable next year on the taxable income for the current year, using tax rates effective at the reporting date, in addition to adjustments made to current tax of previous years.

Deferred income tax is recognized using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized for differences relating to investments in subsidiaries. Deferred income tax liability is not recognized for goodwill which is non-deductible for tax purposes. The amount of deferred tax is based on the estimated realization or settlement of the carrying amounts of assets and liabilities using the tax rate in effect at the reporting date.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities under joint taxation if they intend to settle tax payments jointly.

A deferred income tax asset is only recognized to the extent that it is probable that future taxable profits will be available against the asset. Deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable it will be realized.

## Notes, contd.:

---

### 2. Basis of preparation, cont.

#### k. *Deferred income*

Revenue collected during the financial year that relates to future periods is recognized as a liability in the statement of financial position as deferred income.

#### l. *Impairment*

##### *Financial assets*

At each reporting date, an assessment is made as to whether there is any objective evidence that a financial asset not measured at fair value is impaired. A financial asset is considered to be impaired if there is objective evidence that one or more events have occurred that have had a negative impact on the asset's expected future cash flows.

Impairment loss on a financial asset measured at amortized cost is the difference between its carrying amount and the present value of estimated future cash flows, discounted using the asset's original effective interest rate. Significant financial assets are assessed individually for impairment, while other financial assets are grouped together based on similar credit risk characteristics and each group is assessed collectively for impairment.

Impairment loss is recognized in profit or loss.

An impairment loss is reversed if the reversal can be objectively linked to an event occurring after the impairment was recognized.

##### *Other assets*

The carrying amount of the Company's other assets, excluding inventories and deferred tax assets, is reviewed at each reporting date to determine whether any indications of impairment exist. If such indications are present, the asset's recoverable amount is estimated. Goodwill is tested for impairment at least annually.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs of disposal and its value in use. Value in use is determined by discounting the estimated future cash flows using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Impairment losses for cash generating units are allocated first to reduce the carrying amount of goodwill, and then to the other assets of the unit on a pro rata basis. Impairment losses are recognized in profit or loss.

Impairment of goodwill is not reversed. For other assets, impairment losses recognized in prior periods are reviewed at each reporting date to determine whether there are indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

## Notes, contd.:

---

### 2. Basis of preparation, cont.

#### n. New standards and interpretations not yet adopted

Several new International Financial Reporting Standards apply to financial years beginning on or after 1 January 2025, with early adoption permitted. The Company has not adopted any new or amended standards prior to their effective date in preparing these financial statements. The following amendments to standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Presentation and disclosure in financial statements (IFRS 18)
- Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)
- Power purchase agreements from renewable energy sources (Amendments to IFRS 9 and IFRS 7)

### 3. Salaries and salary-related expenses

Salaries and salary-related expenses are specified as follows:

	2025	2024
Salaries .....	1.973.057	1.928.879
Pension contributions .....	249.055	252.283
Accrued vacation pay .....	120.100	( 24.021)
Share options .....	34.989	23.521
Other salary-related expenses .....	155.664	161.149
Total salaries and salary-related expenses .....	2.532.865	2.341.812
Salaries and salary-related expenses capitalized as development costs .....	( 1.597.418)	( 1.695.803)
Salaries and related expenses in profit or loss .....	<u>935.447</u>	<u>646.009</u>
Full time equivalent .....	21	22

Salaries and salary related expenses for the Board of Directors and seven key management personnel amounted to a total of EUR 1,005 thousand (2024: EUR 772 thousand).

### 4. Finance income and finance costs

Finance income is specified as follows:

	2025	2024
Interest income on bank deposits .....	32.659	57.413
Interest income on receivables .....	1.791	1.733
Foreign currency gain .....	0	78.315
Total finance income .....	<u>34.450</u>	<u>137.462</u>

Finance expenses are specified as follows:

Interest expenses on long term borrowings from financial institutions. ....	( 183.491)	( 227.464)
Interest expense to related parties .....	( 30.479)	( 30.638)
Lease interest expenses .....	( 49.573)	( 56.324)
Other interest expense .....	( 2.368)	( 5.062)
Foreign currency loss .....	( 39.628)	0
Total finance expenses .....	<u>( 305.539)</u>	<u>( 319.488)</u>
Total net finance expenses .....	<u>( 271.089)</u>	<u>( 182.026)</u>

## Notes, contd.:

### 5. Intangible assets

Intangible assets, amortization and impairment losses are specified as follows:

	Business relationships	Software	Total intangible assets
<b>Cost</b>			
Balance at 1.1.2024 .....	1.245.370	3.413.523	4.658.893
Additions during the year .....	0	2.587.961	2.587.961
Grants recognized as a reduction of development costs .....	0	( 1.400.571)	( 1.400.571)
Balance at 31.12.2024 .....	1.245.370	4.600.913	5.846.283
Additions during the year .....	0	3.183.776	3.183.776
Grants recognized as a reduction of development costs .....		( 991.134)	( 991.134)
Balance at 31.12.2025 .....	1.245.370	6.793.555	8.038.925
<b>Amortization and impairment losses</b>			
Balance at 1.1.2024 .....	872.687	1.804.185	2.676.872
Amortization .....	124.538	259.178	383.716
Balance at 31.12.2024 .....	997.225	2.063.363	3.060.588
Amortization .....	124.536	300.183	424.719
Balance at 31.12.2025 .....	1.121.761	2.363.546	3.485.307
<b>Carrying amounts</b>			
1.1.2024 .....	372.683	1.609.338	1.982.021
31.12.2024 .....	248.145	2.537.550	2.785.695
31.12.2025 .....	123.609	4.430.009	4.553.618
Depreciation rate .....		10%	10%

### 6. Property and equipment

Property and equipment and their depreciation is specified as follows:

	Leased properties	Tools, equipment and interiors	Total
<b>Cost</b>			
Balance at 1.1.2024 .....	476.995	87.453	564.448
Additions during the year .....	0	1.640	1.640
Balance at 31.12.2024 .....	476.995	89.094	566.089
Effect of remeasurement of lease liabilities .....	15.020	0	15.020
Balance at 31.12.2025 .....	492.015	89.094	581.109
<b>Depreciation and impairment losses</b>			
Balance at 1.1.2024 .....	0	52.221	52.221
Depreciation .....	92.633	12.262	104.895
Balance at 31.12.2024 .....	92.633	64.483	157.116
Depreciation .....	96.439	3.785	100.224
Balance at 31.12.2025 .....	189.072	68.268	257.340
<b>Carrying amounts</b>			
1.1.2024 .....	476.995	35.232	512.227
31.12.2024 .....	384.362	24.610	408.972
31.12.2025 .....	302.943	20.825	323.768
Depreciation ratios .....	20%	10-35%	10-35%

## Notes, contd.:

---

### 6. Property and equipment, contd.:

Depreciation and amortization are specified as follows in the statement of profit and loss:

	<b>2025</b>	<b>2024</b>
Depreciation of operating assets, see note 6 .....	3.785	12.262
Depreciation of leased asset, see notes 6 and 11 .....	96.439	92.633
Amortization of intangible assets, note 5 .....	424.719	383.716
Total depreciation and impairment .....	<u>524.943</u>	<u>488.611</u>

### 7. Other receivables

During the years 2017–2024, the Group has undertaken the development of software, with the majority of related project costs expensed in profit or loss. In 2024, the Group received confirmation from Rannís that the development project had been approved under Act No. 152/2009. This confirmation grants the Group the right to a special reimbursement in 2025 relating to costs incurred in 2024, based on the direct expenditures of the project. The Group has also submitted an application for reimbursement for development costs incurred in 2025. Although the application has not yet been formally approved by Rannís, management believes that all conditions for reimbursement have been met and expects approval in the coming future. The estimated reimbursement for the 2025 development cost amounts to EUR 1 million and is offsetting the development cost in the consolidated balance as at year-end 2025, as well as a other receivable in the consolidated statement of financial position as at year end 2025.

### 8. Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank deposits.

### 9. Equity

The total share capital of the Company according to its Articles of Association is EUR 506,310. Each euro of share capital carries one vote

The Company's share capital is divided into Class A and Class B shares. The A class comprises 1,806,280 issued shares, each with a nominal value of 10 cents of a euro, and each euro of A class share capital carries ten votes. The B class comprises 3,256,850 issued shares, each carrying one vote, and otherwise both share classes have identical rights.

Share capital is specified as follows:

	<b>Class A</b>	<b>Class B</b>	<b>Total</b>
Shares issued at year end .....	1.806.280	3.256.820	5.063.100
Treasury shares at year end .....	0	( 68.820)	( 68.820)
Total shares at year end .....	<u>1.806.280</u>	<u>3.188.000</u>	<u>4.994.280</u>

In accordance with the Financial Statements Act, an amount corresponding to the capitalized development cost is transferred from retained earnings to a restricted equity reserve. The restricted reserve is released in line with the amortization of the development cost in profit or loss.

## Notes, contd.:

---

### 9. Equity, contd.:

If the share of profit from subsidiaries or associates recognized in profit or loss exceeds the dividend received, or the dividend declared for distribution, the difference shall be transferred from retained earnings to a restricted equity account related to the investment. If the Company's share in a subsidiary or associate is sold or written off, the restricted account shall be released and the change recognized in retained earnings or accumulated losses, as applicable.

Reserves are specified as follows:

	2024	2023
Statutory reserves .....	5.647	5.647
Restricted equity due to development costs .....	4.430.009	2.537.550
Translation reserve .....	1.432	1.427
<b>Total reserves .....</b>	<b>4.437.088</b>	<b>2.544.624</b>

The Company has granted stock option agreements to employees with a nominal value of 11 thousand euros. Under the agreements, the options vest in equal portions over a four year period. Each agreement expires eight years from the grant date. The Company's stock option plan and option agreements are subject to the general rules applicable to such arrangements that are approved by the Director of Internal Revenue, including the requirement that the options be offered to all employees and that the maximum annual exercise value is ISK 600,000.

### 10. Loans and borrowings

The Company has entered into an agreement with NEFCO, the Nordic Green Bank, for loan financing in euros. The agreement provides Klappir Green Solutions with access to a credit facility bearing fixed-interest terms, to be repaid in 2030. The loan is convertible by the lender at market rate with a discount.

This note provides information on the contractual terms of the Company's interest bearing liabilities, which are measured at amortized cost. Information on interest rate risk, currency risk and liquidity risk is disclosed in Notes 14 to 18.

Interest bearing long term liabilities are specified as follows:

	2025	2024
Non-indexed EUR denominated liabilities, 8,5% interest rate .....	2.404.303	2.371.804

Non-current loans and borrowings are payable in the following years as follows:

	2025	2024
Year 2029 .....	0	2.371.804
Year 2030 .....	2.404.303	0
<b>Total loans and borrowings .....</b>	<b>2.404.303</b>	<b>2.371.804</b>

Changes in interest bearing liabilities during the year are specified as follows:

Interest bearing loans 1 January .....	2.371.804	2.175.971
Accrued interest .....	32.499	195.833
<b>Interest bearing loans 31 December .....</b>	<b>2.404.303</b>	<b>2.371.804</b>

## Notes, contd.:

---

### 11. Leases

The Company leases office premises. The lease agreements are open ended with a three month notice period. The leases are either indexed to the consumer price index or non indexed.

Lease liabilities are specified as follows:

	2025	2024
Right-of-use assets 1.1 .....	421.374	476.995
Payments of lease agreements .....	( 136.888)	( 128.036)
Interest payments .....	49.573	56.324
Effect of remeasurement of leases and change in f/x differences .....	7.982	16.091
Right-of-use assets 31.12 .....	<u>342.041</u>	<u>421.374</u>

Effects of leases in profit or loss is divided as follows:

Interest payments of lease liabilities .....	49.573	56.324
Foreign exchange gain (loss) on lease liabilities .....	7.040	( 16.091)
Depreciation of right-of-use assets .....	96.439	92.633

Effects of leases in the statement of cash flows is as follows:

Payments according to leases .....	136.888	128.036
------------------------------------	---------	---------

#### *Lease liabilities*

Lease liabilities are specified as follows:

	2025	2024
Payments 2025 .....	-	136.888
Payments 2026 .....	136.961	136.956
Payments 2027 .....	136.961	136.956
Payments 2028 .....	136.961	136.956
Payments 2029 .....	380	380
Subsequent payments .....	411.265	548.137
Unrealized interest expense .....	( 69.224)	( 126.763)
Net liabilities in leases .....	<u>342.041</u>	<u>421.374</u>

## Notes, contd.:

---

### 12. Income tax

Effective tax rate is specified as follows:

		<b>2025</b>	<b>2024</b>
Profit before income tax .....		304.871	323.126
Income tax according to the current tax ratio .....	20,0%	( 60.974)	21,0% ( 67.856)
Non-taxable income .....	( 65,0%)	198.227	( 88,8%) 286.823
Deferred tax asset write-off .....	54,6%	( 166.476)	67,8% ( 219.181)
Other .....	3,6%	( 11.019)	( 0,2%) 662
<b>Effective income tax .....</b>	<b>13,2%</b>	<b>( 40.242)</b>	<b>( 0,1%) 448</b>

Deferred tax asset is specified as follows:

		<b>2025</b>	<b>2024</b>
Deferred tax asset at 1.1 .....		195.540	197.276
Income tax for the year .....		( 40.242)	448
Foreign currency exchange difference .....		( 40)	( 2.184)
<b>Deferred tax asset at 31.12 .....</b>	<b>155.258</b>	<b>195.540</b>	

The Group does not recognize its deferred tax asset in full due to uncertainty regarding its future utilization.

Deferred tax asset are attributable to the following:

Intangible assets, equipment and leased assets .....	154.631	( 54.211)
Utilizable taxable loss .....	1.367.769	1.511.447
Deferred tax asset write-off .....	( 1.424.708)	( 1.344.281)
Lease liabilities .....	59.013	72.449
Other .....	( 1.447)	10.136
<b>Deferred tax asset at 31 December .....</b>	<b>155.258</b>	<b>195.540</b>

Tax losses carried forward may be utilized against taxable profits within ten years from the year in which they are incurred. The total amount of tax losses carried forward amounts to EUR 6.8 million. Tax losses carried forward are specified as follows:

	<b>2025</b>	<b>2024</b>
Taxable loss due to 2015, utilizable until 2025 .....	-	561.621
Taxable loss due to 2016, utilizable until 2026 .....	899.134	576.964
Taxable loss due to 2017, utilizable until 2027 .....	539.700	552.076
Taxable loss due to 2018, utilizable until 2028 .....	263.715	269.763
Taxable loss due to 2019, utilizable until 2029 .....	1.076.852	1.101.547
Taxable loss due to 2020, utilizable until 2030 .....	810.558	829.146
Taxable loss due to 2021, utilizable until 2031 .....	587.225	600.691
Taxable loss due to 2022, utilizable until 2032 .....	1.132.905	1.158.885
Taxable loss due to 2023, utilizable until 2033 .....	1.068.227	1.092.725
Taxable loss due to 2024, utilizable until 2034 .....	460.527	813.819
<b>Total carry forward taxable loss .....</b>	<b>6.838.843</b>	<b>7.557.237</b>

### 13. Deferred revenue

Income collected during the financial year that relates to subsequent financial years is recognized as a liability in the statement of financial position as deferred income. Deferred income at year end 2025 amounts to EUR 298 thousand (2024: EUR 340 thousand).

# Notes, contd.:

---

## Risk management

### 14. Overview

The Group is exposed to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information on each of the above risks, objectives, policies and processes of the Group for measuring and managing risk.

The Group's risk management policies are established to identify and analyze the risk faced by the Group, to set appropriate risk limits and to monitor it. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### 15. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents.

#### *Trade receivables and other receivables*

The Company's credit risk is primarily determined by the financial position and operations of individual customers. Industry sectors and the geographical location of customers have a lesser impact on credit risk. Around 31% (2024: 27%) of the Company's revenue is derived from the sale of goods and services to its five largest customers.

The Company has established credit policies under which all new customers are assessed before credit terms are granted. The payment history of new customers is reviewed, and credit limits are set accordingly.

Most of the Company's customers have maintained business relationships with the Company for many years, and credit losses have historically been insignificant relative to turnover. In managing credit risk, emphasis is placed on the ageing profile of receivables and the financial standing of individual customers. The Company's trade receivables and other receivables mainly relate to corporate clients and resellers. Customers classified as high risk or those who have reached their credit limits may not continue to purchase from the Company unless they reduce their outstanding balances or the Company's finance department approves further transactions.

The Company recognizes an impairment allowance for expected credit losses on trade receivables and other receivables. The impairment consists primarily of specific provisions for individual customers and a general provision based on the ageing of receivables, which is not attributable to any specific customer. The general provision is determined with reference to the historical collection experience of similar receivables.

#### *Guarantees*

It is the Company's policy to provide guarantees only to its subsidiaries. At year end 2024, the parent company had provided a guarantee for the obligations of its subsidiary, Klappir Nordic ApS. At year end 2025, the parent company was not a guarantor for its subsidiary.

## Notes, contd.:

---

### 15. Credit risk, contd.:

#### *Impairment losses*

The Group's maximum exposure to loss in respect of its financial assets is their carrying amount, which was as

	Note	Carrying amount	
		2025	2024
Trade receivables and other current receivables .....		1.127.338	1.635.945
Cash and cash equivalents .....	8	993.501	1.842.212
		<u>2.120.839</u>	<u>3.478.157</u>

At year end, trade receivables from the Company's five largest customers amounted to EUR 58 thousand (2024: EUR 76 thousand)

#### *Impairment of trade receivables*

The ageing of trade receivables at year end was as follows

	Nominal value of the receivable	Write-down	
		2025	2024
Not yet due .....	54.887	122.560	0
0 - 30 days .....	10.379	2.931	2.137
31 - 120 days .....	0	1.056	0
Over 120 days .....	0	100.141	0
	<u>65.267</u>	<u>226.688</u>	<u>2.137</u>
			<u>76.442</u>

Changes in allowance for impairment in respect of trade receivables during the year were as follows:

	2025	2024
Balance at 1 January .....	76.442	76.442
Changes during the year .....	( 74.305)	0
Balance at 31 December .....	<u>2.137</u>	<u>76.442</u>

Management does not assess risk of loss in other short term receivables.

### 16. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due and not risking damage to the Group's reputation.

Contractual instalments of liabilities, including expected interest payments, are specified as follows:

2025	Carrying amount	Contractual cash flows	Less than 1 year	2-5 years	Later
<b>Non-derivative financial liabilities:</b>					
Non-current loans .....	2.404.303	3.399.684	0	3.399.684	0
Lease liabilities .....	342.041	411.265	136.961	274.303	0
Trade payables and other payables .....	535.927	535.927	535.927	0	0
	<u>3.282.271</u>	<u>4.346.875</u>	<u>672.888</u>	<u>3.673.987</u>	<u>0</u>

## Notes, contd.:

---

### 16. Liquidity risk, contd.:

2024

<b>Non-derivative financial liabilities:</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Less than 1 year</b>	<b>2-5 years</b>	<b>Later</b>
Non-current loans .....	2.371.804	3.571.937	0	3.571.937	0
Lease liabilities .....	421.374	548.137	136.888	411.248	0
Trade payables and other payables .....	497.763	497.763	497.763	0	0
	<u>3.290.941</u>	<u>4.617.837</u>	<u>634.651</u>	<u>3.983.185</u>	<u>0</u>

### 17. Market risk

Market risk is the risk that changes in market prices of foreign currencies and interests will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### ***Currency risk due to financial instruments***

The Company is exposed to foreign currency risk arising from purchases of services denominated in currencies other than its functional currency. The currencies that primarily give rise to foreign exchange risk is Icelandic króna (ISK). Exposure to other currencies is considered insignificant.

The Group does not specifically hedge against foreign currency risk through forward contracts. Management regularly monitors the Group's exposure to foreign exchange risk with the aim of mitigating the risk to the extent possible.

The Group's exposure to foreign currency risk was as follows based on nominal amounts:

2025

ISK

Trade and other receivables .....	1.134.995
Cash and cash equivalents .....	916.032
Liabilities to related parties .....	( 297.518)
Trade and other payables .....	( 510.013)
Lease liabilities .....	( 295.064)
Deferred revenue .....	( 211.544)
Currency risk exposure .....	<u>736.888</u>

2024

Trade and other receivables .....	1.594.720
Cash and cash equivalents .....	1.072.153
Liabilities to related parties .....	( 273.704)
Trade and other payables .....	( 403.716)
Lease liabilities .....	( 421.374)
Deferred revenue .....	( 220.909)
Currency risk exposure .....	<u>1.347.170</u>

## Notes, contd.:

---

### 17. Market risk, contd.:

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
ISK / EUR .....	0,01	0,01	0,01	0,01

#### ***Currency risk due to financial instruments, contd.:***

##### *Sensitivity analysis*

A 10% strengthening of EUR against the following currencies at 31 December would have increased (decreased) the Group's results before income tax by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis was performed on the same basis as for the year 2024.

	2025	2024
ISK .....	( 73.689)	( 134.717)

A 10% weakening of EUR against the above currencies would have had equal but opposite effect on the basis that all other variables remain constant.

##### *Interest risk*

All of the Group's borrowings are on floating interests and the Group does not hedge specifically against interest rate risk. The Group's interest rate risk only pertains to cash flow risk.

At year-end the interest rate profile of the Group's interest bearing financial instruments is specified as follows:

	Carrying amount	
	2025	2024
Financial assets on floating interest .....	993.501	1.842.212
Financial liabilities on floating interest .....	( 2.701.821)	( 2.645.508)
	<u>( 1.708.320)</u>	<u>( 803.296)</u>

A change of 100 basis points in interest rates at the reporting date would have decreased results before income tax by EUR 17 thousand (2024: EUR 8 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis as for the year 2024. The Group does not account for any fixed rate financial assets and liabilities.

## Notes, contd.:

---

### 17. Market risk, contd.:

#### *Fair values*

The following table shows a comparison of fair values and carrying amounts of financial assets and liabilities. No information is published regarding fair value if it is equal to carrying amount.

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and borrowings .....	2.404.303	2.396.377	2.371.804	2.379.736
	2.404.303	2.396.377	2.371.804	2.379.736

#### *Determination of fair values*

The interest rate used to discount estimated cash flows, where applicable, are based on interbank market at the reporting date plus a 3% interest premium (2024: 3%). Fair value of financial liabilities falls under level 3 of the fair value hierarchy.

### 18. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate governance. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk in an efficient manner in order to avoid financial losses and to protect the Group's reputation, and at the same time to avoid control procedures that restrict employees' initiative and creativity.

To reduce operational risk there are among other things requirements for appropriate segregation of duties, requirements for the reconciliation and monitoring of transactions, compliance with legal requirements, requirements for the periodic assessment of risks faced, employee training and professional development, organization of work procedures and insurances where this is applicable.

### 19. Related parties

#### *Definition of related parties*

Related parties are those parties who have a significant influence on the Company, directly or indirectly, shareholders with control or significant influence, board members, key employees and their families as well as parties that are controlled by or are significantly dependent on the Company.

Related party transactions for 2025 are as follows:	2025	2024
Klappir ehf., loan .....	297.518	273.704
Total .....	297.518	273.704

The loan from Klappir ehf. bears interest based on the Central Bank's general rates for non indexed monetary claims plus a 3% margin, and the loan matures in 2026.

## Notes, contd.:

---

### **20. Adoption of International Financial Reporting Standards**

As stated in Note 2.a, this is the Company's first financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In prior years, the Company's financial statements were prepared in accordance with the Icelandic Annual Accounts Act. The euro (EUR) is the Company's functional

The Company's financial statements for the year 2025 have been prepared in accordance with the accounting policies described in the notes to the financial statements. This also applies to the comparative figures for the year 2024 and the opening statement of financial position as at 1 January 2024, which constitutes the Company's IFRS transition date.

Upon the adoption of International Financial Reporting Standards, the Company's assets and liabilities are reviewed as at the transition date. Where applicable, previously unrecognized assets and/or liabilities are recognized in the statement of financial position, while assets that do not meet the recognition criteria under IFRS are derecognized. The corresponding entries arising from the recognition or derecognition of assets and liabilities are generally recorded in retained earnings, taking into account the impact on deferred tax where

The following discussion and tables present the main effects of the adoption of International Financial Reporting Standards on the Company's financial statements. In addition, explanatory notes have been expanded where applicable, as the IFRS framework requires more extensive disclosures than the Icelandic Annual Accounts Act.

#### ***Overview of the key changes arising from the adoption of International Financial Reporting Standards***

##### *Stock option agreements with employees.*

The Company has entered into stock option agreements with its employees. The stock options are settled exclusively through the delivery of shares in the Company against the agreed consideration. The fair value of the options is calculated and the expense is recognized in profit or loss over the vesting period of the agreements. The corresponding credit entry is recognized in retained earnings. The expense amounted to EUR 35 thousand in 2025 and EUR 24 thousand in 2024, with no impact on equity. Further information on the Company's stock option agreements is provided in Note 9.

##### *Leases*

The Company has entered into a lease agreement. Under the Icelandic Annual Accounts Act, the lease was classified as an operating lease and therefore not recognized in the statement of financial position. In accordance with the requirements of IFRS 16 Leases, the Company recognized the lease as a liability in the statement of financial position on the transition date, with a corresponding right of use asset. The right of use asset is depreciated over the estimated lease term, while lease payments are allocated between interest expense and principal repayment. Further information on the Company's leases is provided in Note 11.

## Notes, contd.:

---

### 20. Adoption of International Financial Reporting Standards, contd.:

*Impact of the adoption of IFRS on the Company's statement of financial position as at 1 January 2024:*

	Previous financial statements	Change	IFRS financial statements
<b>Assets</b>			
Intangible assets .....	1.982.021	0	1.982.021
Property and equipment .....	35.232	476.995	512.227
Security deposit .....	9.858	0	9.858
Deferred tax asset .....	197.276	0	197.276
Non-current assets	2.224.387	476.995	2.701.382
Trade receivables and other receivables .....	1.462.845	0	1.462.845
Cash and cash equivalents .....	1.906.129	0	1.906.129
Current assets	3.368.974	0	3.368.974
<b>Total assets</b>	<b>5.593.361</b>	<b>476.995</b>	<b>6.070.356</b>
<b>Equity</b>			
Equity .....	2.624.805	0	2.624.805
<b>Liabilities</b>			
Non-current loans and borrowings .....	2.175.971	0	2.175.971
Liabilities to related parties .....	245.620	0	245.620
Lease liabilities .....	0	348.959	348.959
Non-current liabilities	2.421.591	348.959	2.770.550
Current maturities of lease liabilities .....	0	128.036	128.036
Trade payables .....	155.394		155.394
Other payables .....	391.571	0	391.571
Current liabilities	546.965	128.036	675.001
<b>Total liabilities</b>	<b>2.968.556</b>	<b>476.995</b>	<b>3.445.551</b>
<b>Total equity and liabilities</b>	<b>5.593.361</b>	<b>476.995</b>	<b>6.070.356</b>

## Notes, contd.:

---

### 20. Adoption of International Financial Reporting Standards, contd.:

*Impact of the adoption of IFRS on the Company's statement of financial position as at 31.12.2024:*

	Previous financial statements	Change	IFRS financial statements
<b>Assets</b>			
Intangible assets .....	2.642.341	143.354	2.785.695
Property and equipment .....	24.610	384.362	408.972
Security deposit .....	9.858	0	9.858
Deferred tax asset .....	195.092	448	195.540
Non-current assets	<u>2.871.901</u>	<u>528.164</u>	<u>3.400.065</u>
Trade receivables and other receivables .....	1.635.945	0	1.635.945
Cash and cash equivalents .....	1.842.212	0	1.842.212
Current assets	<u>3.478.157</u>	<u>0</u>	<u>3.478.157</u>
<b>Total assets</b>	<u>6.350.058</u>	<u>528.164</u>	<u>6.878.222</u>
<b>Equity</b>			
Equity .....	<u>2.866.538</u>	<u>106.790</u>	<u>2.973.328</u>
<b>Liabilities</b>			
Non-current loans and borrowings .....	2.371.804	0	2.371.804
Liabilities to related parties .....	273.704	0	273.704
Lease liabilities .....	0	294.320	294.320
Non-current liabilities	<u>2.645.508</u>	<u>294.320</u>	<u>2.939.828</u>
Current maturities of lease liabilities .....	0	127.054	127.054
Trade payables .....	170.926	0	170.926
Other payables .....	326.837	0	326.837
Deferred revenue .....	340.249	0	340.249
Current liabilities	<u>838.012</u>	<u>127.054</u>	<u>965.066</u>
<b>Total liabilities</b>	<u>3.483.520</u>	<u>421.374</u>	<u>3.904.894</u>
<b>Total equity and liabilities</b>	<u>6.350.058</u>	<u>528.164</u>	<u>6.878.222</u>

## Notes, contd.:

---

### 20. Adoption of International Financial Reporting Standards, contd.:

*Impact of the adoption of IFRS on the Company's statement of comprehensive income for the year 2024:*

	Previous financial statements	Change	IFRS financial statements
<b>Income</b>			
Income .....	3.847.554	( 1.400.571)	2.446.983
<b>Operating expenses</b>			
Salaries and related expenses .....	1.412.347	( 766.338)	646.009
Other operating expenses .....	1.689.312	( 882.101)	807.211
Depreciation .....	395.978	92.633	488.611
	3.497.637	( 1.555.806)	1.941.831
Profit before finance income and finance expenses .....	349.917	155.235	505.152
Net finance income (finance expenses) .....	( 109.611)	( 72.415)	( 182.026)
Income tax .....	0	448	448
Profit for the year .....	240.306	83.268	323.574
Equity as at 31.12.2023 according to the previously issued financial statements .....			2.624.805
Changes due to IFRS adoption .....			0
Equity 1.1.2024 according to IFRS .....			2.624.805
Profit for the year .....			323.574
Foreign exchange translation difference .....			1.427
Accrued stock option expense .....			23.521
Equity 31.12.2024 .....			2.973.328