

Limited liability company
„Citrus Solutions”
(Unified registration number 50003752271)

2025 ANNUAL REPORT

PREPARED IN ACCORDANCE WITH THE
LAW ON THE ANNUAL FINANCIAL STATEMENTS AND
CONSOLIDATED FINANCIAL STATEMENTS OF THE REPUBLIC OF LATVIA

Riga, 2026

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INFORMATION ON THE COMPANY

Name of the Company	Citrus Solutions	
Legal status of the Company	Limited liability company	
Number, place and date of registration	50003752271, Riga, June 28, 2005	
Registered address	Dzirnavu street 105, Riga, LV-1011, Latvia	
Stakeholder	SIA Tet (100%) Dzirnavu street 105, Riga, LV-1011, Latvia Reg. No. 40003052786	
Board members	Dāvis Eniks - Chairman of the Board from 15 July 2024 Raimonds Gerbis - member of the Board from May 22, 2015 Kārlis Kostjukovs - member of the Board from January 2, 2019 until 10 January 2025	
Reporting period	1 January – 31 December 2025	
Subsidiary	CITRUS SOLUTIONS GMBH Schmidtstadt 5,92268, Etzelwang Deutschland (100%) ARGE CITRUS GIFHORN Schmidtstadt 5,92268, Etzelwang Deutschland (Citrus Solutions GmbH 93%; Citrus Solutions SIA 7%)	
Auditors	Iveta Vimba Sworn Auditor of the Republic of Latvia Certificate No 153	SIA „Ernst & Young Baltic” Muitas street 1a, Riga Latvia, LV – 1010 License No.17

MANAGEMENT REPORT

The Board of SIA Citrus Solutions (hereinafter Citrus Solutions or the Company) provides the management report about the operating year ended on December 31, 2025.

OVERVIEW OF THE COMMERCIAL OPERATIONS

Activities of Citrus Solutions are construction, design and maintenance. In 2025, there was a strong focus on "design and build" projects as well as complex engineering integration solutions, where Citrus Solutions is one of the market leaders.

Since 2005 the Company has been registered as construction merchant, register number 0095-R, which allows the Company to operate in several construction spheres. The Company employs 71 certified specialist.

Since 2006 the Company has been granted Industrial safety certificate, which confirms the rights of the Company to perform work, containing state secret, classified information of the international organizations or foreign institutions, within the framework of its commercial activity, as well as the ability of the Company to ensure protection of such information. In 2025, the Company continued to play a key role in the development and implementation of national security solutions.

The management system of Citrus Solutions is certified in accordance with the requirements of three internationally recognized standards – ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

SHARE CAPITAL

As at December 31, 2025, the share capital of Citrus Solutions comprises EUR 11 070 999. It consists of 11 070 999 shares, with the nominal value of EUR 1 each. SIA *Tet* owns 100% of the share capital of Citrus Solutions.

FOREIGN BRANCHES OF THE COMPANY

In 2025 the Company continues operation in representation in Germany.

MEMBERSHIP IN ALLIANCES

In 2022, a joint venture with AS "Sensum Grupa" and General Partnership "3A" was formed to participate in the Latvian state tender for the design and construction of Liepāja Prison". In September 2025, the aforementioned facility was handed over to the customer for use.

In addition, in 2025, a joint venture was established with the limited liability company NEWCOM Construction, which will implement one of the most significant healthcare infrastructure projects in Latvia – the complete reconstruction of the Latvian Oncology Center (LOC) inpatient facility at Riga East University Hospital (RAKUS).

In order to participate in the German municipal tenders, two alliances were formed in 2022 for the construction of optical networks in Germany together with the group company Citrus Solutions GMBH: the Citrus Angeln Association was closed in August 2025, whereas, the Citrus Gifhorn Association continued its operation in 2025.

SHARES IN OTHER COMPANIES

Citrus Solutions owns 100% of the share capital of Citrus Solutions GmbH and 1.85% shares of "Pirmais slēgtais pensiju fonds" (First Closed Pension Fund). The Company is only a formal shareholder of the "Pirmais slēgtais pensiju fonds", as all the risk arising from the operations of the pension fund and income is owned by the employees of Citrus Solutions – participants of the pension program.

The Company's holding in the share capital of its subsidiary Citrus Solutions GmbH amounted to EUR 10.5 million as at December 31, 2025. The equity of Citrus Solutions GmbH has become negative as a result of losses in the reporting year and prior periods. Based on the decision adopted in 2024, the completion of existing projects in Germany continued during 2025. To cover Citrus Solutions GmbH's liabilities, on May 28, 2025, EUR 4.0 million was invested in the capital reserve of Citrus Solutions GmbH, and on December 30, 2025, Citrus Solutions invested EUR 1.5 million in the capital reserve of Citrus Solutions GmbH. More detailed information is disclosed in Note 11 to the financial statements.

OPERATING RESULTS

Compared to the relevant period in 2024, Citrus Solutions' net turnover increased by 0.95% in the reporting year, reaching EUR 117.4 million.

In 2025, Citrus Solutions has strengthened its position as a reliable partner and market leader. Despite the uncertainties in the construction market, the Company has managed to increase its overall turnover. Working on strategic and critical infrastructure projects ensures stable and predictable development of Citrus Solutions.

The most significant projects to be implemented in 2025 were: design, construction and equipping of the Latvian-Russian border, Latvian-Belarusian border 1st phase and 2nd phase (client: VAS "Valsts Nekustamie Īpašumi"); construction of the new Liepāja prison complex (client: SIA Tiesu namu aģentūra); construction of the Latvian-Russian automated border surveillance infrastructure (client: VAS LVRTC); construction of a high-security data centre, as well as network design, construction and maintenance (client: SIA Tet), as well as several projects ordered by "State Defence Military Facilities and Procurement Centre".

The net profit of Citrus Solutions for the 2025 reporting period was EUR 8.5 million, compared to a loss of EUR 5.6 million in 2024.

In 2025, the Company continued to pursue a prudent material procurement and risk management policy, applying the envisaged cost indexation mechanisms in the concluded contracts as well as fixing material prices.

Capital investments during the reporting year amounted to EUR 0.872 million, mainly in the areas of production equipment renewal and information technology improvements. During the reporting year, EUR 3.057 million was paid in various taxes in Latvia, taking into account the refunds received.

MANAGEMENT OF THE COMPANY

According to the Commercial Law, the Company's statutes anticipate two-level management procedure, which, according to the decision of the Company's Shareholders' meeting of 11 November 2008, is realized by the Shareholders' meeting and the Board.

On January 10, 2025, Kārlis Kostjukovs, Member of the Board, ceased his employment with the Company.

As at the date of this report, the Board of the Company continues to be composed of 2 members: the Chairman of the Board Dāvis Eņiņš, the Member of the Board Raimonds Gerbis.

DISCLOSABLE INTEREST

Citrus Solutions members of the Board and their family members or companies under their management do not have shares or share options contracts in the company Citrus Solutions or companies of Tet group. The members of the Board do not have interest in contracts or agreements related with Citrus Solutions.

RESPONSIBILITY OF THE BOARD FOR THE ANNUAL REPORT

The Board is responsible for preparation of the Company's financial statements on the basis of the Company's initial accounting records for each reporting period.

The financial statement gives a fair view of the Company's financial state at the end of the reporting year, business result and cash flow for the reporting year.

The Board confirms that appropriate accounting methods were consistently applied in the preparation of the 2025 report and that prudent estimates and forecasts were made. The Board confirms that the regulatory enactments of the Republic of Latvia have been complied with and that the financial statements have been prepared in accordance with the going concern principle.

The Board is responsible for the appropriate accounting records and taking measures in order to save the Company's funds, reveal and avoid fraud and other irregularities.

DISTRIBUTION OF PROFIT RECOMMENDED BY THE BOARD

The Board of the Company, in accordance with the dividend policy of the *Tet Group* and regulatory enactments, proposes to pay dividends to shareholders in the amount of 100% of the distributable profit for the reporting year.

RISK MANAGEMENT

The operations of Citrus Solutions are subject to a number of business risks, the most significant of which are general economic and political conditions that may affect market trends in the construction sector, a

general increase in construction prices, and delays or disruptions in supply and logistics chains. In addition, the Company complies with the *Tet Group's* financial risk management policy, thereby ensuring control of the Company's liquidity and credit risk.

Citrus Solutions performs identification, evaluation of risks and develops operating plans to prevent, reduce or transfer risks to third parties that might have an adverse effect on, property, staff, finances or operating results of Citrus Solutions. To avoid financial losses in case any of the risks would materialize, part of those is insured. Currently Citrus Solutions has insurance cover in such spheres as property, commercial termination, civil third party liability, construction specialists' civil third party liability and employees' insurance.

CIRCUMSTANCES AND EVENTS AFTER THE END OF REPORTING YEAR

During the period from the last day of the reporting year to the date of signing these financial statements, there have been no other events that would require adjustments to these financial statements or that would need to be explained in these financial statements.

FURTHER DEVELOPMENT OF THE COMPANY

The ability to offer integrated solutions to clients has been a competitive advantage for the Company and will continue to help win new contracts with higher added value. In addition, the development of digitalisation within the company and its processes will be a high priority.

Chairman of the Board

(signature *)

Dāvis Eniks

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FINANCIAL STATEMENT

Profit or loss account

(classified according to cost types)

	Note	2025 EUR	2024 EUR <i>(reclassified*)</i>
NET TURNOVER	1	117 354 453	116 237 306
a) from construction services provided		116 852 766	115 561 904
b) from other operating activities		501 687	675 402
Other operating income	2	238 179	1 223 215
Cost of materials*:			
a) costs of raw materials and consumables;		(28 151 571)	(17 769 118)
b) other external costs		(1 425 994)	(1 083 438)
	3	(29 577 565)	(18 852 556)
Personnel costs:	4	(14 852 540)	(13 686 605)
Impairment adjustments:			
a) impairment adjustments to fixed assets and intangible assets;	9,10	(565 644)	(416 675)
b) impairment adjustments to current assets where they exceed amounts of write-downs that the relevant company considers to be normal;	5	564 629	(540 517)
Other operating costs*	6	(61 530 628)	(84 308 962)
Other income from interest and similar income:			
a) from other persons	7	358 830	137 114
Impairment allowances on long-term and short-term financial investments			
impairment of equity interests in associated companies	11	-	(5 000 000)
Interest payments and similar costs:			
a) to related companies	7	(24 667)	(38 147)
PROFIT OR (LOSS) BEFORE CORPORATE INCOME TAX		11 965 047	(5 245 827)
Corporate income tax for the reporting year	8	(504 917)	(378 814)
PROFIT OR (LOSS) OF THE REPORTING YEAR AFTER CORPORATE INCOME TAX (BEFORE EXTRAORDINARY DIVIDENDS)**		11 460 130	(5 624 641)
Extraordinary dividends		(3 000 000)	-
PROFIT OR (LOSS) OF THE REPORTING YEAR		8 460 130	(5 624 641)

* Information on reclassification is disclosed in the notes to the financial statements.

** Profit or (loss) after corporate income tax (before extraordinary dividends) reflects the company's results from operations during the reporting year.

Annex forms an integral part of these financial statements.

On behalf of the Board

Chairman of the Board (signature*) Dāvis Eniks

Chief accountant (signature*) Aija Martinsone-Staže

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Balance sheet

Assets

	Note	December 31, 2025	December 31, 2024 (reclassified*)
		EUR	EUR
LONG-TERM INVESTMENTS			
Intangible assets			
Other intangible assets		643 242	346 244
Total intangible assets	9	643 242	346 244
Fixed assets			
Land plots, buildings and engineering structures		21 873	29 672
Equipment and machinery		14 431	1 665
Other fixed assets and inventory		555 835	598 615
Creation of fixed assets and costs of unfinished construction objects		43 671	469
Total fixed assets	10	635 810	630 421
Long-term financial investments			
Other loans and long-term receivables	12,14	1 729 711	1 222 718
Total long-term investments		3 008 762	2 199 383
CURRENT ASSETS			
Inventories			
Raw materials, basic materials and consumables		9 898 504	1 676 127
Advance payments for goods		122 226	58 795
Total inventories	13	10 020 730	1 734 922
Receivables			
Trade receivables	12,14	4 966 572	11 141 046
Receivables from related companies	24	2 636 986	1 934 885
Other receivables	15,22	1 473 549	6 527 915
Deferred charges		152 313	86 314
Accrued revenue	16	12 645 920	23 272 606
Total receivables		21 875 340	42 962 766
Cash	17	25 602 626	8 395 247
Total current assets		57 498 696	53 092 935
BALANCE SHEET		60 507 459	55 292 318

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Balance sheet

Liabilities

	Note	December 31, 2025 EUR	December 31, 2024 EUR
EQUITY			
Share capital (fixed capital)	20	11 070 999	11 070 999
Retained profit of the previous years		(1 547 479)	4 077 163
(Losses) / profit of the reporting year		8 460 130	(5 624 641)
Total equity		17 983 650	9 523 521
PROVISIONS			
Other provisions	11,23	3 139 115	7 887 305
Total provisions		3 139 115	7 887 305
LONG-TERM PAYABLES			
Long-term payables to suppliers and contractors	18	910 494	-
Total long-term payables		910 494	-
SHORT-TERM PAYABLES			
Loans from related companies	19	-	70 181
Advanced payments from customers	25	23 599 019	10 255 071
Payables to suppliers and contractors	21	6 908 076	8 531 000
Debts to related companies	24	2 806 697	3 012 321
Taxes and State mandatory social insurance payments	22	780 799	261 279
Other payables		6 655	8 618
Deferred income	16	454 540	11 214 650
Accrued liabilities	23	3 918 414	4 528 372
Total short-term payables		38 474 200	37 881 492
Total payables		39 384 694	37 881 492
BALANCE SHEET		60 507 459	55 292 318

Annex forms an integral part of these financial statements.

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Statement of changes in equity

	Share capital (fixed capital)	Retained profits	Total
	EUR	EUR	EUR
Balance on December 31, 2023	11 070 999	4 077 163	15 148 162
(Loss) for the reporting year	-	(5 624 641)	(5 624 641)
Balance on December 31, 2024	11 070 999	(1 547 478)	9 523 521
Profit for the reporting year	-	8 460 130	8 460 130
Balance on December 31, 2025	11 070 999	6 912 651	17 983 650

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Cash flow statement

(prepared according to the indirect method)

	Note	2025 EUR	2024 EUR
Cash flow from operating activities			
Profit or (losses) before taxes		11 965 047	(5 245 827)
Adjustments:			
- impairment allowances for fixed assets;	10	243 274	190 152
- impairment allowances for intangible investments;	9	322 370	226 523
- provisions (excluding provisions for doubtful debts);	11,23	751 810	12 516 960
- profit or (losses) from no currency exchange rate fluctuations;	7	(2 628)	(13 040)
- other interest income and similar income	7	(358 830)	(137 114)
- interest payments and similar costs	7	22 041	26 867
Profit before adjustments for the effect of changes to current assets and short term liabilities		12 943 084	7 564 521
(Increase) or decrease in accounts receivable balance		20 580 433	(18 836 895)
(Increase) or decrease in inventories balance		(8 285 808)	(134 807)
Increase or (decrease) in accounts payable to suppliers, contractors and other creditors		4 377 206	10 226 555
Gross cash flows from operating activities		29 614 914	(1 180 626)
Interest paid	7	(22 041)	(26 867)
Corporate income tax paid	8	(504 917)	(378 814)
Net cash flows from operating activities		29 087 956	(1 586 307)
Cash flows from investing activities			
Acquisition of shares or interests in related companies, associated companies or other companies	11	(5 500 000)	-
Purchase of fixed and intangible assets	9,10	(871 854)	(418 330)
Income from disposal of fixed and intangible assets		-	10 830
Interest received	7	358 830	137 114
Net cash flows from investing activities		(6 013 024)	(270 386)
Cash flows from financing activities			
Loans received	19	-	70 181
Repayment of loans	19	(70 181)	(3 103 130)
Dividends paid	20	(5 800 000)	-
Net cash flows from financing activities		(5 870 181)	(3 032 949)
Result of fluctuations in the foreign currency exchange rates	7	2 628	13 040
Net cash flow of the reporting year		17 207 379	(4 876 602)
Cash and cash equivalents at the beginning of the reporting year	17	8 395 247	13 271 849
Cash and cash equivalents at the end of the reporting year	17	25 602 626	8 395 247

Annex forms an integral part of these financial statements.

On behalf of the Board

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Annex of the financial statement

Accounting policies

GENERAL INFORMATION

The Limited Liability Company *Citrus Solutions* (hereinafter Citrus Solutions or the Company) was established and registered in the Commercial Register of the Republic of Latvia on 28 June 2005 under the common registration number 50003752271, its legal address is Dzirnavu street 105, Riga. The Company's parent company is SIA Tet, which holds 100% of the Company's share capital. The main business lines of Citrus Solutions are construction and servicing of telecommunication infrastructure for corporate clients. The number of employees at Citrus Solutions at the end of the reporting year was 330.

Stakeholder or shareholder of the Company, which prepares the consolidated annual report, including the Company as its subsidiary, is SIA Tet, reg. No 40003052786, Dzirnavu street 105, Riga, LV-1011. Copies of the consolidated annual reports are available in website of SIA Tet <https://www.tet.lv/par-tet/par-mums/gada-parskati>.

ACCOUNTING AND ASSESSMENT PRINCIPLES

Basis of the preparation of financial statements

The financial statement has been prepared in accordance with the laws "On Accounting" and "Law on Annual Statements and Consolidated Annual Statements" of the Republic of Latvia". The Company is a subsidiary of Latttelecom Group and the consolidated statement of the group is prepared in accordance with requirements of the International accounting standards.

The financial statements have been prepared on the historical cost measurement principle basis.

All amounts disclosed in the financial statements are provided in euro (EUR), if not stated otherwise.

The reporting period is the calendar year. The balances on December 31, 2025 represent the financial state of the Company at the end of the day.

The profit or loss statement was prepared according to the period costs method.

The cash flow statement is prepared applying the indirect method.

Amounts, terms of receipt, payment or write off of which are due more than one year after the balance sheet date, are classified as long-term. Amounts to be received, paid or written off within one year of the balance sheet date are classified as short term.

In accordance with the criteria stipulated in the law, the Company is classified as large Company.

Applied accounting principles

The items of financial statements were evaluated in accordance with the following accounting principles:

- a) The Company achieved positive results in 2025 and will continue to operate in the future;
- b) the same valuation methods have been used as in the previous year;
- c) evaluation was done with due caution:
 - the financial statements reflect only the profit generated to the date of the balance sheet,
 - all expected risk amounts and losses incurred during the reporting year or prior years have been taken into consideration even if discovered in the period of time between the balance sheet date and the date of preparation of the financial statements,
 - all impairments and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit;
- d) income and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses were matched with income for the reporting period;
- e) items of assets and liabilities have been valued separately;
- f) the opening balance of the reporting year agrees with the prior year closing balance;
- g) all material items, which would influence the decision-making process of users of the financial statements, have been indicated and insignificant items have been combined and their details disclosed in the Annex;

- h) business transactions are recorded taking into account their economic contents and substance, not the legal form.

Exemptions from the obligation to prepare consolidated financial statements

In accordance with the provisions of the Law on Annual Statements and Consolidated Annual Statements, the Company is exempt from the obligation to prepare consolidated annual financial statements because it is a subsidiary of another group and its parent company with 100% shareholding is a company incorporated in the Republic of Latvia, which prepares consolidated annual financial statements.

Related parties

The Company considers that related parties are the group's parent company and subsidiaries in the group, as well as other companies which may have a significant impact on the Company's activities.

Other related parties of the Company are the highest level managers of the Company and their close family members, as well as companies under the control or significant influence of such individuals.

Foreign currency valuation

Transactions in foreign currency are translated into euro on the basis of the reference exchange rate published by the European Central Bank (hereinafter "ECB") that is effective at the beginning of the day when the transaction takes place, however, the last available foreign currency exchange rate that can be used in accounting is applied, if the transaction date is a working day in Latvia but it does not have a published foreign currency exchange rate to be used in accounting, as according to the calendar of foreign currency exchange rate publishing source it is a holiday. Profit or loss resulting from these transactions, as well as resulting from revaluation of monetary assets and liabilities denominated in the local currency is recognized in the profit or loss statement.

At the end of the year financial assets and liabilities in foreign currency are revalued on the basis of exchange rate set by the ECB effective on the last day of the reporting period and all relevant fluctuations of currency rate are disclosed in profit or loss statement.

Euro exchange rate against currencies in which the Company has had transactions:

	December 31, 2025	December 31, 2024
USD	1.18	1.039
GBP	0.87	0.829

Intangible investments

Intangible investments include trademarks, computer software licences, capitalised staff costs of project teams and service costs related to the implementation of computer software. Where a computer program is an integral part of the equipment and the equipment cannot operate without the special program, the computer program is included in fixed assets.

Intangible investments are recognized at purchase costs, deducting accumulated amortization and accrued losses from value reduction. Intangible investments are amortized by linear method over their useful life (over 3 to 5 years).

On each balance sheet date, it is assessed whether certain indications exist that would show that the value of an asset might be decreased. The recoverable value of intangible assets not ready for use is determined every year regardless of the fact whether indications exist that would show that the value of an asset might be decreased. For purposes of impairment assessment, intangible assets are divided in groups so that they would represent as small unit as possible for which it is possible to determine the amount of cash flow.

Accounting policies (continued)

If the book value of an intangible investments exceeds the expected recoverable amount, which is the highest of the net realizable value and value in use, then its book value is immediately reduced to the recoverable value, including the difference in the profit or loss statement.

Fixed assets

Fixed assets are carried at purchase costs, deducting accumulated depreciation and accrued losses from value reduction. Depreciation of fixed assets is calculated by linear method, allocating the equally purchase costs of fixed assets until the expected disposal value to the forecast length of useful life of fixed assets:

	Useful life in years
Buildings	7
Energy equipment	10
Other fixed assets	3 – 5

Useful life of fixed assets is reviewed at least once a year. Impact caused by changes in the useful life is disclosed in the profit or loss statement in the period when the changes incurred and in next periods.

If the book value of a fixed asset exceeds the expected recoverable amount, which is the highest of the net realizable value and value in use of a fixed asset, then its book value is immediately reduced to the recoverable value, including the difference in the profit or loss statement.

Current maintenance and repair costs of tangible assets are recognized in the profit or loss statement period as incurred.

Profit or loss from disposal of fixed assets are determined by comparing income from sales with balance value of fixed assets and are included in the profit from operating activities.

The cost of fixed assets and construction in progress is recorded at historical cost. Initial cost includes construction costs and other direct costs. Construction in progress is not depreciated until the related assets are completed and commissioned for use.

Participation in group subsidiaries

Investments in subsidiaries (i.e., companies, in which the Company owns more than 50% of the share capital or which it controls otherwise) shall be accounted, using the cost method. After initial recognition the investments in subsidiaries shall be booked at their initial value, minus losses from value depreciation. If any events or change of circumstances shows that the balance value of the investments in subsidiaries could be unrecoverable, the value of the relevant investments in subsidiary shall be reviewed to determine their value depreciation.

Accounting of lease contracts

Lease transactions that essentially transfer all risks and rewards characteristic of property rights to the object to the lessor are classified as finance lease transactions. All other lease transactions are classified as operating lessee transactions.

(i) The company is a lessor

If the Company's assets are involved in the operating lease, income from operating lease is included in the profit or loss statement by linear method during lease period. The initial direct costs arising from the lease transaction are included in the book value of the leased asset and recognized in the profit or loss statement in the period, when income from the sales is recognized.

When the Company is a lessor under financial lease terms, it discloses the leased asset in the balance sheet as accounts receivable that is equal to the current value of lease payment. Revenue from lease is included in the profit or loss statement in the lease contract period applying a constant periodical interest rate for the balance of claims.

(ii) The company is a lessee

Payments made in accordance with the operating lease contract are included in the profit or loss statement by linear method over the period of lease.

Accounting policies (continued)

If the Company is a lessee under financial lease terms, in the balance sheet the Company includes fixed asset and liabilities at the lowest of the fixed asset's fair value at the beginning of the lease or current value of minimum lease payment. Each lease payment is divided in reduction of liabilities and financial payment that is calculated applying consistent interest rate to the remaining value of liabilities. Interest payments are recognized in the profit or loss statement during the period of lease. Leased fixed asset is amortized over the shortest of the lease terms or useful life.

Inventories

Inventories are valued at the lower of cost and net realisable value. Acquisition value is determined using the FIFO valuation method. Inventories are stated at cost on a first-in, first-out basis. Where the net realisable value of inventories is less than the purchase price, a provision is made to write them down to their net realisable value.

In accordance with the concluded construction contracts, during the construction project, the necessary supplies may be transferred to subcontractors for storage until they are used for their intended purpose.

Trade receivables

Receivables consist of amounts due within one year that are carried in the balance sheet net of any provision for bad debts or doubtful debts.

Provisions for doubtful debts are made when the Company's management believes that the collectability of the receivable is doubtful.

Provisions for trade receivables are calculated on the basis of information on the financial position and recoverability of specific debtors and an analysis of the age structure of the debts. Provisions are made for individual receivables where there is objective evidence that the recoverability of the receivable is doubtful. The general provision for bad debts is based on an analysis of the ageing of debts.

The following provisions rates were applied in the Company:

Accounts receivable (delay in days)	Not delayed	1 - 30	31 - 90	91 - 180	181 - 365	> 365
Rate of provisions, %	0.3	3	25	65	65	100

Pursuant to group policies, the bad debt provision rates are reviewed annually as estimate. Bad debts are written off, when their recovery is considered as impossible.

The accounts receivable item includes the amounts of performance bonds and guarantee deposits specified in construction contracts, in accordance with accounting and valuation methods.

Cash and cash equivalents

Cash and cash equivalents are bank account balances, cash in transit and bank deposits, the initial term of which do not exceed three months.

Loans

Loans are recognized at purchase value that is the fair value of the received compensation, deducting transaction costs that are directly attributable to receipt of a loan. In the next periods loans are evaluated at amortized purchase value, using effective interest rate method. Revenue or loss are recognized in the profit or loss statement as interest income or expenses when liabilities are excluded from the balance sheet, using amortization process. Part of loans, repayment term of which exceeds 12 months, is included in the long-term liabilities.

Accounting policies (continued)

Provisions

Provisions are made in cases when the Company, as a result of past events, has current legal liabilities or caused as a result of practice and it is expected that resources of economic value will be necessary to settle these liabilities and it possible to estimate the amount of these liabilities reliably.

In the balance sheet provisions are reflected, indicating as precisely as possible the amount of expenses, which is necessary to settle liabilities in the amount disclosed at the balance sheet date. Provisions are used only in relation to expenses for which they were initially created and they are reduced in case the possible outflow of resources cannot be estimated.

At the end of the reporting year, there provisions have been created for guarantee repairs, evaluating conditions of contracts concluded with clients and the respective projects. Provision is created as certain percentage from income of implemented projects for the guarantee period defined in the contract. The provision percentage is determined, based on the historical experience of the Company in similar projects and other available information.

Accrued liabilities

Accrued liabilities are clearly known amounts of settlement with suppliers and contractors for goods or services received in the reporting year, if a relevant payment document has not been received at the balance sheet date.

As of the end of the reporting year, the accrued expenses of unused vacations, accrued expenses for bonuses for performance results in the reporting year, termination benefits and other accrued expenses for which services have been received in the reporting year have been created. The accrued expenses for unused vacations are calculated by multiplying the number of unused vacation days of an employee with the average day salary of the employee. The accrued expenses for bonuses are created on the basis of the assessment of the Company's and individual goals completion in accordance with the bonus scheme implemented in the Company. The accrued expenses for termination benefits are created in accordance with termination rates determined by the trade union on the basis of the annual salary and time an employee has worked in the Company. The compulsory state social security contributions are added to the accrued expenses for unused vacations, bonuses and termination benefits.

Contingent liabilities and assets

Possible liabilities are not disclosed in the financial statements. Information on the possible liabilities is disclosed in the note, except for cases, when the probability of outflow of resources that include economic benefits is immaterial. Possible assets are not disclosed in the financial statements but information is disclosed in the notes, if inflow of economic benefits is probable.

Pension fund

The amount of payments to the pension fund, within prescribed limit, is chosen by each employee independently.

Payments to the pension fund are accounted as expenses in the period when the respective employee has provided the services stipulated in the employment contract.

The Company holds 1.85% of AS *Pirmais Slēgtais Pensiju Fonds* shares, however, the Company is only a formal shareholder. Investment in the share capital of the fund was written off as expenses as at the date of establishment, as risks and rewards related to the pension fund are related only to the participants of the pension plan – employees of the Company.

Corporate income tax

Pursuant to the Law "On Corporate Income Tax" of the Republic of Latvia the legal entities pay the corporate income tax for the distributed profit and the relevantly distributed profit. 20% tax rate from the gross amount or 20/80 of the net costs shall be applied to the distributed profit and relevantly distributed profit. The corporate income tax for the payment of dividends shall be booked in profit or loss calculation as costs in the reporting period, when the relevant dividends have been announced, whereas for other relevant profit items – at the moment of incurring of the costs within the framework of the reporting year.

Accounting policies (continued)

Revenue recognition

Revenue is recognized when goods are delivered and services are provided.

Revenue from sales of goods is recognized at the time of delivery, if material risks and rewards related to property rights are transferred to the buyer and the seller does not retain further management rights that usually are related to property rights, not real control over the goods sold.

Revenue for the services provided are recognized at the moment when services are provided, on the basis of time spent.

Interest income is recognized in the profit or loss statement applying the effective interest rate method.

Long-term contracts

A long-term contract is a specific contract on establishment of the object or set of assets. Set of assets are assets that are closely related or mutually dependent upon the project, technology and function, or due to their final purpose or use.

Long-term contracts are contracts specifying that works shall be commenced in one financial reporting period and completed in other, although the total term for completion may be less than 12 months.

If the result of a long-term contract can be reliably estimated, income and expenses related to such contract are recognized in the profit or loss account as income and expenses, considering the stage of completion of the contractual works in per cent at the balance sheet date. If the result of a long-term contract cannot be reliably estimated, income is recognized to the extent it is possible to recover the expenses related to the contract and a part of the expected profit is not recognized. Expenses related to contract are recognized when incurred. The stage of completion is assessed in per cent, on the basis of costs of work accomplished. Expected losses from the contract are recognized as expenses in the profit or loss account.

Dividends

Dividends are recognized in the financial statements in the period when the Company's shareholders general meeting confirms payment of dividends.

Events after the balance sheet date

Amounts recognized in the financial statements are adjusted considering events after the balance sheet date, which provide additional information about the Company that was true at the balance sheet date (adjusting events). Events after the balance sheet date that are not considered adjusting are reflected in the note of the financial statements, if they are significantly.

Comparative figures

In cases, when the classification of certain items of the financial statements is changed to provide a fairer view on the Company's financial state, the comparative figures of its operating results and cash flows are adjusted in accordance with the new classification.

In the 2025 financial statements, certain items were reclassified, resulting in a reclassification of the comparative figures for 2024:

Statement / item	Before reclassification	Reclassification	After reclassification
	EUR	EUR	EUR
Profit or loss statement*			
3. Material costs	3 027 161	15 825 395	18 852 556
6. Other operating costs	100 134 357	(15 825 395)	84 308 962
Balance sheet**			
13. Trade receivables	12 363 764	(1 222 718)	11 141 046
15. Other loans and other long-term receivables	-	1 222 718	1 222 718

*The reclassification was performed to ensure data comparability. Since 2024, the accounting of construction material costs has been separated from construction work costs, which were previously recorded under the item "Other operating costs".

Accounting policies (continued)

*** The amounts of withholdings and guarantees, the execution period of which is estimated to be longer than 12 months, have been reclassified to the item "Other loans and other long-term receivables".*

Application of assessments and more important assumptions

Upon preparing of the financial statements, the management, in accordance with Latvian Accounting Regulations, has to rely on certain estimates and assumptions related to recognition of assets, liabilities, revenues and expenses and contingent liabilities. Estimates are mainly related to recognition of revenues from long-term contracts, useful life of fixed assets, provisions for guarantee repairs, provisions for doubtful debts and obsolete stocks, as well as fixed assets impairment evaluation. Although these estimates are based on comprehensive management information on current events and activities, actual results may differ from these estimates.

Correction of errors

If a material error that occurred in a prior reporting year is corrected in the current reporting year, it shall be corrected as follows: (1) to the extent practicable, the effect of the error on the financial statement items of the relevant prior years and its cumulative effect shall be determined; (2) the balances of assets, equity, provisions or payables affected by the error in the balance sheet at the beginning of the reporting year shall be adjusted; (3) to the extent practicable, other comparative figures at the beginning of the reporting year shall be adjusted.

1. NET TURNOVER

	2025	2024
	EUR	EUR
Revenue from the provision of engineering systems and infrastructure construction services	112 799 894	111 365 465
Revenue from electronic communications network service and maintenance services	4 052 872	4 196 439
Revenue from the sale of materials	501 687	675 402
Total	117 354 453	116 237 306

2. OTHER OPERATING REVENUE

	2025	2024
	EUR	EUR
Other revenue	238 179	1 212 385
Gains from disposal of fixed assets	-	10 830
Total	238 179	1 223 215

3. MATERIAL COSTS

	2025	2024
	EUR	EUR
Costs of raw materials and auxiliary materials**	28 151 571	17 769 118
Other external costs**	1 425 994	1 083 438
Total	29 577 565	18 852 556

**Information on reclassification is disclosed in the notes to the financial statements.*

** Compared to the previous period, the costs of raw materials and auxiliary materials have increased significantly due to the increase in turnover in construction projects.

4. PERSONNEL COSTS

	2025	2024
	EUR	EUR
Wages	11 764 464	10 830 000
Compulsory state social insurance contributions	2 817 167	2 590 553
Pensions from the funds of the Company	14 567	13 657
Other social security costs	256 342	252 395
Total	14 852 540	13 686 605

incl. REMUNERATION TO THE MANAGEMENT

Remuneration of members of the Board	327 209	355 763
Compulsory state social insurance contributions	76 973	83 671
Total	404 182	439 434

NUMBER OF PERSONS EMPLOYED IN THE COMPANY

Average number of Board members during the reporting year	2	3
Average number of other employees during the reporting year	343	358

5. ADJUSTMENTS FOR REDUCTION IN VALUE OF CURRENT ASSETS

	2025	2024
	EUR	EUR
Decrease/(increase) in allowance for accounts receivable	564 629	(540 517)
Total	564 629	(540 517)

6. OTHER OPERATING COSTS

	2025	2024
	EUR	EUR
		<i>(reclassified*)</i>
Engineering systems, infrastructure construction services costs and material costs	54 923 447	72 436 089
Car lease, maintenance costs	1 742 992	1 494 163
Office and administrative expenses	1 564 288	1 055 017
Premises rental, maintenance and utilities	1 061 698	704 451
IT services costs	763 523	389 958
Other operating costs	551 412	519 858
Paid fines / late fees	476 894	17 683
Increase in provisions in connection with the restructuring of <i>Citrus Solutions GmbH</i> **	284 764	7 097 000
Network, equipment maintenance services costs and material costs	161 610	594 743
Total	61 530 628	84 308 962

*Information on reclassification is disclosed in the notes to the financial statements.

** Details of the increase in the provision in respect of Citrus Solutions GmbH are disclosed in notes 11 and 23 to the financial statements.

7. INTEREST INCOME AND EXPENSES

	2025	2024
	EUR	EUR
Other income from interest and similar income		
interest income	358 830	137 114
Total interest income	358 830	137 114
Interest payments and similar costs		
on loans	(22 041)	(26 867)
exchange rate fluctuations	(2 628)	(13 040)
losses on investments	2	1 760
Total interest costs	(24 667)	(38 147)

8. CORPORATE INCOME TAX

	2025	2024
	EUR	EUR
Corporate income tax:		
- reporting year	504 917	378 814
Total	504 917	378 814

As at 31 December 2025, the Company has available provisions of EUR 1 289 033 EUR, in respect of prior periods, which are attributable to future tax periods.

9. INTANGIBLE INVESTMENTS

	Other intangible investments EUR	Creation of intangible investments EUR	Total EUR
Acquisition value			
December 31, 2023	1 034 875	179 399	1 214 274
Acquired		138 189	138 189
Put into operation	104 145	(104 145)	-
Adjustment of provisions	-	(37 800)	(37 800)
2024. gada 31. decembrī	1 139 020	175 643	1 314 663
Acquired		616 289	616 289
Put into operation	668 786	(668 786)	-
Excluded in the reporting year	(180 172)	-	(180 172)
December 31, 2025	1 627 635	123 145	1 750 780
Depreciation			
December 31, 2023	(741 896)	-	(741 896)
Depreciation	(226 523)	-	(226 523)
December 31, 2024	(968 419)	-	(968 419)
Depreciation	(322 370)	-	(322 370)
Excluded in the reporting year	180 172	-	180 172
Adjustments	3 079	-	3 079
December 31, 2025	(1 107 538)	-	(1 107 538)
December 31, 2024	170 601	175 643	346 244
December 31, 2025	520 097	123 145	643 242

Capital investment in intangible investments in 2025 was EUR 616 289 EUR (in 2024: EUR 138 189).

10. FIXED ASSETS

	Buildings	Equipment and machinery	Other fixed assets and inventory	Fixed asset establishment and construction work in progress	Total
	EUR	EUR	EUR	EUR	EUR
Acquisition value					
December 31, 2023	58 262	69 012	2 511 384	91 689	2 730 347
Acquired				280 141	280 141
Put into operation	-	2 160	369 201	(371 361)	-
Excluded in the reporting year	-	(8 680)	(151 541)	-	(160 221)
December 31, 2024	58 262	62 492	2 729 044	469	2 850 267
Acquired				253 400	253 400
Put into operation	-	1 436	210 928	(212 364)	-
Excluded in the reporting year	-	(1 527)	(46 833)	-	(48 360)
Reclassified	-	13 200	(13 200)	-	-
Adjustments	-	-	-	2 166	2 166
December 31, 2025	58 262	75 601	2 879 939	43 671	3 057 472
Depreciation					
December 31, 2023	(20 764)	(68 560)	(2 100 591)	-	(2 189 915)
Depreciation	(7 826)	(947)	(181 379)	-	(190 152)
Excluded in the reporting year	-	8 680	151 541	-	160 221
December 31, 2024	(28 590)	(60 827)	(2 130 429)	-	(2 219 846)
Depreciation	(7 799)	(1 870)	(233 605)	-	(243 274)
Excluded in the reporting year	-	1 527	43 973	-	45 500
Adjustments	-	-	(4 042)	-	(4 042)
December 31, 2025	(36 389)	(61 170)	(2 324 103)	-	(2 421 662)
Remaining value					
December 31, 2024	29 672	1 665	598 615	469	630 421
December 31, 2025	21 873	14 431	555 836	43 671	635 811

Capital investment in fixed assets in 2025 amounts to EUR 253 400 EUR (in 2024: EUR 280 141). Company also uses fully depreciated intangible assets and fixed assets in its operations. The initial acquisition cost of these intangible investments and fixed assets as at December 31, 2025 is EUR 2 653 708 EUR (as at December 31, 2024: EUR 2 462 239 EUR).

11. PARTICIPATION IN SHARE CAPITAL OF RELATED COMPANIES

Investment value

Company	Participation %	31.12.2025. EUR	31.12.2024. EUR
<i>Citrus Solutions GmbH</i>	100	10 500 000	5 000 000
Impairment provision		(10 500 000)	(5 000 000)
Total		-	-

Financial information on subsidiary

Company	Address	Equity (not audited*)		Losses for the reporting year (not audited*)	
		31.12.2025 EUR	31.12.2024 EUR	2025 EUR	2024 EUR
<i>Citrus Solutions GmbH</i>	Schmidtstadt 5,92268, Etselwang	(639 647)	(5 125 933)	(1 013 385)	(7 326 119)

In 2018 a subsidiary was registered in Germany - Citrus Solutions GmbH. The company Citrus Solutions GmbH provides telecommunication construction services. In 2025, the subsidiary generated revenue of EUR 25,946 (EUR 13,919,442 in 2024) and incurred losses of EUR 1,013,385 (EUR 7,326,119 in 2024). The financial records are in accordance with the parent company's accounting policies.

* The amounts for equity and profit/loss of the reporting year are presented as "unaudited" as Citrus Solutions GmbH accounts for the Parent Group in accordance with International Financial Reporting Standards (IFRS), which are also generally in line with the legal requirements of the Republic of Latvia, but no separate annual report of the company is prepared. The 2025 annual report of Citrus Solutions GmbH is prepared and audited in accordance with the requirements of the German laws; At the time of publication of this report, it has not yet been released. Due to significant differences in accounting policies, this report uses the accounting data of the subsidiary in accordance with IFRS.

Based on a management decision made in 2024, work continued in 2025 to complete existing projects, with an overall reduction in operations in Germany. The company's share in the share capital of its subsidiary Citrus Solutions GmbH amounted to EUR 10.5 million at the end of 2025. In 2025, an additional EUR 284,764 was accrued for the expected tax payments of Citrus Solutions GmbH. Due to losses in the reporting year and previous periods, Citrus Solutions GmbH's equity has become negative. The company completed the projects it had started during the reporting year and did not start any new projects, nor does it plan to do so.

Provisions created to reduce the value of the investment in Citrus Solutions GmbH and to cover expected expenses:

	2025 EUR	2024 EUR
Provisions for impairment of long-term financial investments*	-	5 000 000
Provisions for liabilities and future losses of Citrus Solutions GmbH**	284 764	7 097 000
Total	284 764	12 097 000

* Provisions recognised in the Profit or loss statement under "Impairment allowances on long-term and short-term financial investments".

** Provisions are recognised in the Profit or loss statement under "Other operating costs" Note 6.

On May 28, 2025, Citrus Solutions invested EUR 4.0 million in the reserve capital of Citrus Solutions GmbH. On December 30, 2025, Citrus Solutions invested an additional EUR 1.5 million in the reserve capital of Citrus Solutions GmbH, which the company used to partially repay the loan received from SIA Citrus Solutions. Given that a decision has been made to terminate the operations of Citrus Solutions GmbH, the value of this investment has been reduced to EUR 0 using previously established provisions.

12. OTHER LOANS AND OTHER LONG-TERM PAYABLES

Contracts for construction work specify performance guarantees and warranty retention to cover claims

and warranty period obligations.

	December 31, 2025 EUR	December 31, 2024 EUR
Balance of guarantees at the beginning of the reporting year	5 803 359	3 120 768
Received guarantees withheld	(4 580 641)	(342 649)
Customer withheld guarantees	2 684 514	3 025 240
Balance of guarantees at the end of the reporting year	3 907 232	5 803 359

Breakdown of guarantees into short-term and long-term parts according to estimated execution time:

	EUR	EUR
Short-term part	2 177 521	4 580 641
Long-term part	1 729 711	1 222 718
Total	3 907 232	5 803 359

The short-term part is included in the balance sheet item "Trade receivables", see Note 14.

13. INVENTORIES

	December 31, 2025 EUR	December 31, 2024 EUR
Materials and consumables *	10 048 345	1 749 355
Provision for obsolete and slow-moving goods	(149 841)	(73 228)
Advance payments for inventories	122 226	58 795
Total inventories	10 020 730	1 734 922

* The most significant increase in the warehouse is attributable to the Latvian-Russian automated border surveillance infrastructure construction project – EUR 6,102,937 (EUR 0 as at December 31, 2024). In accordance with the construction contracts concluded, materials worth EUR 2,748,430 necessary for the construction of the project have been transferred to subcontractors (EUR 190,589 as at 31 December 2024).

Provision for obsolete inventories and slow-moving goods

	December 31, 2025 EUR	December 31, 2024 EUR
Provisions at the beginning of reporting year	73 228	73 903
Created/(reduced) provisions in the reporting year, net	76 613	(675)
Provisions at the end of reporting year	149 841	73 228

14. TRADE RECEIVABLES

	December 31, 2025 EUR	December 31, 2024 (reclassified*) EUR
Accounts receivable*	5 143 932	11 883 035
Provision for doubtful debts	(177 360)	(741 989)
Total trade receivables	4 966 572	11 141 046

*Information on reclassification is disclosed in the notes to the financial statements.

The item "Accounts receivable" includes the short-term part of performance bonds and warranty retention specified in construction contracts in the amount of EUR 2,177,521 (EUR 4,580,641 as at December 31, 2024). More detailed information is disclosed in Note 12.

Movement of provisions for doubtful and bad debts

	December 31, 2025 EUR	December 31, 2024 EUR
Provisions at the beginning of reporting year	741 989	201 472
Written off doubtful accounts receivable	-	-
Provisions for doubtful debtors (reduced) / created	(564 629)	540 517
Provisions at the end of reporting year	177 360	741 989

* Increase in provisions related to the Press House construction project.

15. OTHER RECEIVABLES

	December 31, 2025 EUR	December 31, 2024 EUR
Fixed-term deposit*	-	5 576 000
Overpaid taxes (Note 22)	1 201 133	511 471
Advanced payments to Latvian suppliers	110 879	279 713
Advanced payments to foreign suppliers	91 282	95 654
Settlements with employees	70 255	65 077
Total other receivables	1 473 549	6 527 915

* The fixed-term deposit was made in connection with one of the largest projects - the construction of the Liepāja Prison. Maturity date of the deposit - 18.03.2025.

16. ACCRUED REVENUE AND DEFERRED REVENUE

	December 31, 2025 EUR	December 31, 2024 EUR
Accrued revenue**	12 645 920	23 272 606
Total accrued income	12 645 920	23 272 606

* Accrued income for construction projects in progress is recognised based on the percentage of completion at the balance sheet date. The most significant revenue accruals for work performed in construction projects: construction of infrastructure on the Latvian-Belarusian border, construction of automated border surveillance infrastructure on the Latvian-Russian border, and construction, development, and equipping of the Data Centre; network design, construction and maintenance (in 2024: design, construction and equipping of the Latvian-Russian and Latvian-Belarusian borders; construction of the Liepāja prison building; network design, construction and maintenance), where the degree of completion of the work has not been reached to the extent that it can be handed over to the customer and invoiced accordingly.

The item "Deferred revenue" as at December 31, 2025 includes payments received for construction and design work that will be carried out in future periods and/or exceeds the project revenue recognized during the reporting year, based on the percentage of contract work completed as at the balance sheet date. At the end of the reporting year, deferred revenue amounted to EUR 454,540; at the end of 2024, it amounted to EUR 11,214,650, including EUR 9,841,882 for the construction of the Liepāja prison building.

17. CASH

	December 31, 2025 EUR	December 31, 2024 EUR
Cash in banks	14 338 448	8 395 247
Cash in Group accounts*	11 264 178	-
Total cash	25 602 626	8 395 247

*In accordance with the Group account agreement concluded between AS Swedbank and the companies of the TET Group, including SIA Citrus Solutions, as of 31.12.2025, Citrus Solutions funds in the amount of EUR 11,264,178 were held in a bank account linked to the Group account agreement (EUR 0 as of December 31, 2024).

18. LONG-TERM PAYABLES TO SUPPLIERS AND CONTRACTORS

Contracts for construction work specify performance guarantees and warranty retention to cover claims and warranty obligations

	December 31, 2025 EUR	December 31, 2024 EUR
Balance of guarantees at the beginning of the reporting year	3 229 723	913 482
Paid guarantees withheld	(3 567 666)	(317 004)
Guarantees withheld from suppliers	2 425 299	2 633 245
Balance of guarantees at the end of the reporting year	2 087 356	3 229 723

Breakdown of guarantees into short-term and long-term parts according to the estimated execution time:

	EUR	EUR
Short-term part	1 176 862	3 229 723
Long-term part	910 494	-
Total	2 087 356	3 229 723

The short-term part is included in the balance sheet item "Accounts payable to suppliers and contractors", see Note 21.

19. LOANS FROM CREDIT INSTITUTIONS

	December 31, 2025 EUR	December 31, 2024 EUR
Short-term loan from a bank	-	70 181
Short-term loan from a bank	-	70 181

In connection with the restructuring of external financing for OP Corporate Bank plc's branch in Latvia, on February 21, 2025, the Company entered into a credit line agreement with Citrus Solutions GmbH, setting a limit of EUR 10,000,000. The purpose and use of the loan is to finance current assets and economic activities.

The company has access to a loan of EUR 10 million, with EUR 0 drawn down as of 31 December 2025.

20. SHARE CAPITAL (FIXED CAPITAL)

At the end of the reporting year, Citrus Solutions' share capital amounted to EUR 11,070,999 and consisted of 11,070,999 shares with a nominal value of EUR 1 each. SIA Tet owns 100% of Citrus Solutions' share capital.

In 2025, dividends calculated in 2023 in the amount of EUR 2,800,000 (EUR 0.552 per share/share capital) were paid out. In 2025, extraordinary dividends in the amount of EUR 3,000,000 were calculated and paid out.

21. ACCOUNTS PAYABLE TO SUPPLIERS AND CONTRACTORS

	December 31, 2025 EUR	December 31, 2024 (reclassified*) EUR
Settlements with suppliers	6 908 076	8 531 000
Total payables to suppliers and contractors	6 908 076	8 531 000

*Information on reclassification is disclosed in the notes to the financial statements.

The item "Settlements with suppliers" includes the short-term part of the performance bond and warranty retention specified in construction contracts in the amount of EUR 1,176,862 (EUR 3,229,723 as at December 31, 2024) More detailed information is disclosed in Note 18.

22. TAXES AND STATE COMPULSORY SOCIAL INSURANCE PAYMENTS

a Tax payments in Latvia

	December 31, 2025 EUR	December 31, 2024 EUR
Corporate income tax	(479 718)	-
Value added tax	1 118 471	209 888
State compulsory social insurance payments	(260 684)	(215 703)
Resident income tax	(950)	67
Total liabilities	(741 352)	(215 703)
Total claims included under item "Other receivables"	1 118 471	209 955

b Taxes in Germany, Belgium

	December 31, 2025 EUR	December 31, 2024 EUR
Corporate income tax, Note 9	(2 273)	(377)
Value added tax in Belgium	23 954	272 427
Value added tax in Germany	(37 174)	(45 199)
Total liabilities	(39 447)	(45 576)
Total claims included under item "Other receivables"	23 954	272 427
	EUR	EUR
Total taxes (a), (b)	361 626	221 103
incl. – tax liabilities	(780 799)	(261 279)
- overpaid taxes	1 142 425	482 382

23. PROVISIONS and ACCRUED LIABILITIES

Provisions

	December 31, 2025 EUR	December 31, 2024 EUR
Provisions for liabilities and future losses of Citrus Solutions GmbH*	1 597 000	7 097 000
Provision for warranty repairs**	1 152 351	604 118
Provisions for Citrus Solutions GmbH tax liabilities*	284 764	-
Provisions for litigation	105 000	-
Provision for construction project liabilities	-	186 187
Provisions at end of the reporting year	3 139 115	7 887 305

* Information on the provisions made in respect of *Citrus Solutions GMBH* is disclosed in Note 11.

** Provisions for warranty repairs are expected to be utilised over the next 5 years.

Movement of provisions

	2025 EUR	2024 EUR
Provisions at the beginning of the reporting year:	7 887 305	370 345
Provisions for liabilities and future losses of Citrus Solutions GmbH	7 097 000	-
Provisions for warranty repairs	604 118	370 345
Provision for construction project liabilities	186 187	-
Provisions made during the reporting year:	937 997	7 516 960
Provisions for liabilities and future losses of Citrus Solutions GmbH	-	7 097 000
Provisions for warranty repairs	548 233	233 773
Provisions for Citrus Solutions GmbH tax liabilities	284 764	-
Provision for construction project liabilities	-	186 187
Provisions for litigation	105 000	-
Pārskata gadā izmantoti (samazināti) uzkrājumi:	(5 686 187)	-
Provisions for liabilities and future losses of Citrus Solutions GmbH	(5 500 000)	-
Provision for construction project liabilities	(186 187)	-
Provisions at the end of the reporting year:	3 139 115	7 887 305
Provisions for liabilities and future losses of Citrus Solutions GmbH	1 597 000	7 097 000
Provisions for warranty repairs	1 152 351	604 118
Provisions for Citrus Solutions GmbH tax liabilities	284 764	-
Provisions for litigation	105 000	-
Provision for construction project liabilities	-	186 187

Accrued liabilities

	December 31, 2025 EUR	December 31, 2024 EUR
Accrued premium costs for performance during the reporting year	1 890 306	1 668 884
Accrued unused leave costs	1 136 970	1 044 395
Accrued costs of engineering systems, infrastructure construction services	838 157	1 517 205
Accrued liability for tax payments	-	259 440
Accrued liabilities to related companies*	52 981	38 448
Total accrued liabilities	3 918 414	4 528 372

24. DEBTS OF AND TO RELATED COMPANIES

SIA Citrus Solutions is a 100% subsidiary of SIA Tet. SIA Citrus Solutions is a wholly owned subsidiary of Citrus Solutions GMBH.

Accounts receivable/payable balances

	December 31, 2025 EUR	December 31, 2024 EUR
Debts of related companies		
<i>Tet</i>	2 627 660	1 790 784
<i>Citrus Solutions GMBH</i>	9 327	144 101
Total debts of related companies	2 636 987	1 934 885
Creditor debts to related companies		
<i>Tet</i>	2 806 697	3 012 321
Total debts to related companies	2 806 697	3 012 321

During the reporting year, Citrus Solutions used a credit line from its parent company Tet, which is available until July 30, 2026, in the amount of EUR 5,000,000. At the end of the reporting year, the Company had not used the allocated credit line.

In connection with the restructuring of external financing from OP Corporate Bank plc's branch in Latvia, on February 21, 2025, the Company entered into a credit line agreement with Citrus Solutions GmbH, setting a limit of EUR 10,000,000. The purpose and use of the loan is to finance current assets and economic activities. Citrus Solutions GmbH did not use the credit line at the end of the 2025 reporting year.

Citrus Solutions' assets are not pledged as collateral for borrowings and available credit facilities.

25. INFORMATION ON ONGOING CONSTRUCTION CONTRACTS

	2025 EUR	2024 EUR
Recognized revenue*	36 757 417	83 243 494
Recognized expenses*	(30 167 092)	(66 903 158)
Total amount of advance payments received from clients	26 669 706	8 279 535

* The largest unfinished construction projects in 2025 are the construction of infrastructure on the Latvian-Belarusian border, the construction of automated border surveillance infrastructure on the Latvian-Russian border, and the construction of the Data Centre.

26. OFF-BALANCE SHEET LIABILITIES

Bank guarantees

According to the contracts concluded with AS "Swedbank", AS "SEB banka", AS "Luminor bank" and OP Corporate bank plc branch in Latvia and insurance companies on issuing guarantees, as at December 31, 2025, the Company had received guarantees in the amount of EUR 31 318 444 (as at December 31, 2024 – EUR 19 688 035), including Citrus Solutions GmbH in the amount of EUR 212 892. As at December 31, 2025 the Company has issued guarantees to the subsidiary Citrus Solutions GmbH in the amount of EUR 1 157 969 (as at December 31, 2024 – EUR 1 945 800).

Insurance policies

In accordance with agreements concluded with ERGO, AS SEB banka, Compensa Vienna Insurance Group ADB Latvian branch, Compensa and Balta for the issuance of guarantees, as of December 31, 2025, the Company had received guarantees in the amount of EUR 13,768,882, including a guarantee from Citrus Solutions GmbH in the amount of EUR 721,722.

Operating lease liabilities

The Company, as lessee, has entered into property lease agreements. Total annual lease payments in 2025 amounted to EUR 1,271,842 (2024: EUR 1,004,003). Total minimum lease payments under non-cancellable operating leases as at December 31, 2025:

	December 31, 2025 EUR	December 31, 2024 EUR
With a maturity within one year	13 310	168 347
With a maturity of more than one year but less than five years	-	15 457
Total	13 310	183 804

In March 2025, the 24-month period specified in the operating lease agreement for the operating lease of cars came to an end.

27. FINANCIAL RISK MANAGEMENT

Management of financial risks in relation to the Company's liquidity, currency and interest rate fluctuations and credit risk of the transaction partners in the *Tet* group companies is centralized.

Financing and liquidity risk

The Group's cash management policy aims to ensure that the Group companies have sufficient liquidity and are able to finance their activities without any funding constraints. In accordance with the Group's policy, the parent company *Tet* arranges the necessary funding for *Citrus Solutions*. During the reporting year, Citrus Solutions used a credit line from its parent company Tet, which is valid until July 30, 2026, and is available in the amount of EUR 5,000,000. At the end of the reporting year, the Company had not used the allocated credit line.

Currency risk

The group's policy is to limit the net currency fluctuation risk as to all known and expected transactions in foreign currency.

The euro is the dominant currency in the settlements with foreign business partners.

Cash in foreign currencies was accumulated for the limitation of currency exchange fluctuations regarding with anticipated transactions.

Interest rate risk

Given that Citrus Solutions' loan from its parent company has a variable interest rate set for a period of 3 months, the Company is exposed to the risk of interest rate fluctuations. Measures to limit the risk of interest rate fluctuations are implemented centrally within the Group, assessing the impact of interest rate risk on the Group's financial indicators. Interest payments on the credit line used are included in the profit or loss calculation for the reporting year. Although there was a slight decrease in Euribor interest rates worldwide in 2025, the Company's management is applying the principle of prudence in its forecasts for the coming years.

Credit risk

Financial instruments that potentially expose the Company to a certain level of credit risk concentration primarily represent accounts receivables and cash in bank. The Company's policy ensures that goods and services are sold to clients with appropriate credit history. Accounts receivables are shown in recoverable amount. According to the group's cash management policy, the Company's partners in derivative financial instruments and cash transactions are financial institutions with appropriate credit reputation. The parent company is strictly monitoring and limiting the credit risk that is allowed for the group companies with each separate financial institution.

28. EVENTS AFTER THE END OF REPORTING YEAR

During the period from the last day of the reporting year to the date of signing these financial statements, there have been no other events that would require adjustments to these financial statements or that would need to be explained in these financial statements.

On behalf of the Board

Chairman of the Board signature* Dāvis Eniks

Chief accountant signature* Aija Martinsone-Staģe

*THIS DOCUMENT HAS BEEN ELECTRONICALLY SIGNED WITH SECURE ELECTRONIC SIGNATURE AND CONTAINS
TIME STAMP