



JOINT STOCK COMPANY ECO BALTIA

UNAUDITED CONSOLIDATED INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2025

PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

RIGA, 2025



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GENERAL INFORMATION

GENERAL INFORMATION



Name of the Parent Company	Eco Baltia
Legal status of the Parent Company	Joint stock company
Registration number, place and date of the Parent Company	40103435432 Riga, 08 July 2011
Registered office of the Parent Company	Latgales iela 240-3, Riga, LV-1063, Latvia
Shareholders of the Parent Company	BSGF Salvus UAB, Gyneju g.14, Vilnius, Lithuania (52.81%) European Bank for Reconstruction and Development, Five Bank Street, London, E14 4BG (United Kingdom) (30.51%) Enrial Holdings SIA, Baltā iela 5, Bukulti, Garkalnes novads, LV-1024 (15.93%) PENVI INVESTMENT LTD, Spyrou Kyprianou, 82, Euro House, 1st floor, 4043, Limassol, Cyprus (0.75%)
Supervisory Board Members of the Parent Company	Vytautas Plunksnis – Chairman of the Supervisory Board Deimante Korsakaite – Deputy Chairperson of the Supervisory Board Jurgita Petrauskiene - Supervisory Board Member Gints Pucēns - Supervisory Board Member Atienza Guell Alberto - Supervisory Board Member Algimantas Markauskas - Supervisory Board Member
Management Board Members of the Parent Company	Māris Simanovičs - Chairman of the Management Board Santa Spūle - Management Board Member Sigita Namatēva - Management Board Member Saulius Budrevičius - Management Board Member
Reporting period	1 January 2025 - 31 March 2025



MISSION

Find value in each
and everything



Provides **full cycle**
of waste
management



>2600 employees



40 000 clients in Latvia
and abroad



25+ operational facilities
across Latvia, Lithuania,
Czech Republic and
Poland



MANAGEMENT REPORT

MANAGEMENT REPORT

The management of Eco Baltia AS (hereinafter referred to as the Group or the Parent Company) submits the management report on the consolidated unaudited interim financial statements of Eco Baltia AS Group (hereinafter referred to as the Group or the Group) for the period from 1 January 2025 to 31 March 2025.

Group business profile

Eco Baltia is the largest environmental resource management and recycling group in the Baltics, providing a full waste management cycle, starting with waste collection and sorting, continuing with the logistics and wholesale of secondary raw materials, and ending with the recycling of secondary raw materials, including PET and PE/PP plastics, as well as the production of PET fibre. Eco Baltia's business is strategically divided into two business segments - polyethylene terephthalate (PET) and plastics recycling and environmental management services.

The Group currently employs more than 2 600 people in Latvia, Lithuania, Poland and the Czech Republic. The main subsidiaries managed by the Group in Latvia are ITERUM AS, Nordic Plast SIA, Eco Baltia vide SIA, Latvijas Zaļais punkts SIA, JUMIS SIA, Sigulda, and Oil Recovery SIA. The Company also manages the Ecoservice Group in Lithuania, TESIL Fibres S.r.o. Czech Republic and Metal-Plast Sp.z.o.o in Poland.

Development and financial performance of the Group during the reporting period

In addition to the acquisitions completed in the previous year, the Group continued to evaluate new business areas and acquisitions during the reporting period to further strengthen the Group's position and market share both in Latvia and internationally, as well as to develop and expand the full waste cycle chain in the Group's overall service portfolio.

In this context, during the reporting period, the Competition Council (CC) adopted a decision to allow Eco Baltia vide SIA to acquire sole decisive influence over DAUGAVPILS SPECIALIZĒTAIS AUTOTRANSPORTA UZŅĒMUMS AS (DSATU AS). Further acquisition-related processes are currently underway and the transaction is expected to close in 2025.

At the same time, the Group's two largest environmental management companies, Eco Baltia vide SIA and Ecoservice UAB, continued to develop a number of strategic projects.

Their aim is to promote the growth of services in specialised areas such as the management of construction waste, textiles, PVC window and door frames and other types of waste. The first quarter also saw the continued active promotion of the Tocha brand service, strengthening its visibility and market position in Latvia.

In February, the Lithuanian company Ecoservice UAB officially opened the most modern and largest sorting centre for separately collected packaging in the Baltic region. The new plant, which has an investment of around €18 million, is equipped with state-of-the-art artificial intelligence solutions that can identify and sort 13 types of packaging, almost doubling sorting efficiency. The plant was built on the site of a previous factory which was destroyed by fire in August 2023.

During the reporting period, the Group's environmental management companies submitted bids in several public tenders for the provision of waste management services. Following the results of the open tender for municipal waste management in Mārupe Municipality, Eco Baltia vide SIA will continue to provide services in both management zones. The procurement period is seven years and the total contract amount is EUR 19 million (excluding VAT).

This year, Eco Baltia vide SIA continues its work on the promotion of textile sorting in Latvia within the framework of the LIFE integrated project "Waste to Resources in Latvia - Promoting Regional Sustainability and Circulation through the Implementation of the Waste to Resources Concept" (LIFE Waste To Resources IP, LIFE20 IPE/LV/000014). The LIFE project is also working to promote the re-cycling of electrical appliances by encouraging people to buy second-hand, refurbished appliances. In order to do this, during the reporting period the Company opened a specialised shop called "Lab!shop", where everyone can buy refurbished electrical appliances 30-50% cheaper than new ones.

In 2025, the Group's producer responsibility system operator Latvijas Zaļais punkts SIA, which operates waste management systems for packaging waste, electrical and electronic

MANAGEMENT REPORT

and environmentally hazardous goods, continued to provide services in accordance with the requirements of regulatory enactments and the agreements concluded with the State Environmental Service (SES). The activities of Latvijas Zaļais punkts SIA were organised in accordance with the management programmes for 2023-2025 approved by the State Environmental Service.

During the reporting period, Latvijas Zaļais punkts SIA continued to work on the implementation of the plan developed under the Producer Responsibility Scheme for tobacco products with filters and filters intended for use with tobacco products in Latvia. At the same time, within the EU project LIFE20 IPE/LV/000014 - LIFE Waste To Resources IP, Latvijas Zaļais punkts SIA is implementing activities to promote the recyclability of plastic packaging on the local market. In order to create synergies between packaging producers and recyclers, Latvijas Zaļais punkts SIA together with the plastic packaging recycling company Nordic Plast SIA are working on the establishment of a packaging testing laboratory in Latvia.

In 2025, a number of changes to the Natural Resources Tax Law came into force in Latvia, including the management of wet tissue, balloons and fishing nets from 1 January 2025. On this basis, at the end of 2024, the Group Company Latvijas Zaļais punkts SIA started concluding contracts with manufacturers and traders of wet wipes and balloons for the management of the respective waste in accordance with the requirements set by the country and for the customers to receive 100% exemption from the payment of the natural resources tax.

Changes in national legislation and related preparatory measures had a positive impact on the results of the Group's Environmental Management segment. This was mainly due to the changes introduced last year in the country regarding the recyclability of polymer materials.

Similar trends were also observed in the manufacturing sector. During the period under review, sales growth was positively influenced by the opening of the new PET bottle recycling plant ITERUM AS in October 2024. At the same time, the Group's recycling companies - ITERUM AS and Nordic Plast SIA - continued their efforts to increase recycling capacity and expand sales on international markets.

Continuing to develop responsible business principles, during the reporting period four Group companies received high scores in the Sustainability Index 2024 organised by the Institute for Corporate Sustainability and Responsibility. Eco Baltia vide SIA and ITERUM AS were awarded platinum status, while Nordic Plast SIA and JUMIS SIA, Sigulda, were awarded gold status. The Sustainability Index serves as an important monitoring mechanism that helps companies in Latvia to objectively assess their sustainability and corporate responsibility performance.

In addition, the Parent Company was also awarded in the field of stock exchange investor relations in the reporting period - it received the "Nasdaq Baltic Awards 2025" award (3rd place) in the Best Investor Relations in the First North Bond Market nomination, highlighting the Group's professional approach and openness in communication with investors.

Taking into account that the Group's companies operate according to circular economy principles and implement sustainable business practices in their daily operations, intensive work continued during the reporting period on the development and implementation of a unified ESG (Environmental, Social Responsibility and Governance) strategy both for the Company and its main subsidiaries.

At the same time, measures were taken to improve the internal working environment and occupational safety, reinforcing the LEAN approach in the corporate culture. Initiatives were also implemented to promote employee well-being, personal development and the development of new skills.

The Group closed the first quarter of 2025 with a net turnover of EUR 70,1 million, up 13% compared to the same period last year. The turnover was mainly driven by a solid and convincing performance in both the environmental management sector and recycling management sector with a focus on productivity, efficiency and automation.

The Group's pre-tax Q1 2025 loss was EUR (509) thousand, compared to EUR 671 thousand profit for the same period last year. Consolidated EBITDA in the first quarter of 2025 amounted to 8,3 million euro, a decrease of 8,5% compared to the first quarter of last year.

Future development of the Group

In 2025, Eco Baltia will continue its development in the following business segments: recycling of

MANAGEMENT REPORT

polyethylene terephthalate (PET) and plastics, environmental management services and the recently acquired PVC window and door profile recycling segment in Poland.

In line with the Group's strategic objectives, the main goals in 2025 will be to improve working conditions, support employees, ensure the highest level of occupational safety and improve ESG and sustainability.

Investments in recycling and waste and environmental management will continue in 2025 to support the continued growth, efficiency and competitiveness of the Group's businesses.

Events after the reporting date

Eco Baltia's environmental management company Eco Baltia vide SIA continues to expand its activities in the Kurzeme region - following the results of an open tender announced by the Ventspils Municipality, the company has been awarded the right to provide municipal waste management services in the territories of Ventspils Municipality for the next five years. The contract will come into force on 1 August 2025 and is worth a total of EUR 1.3 million (excluding VAT).

After the reporting period, changes were made in the composition of the Management Board of the Group company ITERUM AS. Liene Upeniece, an experienced financial and strategic management professional, joined the Board and took over the responsibilities of the former Board member and CFO Matiss Leitis. The change took effect on 6 May 2025. The ITERUM AS Board continues to be composed of the Chairperson of the Board, Julia Zandersone, and Board members Ekaterina Vasiljeva, Andris Abele and the new Board member Liene Upeniece.

The Group's financing bank extended the availability of financing arrangements maturing in May 2025 for one year and granted additional availability of financing in the amount of EUR 6 million in form of the creditline and the loan.

There have been no other events between the last day of the reporting year and the date of signing these consolidated financial statements that require adjustment or explanation in these consolidated financial statements.

STATEMENT OF MANAGEMENT RESPONSIBILITIES



The management of Eco Baltia AS confirms that the unaudited consolidated interim report has been prepared in accordance with the requirements of applicable law and gives a true and fair view of the financial position of the company as of 31 March 2025, and of the results of its operations and its cash flows for the period then ended.

The management report provides a clear summary of the business development and financial performance of Eco Baltia group. The unaudited consolidated interim financial statements have been prepared in accordance with the International Financial Standards as adopted by the European Union. At the time of preparation of the unaudited consolidated interim report, management:

- used and applied appropriate accounting policies;
- made reasonable and prudent judgements and estimates;
- applied the going concern basis except where the application of that basis would not be reasonable.

The management board is also responsible for maintaining appropriate accounting records that would provide a true and fair presentation of the financial position at a particular date and financial performance and cash flows and enable the management to prepare the financial statements according to the International Financial Standards as adopted by the European Union.



CONSOLIDATED FINANCIAL STATEMENTS

eco baltia

677 60 000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR	Note	01.01.2025- 31.03.2025 (Unaudited)	01.01.2024- 31.03.2024 (Unaudited)
Net turnover	1	70 133 057	61 942 072
Production cost of goods sold	2	(59 164 264)	(51 254 414)
Gross profit		10 968 793	10 687 658
Selling and distribution expenses		(2 183 618)	(1 545 656)
Administrative expenses		(6 649 764)	(5 583 285)
Other operating income		327 717	368 318
Other operating expenses		(429 418)	(497 065)
Finance income		653	2 326
Finance costs		(2 544 575)	(2 761 385)
Income/(Loss) from participation		269	-
Profit before tax		(509 943)	670 911
Corporate income tax		(87 211)	(185 102)
Deferred corporate income tax		203 566	(20 048)
PROFIT FOR THE REPORTING PERIOD		(393 588)	465 761
Total comprehensive income for the period after tax		(393 588)	465 761
Total comprehensive income attributable to:			
Majority interests		47 812	304 225
Non-controlling interests		(441 400)	161 536
Profit attributable to:			
Majority interests		47 812	304 225
Non-controlling interests		(441 400)	161 536

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



EUR	31.03.2025 (Unaudited)	31.12.2024 (Audited)
ASSETS		
Non-current investments		
Intangible investments		
Licences, trade marks and other intangible investments	2 922 431	3 103 104
Development costs	2 442 660	2 068 610
Goodwill	63 347 670	63 347 671
Total intangible investments	68 712 761	68 519 385
Property, plant and equipment		
Land, buildings and constructions	21 644 952	19 919 800
Right-of-use assets	59 768 756	59 813 613
Non-current investments in leased property, plant and equipment	4 532 736	4 606 594
Equipment and machinery	44 952 995	46 690 508
Other property, plant and equipment, and inventories	15 073 964	15 325 772
Construction in progress	8 670 125	8 707 785
Prepayments for property, plant and equipment	4 251 649	3 379 824
Total property, plant and equipment	158 895 177	158 443 896
Non-current financial investments		
Investments in associated companies	1 292 186	1 292 186
Other securities and investments	21 200	21 200
Prepaid expenses	477 609	408 508
Other non-current receivables	10 492 119	10 760 210
Total non-current financial assets	12 283 114	12 482 104
Total non-current investments	239 891 052	239 445 385
Current assets		
Inventories	12 261 639	16 114 033
Receivables		
Trade receivables	20 579 611	22 468 267
Other receivables	3 186 089	2 971 957
Prepaid expenses	1 709 144	997 898
Accrued income	11 160 468	10 318 097
Total receivables	36 635 312	36 756 219
Cash and cash equivalents	5 914 231	6 463 788
Total current assets	54 811 182	59 334 040
TOTAL ASSETS	294 702 234	298 779 425

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



EUR	Note	31.03.2025 (Unaudited)	31.12.2024 (Audited)
LIABILITIES			
Equity			
Share capital		35 005	35 005
Share premium		20 623 389	20 623 389
Consolidated reserves		19 926 630	19 926 630
Reserves for own stocks or shares		10 000 000	10 000 000
Translation reserves		265 954	284 188
Retained earnings brought forward		23 784 698	11 889 313
Profit for the reporting period		47 812	11 895 385
Equity attributable to the shareholders of the Parent Company		74 683 488	74 653 911
Non-controlling interests		11 259 013	11 581 412
Total equity		85 942 501	86 235 322
Liabilities			
Non-current liabilities			
Long-term debt securities - bonds	5	17 878 417	17 862 577
Loans from credit institutions	3	57 905 772	57 190 418
Lease liabilities	4	49 047 503	48 506 368
Deferred income		1 656 147	1 809 265
Other payables		10 329	199 544
Deferred income tax liability		629 713	660 172
Total non-current liabilities		127 127 881	126 228 344
Current liabilities			
Loans from credit institutions	3	23 284 962	22 178 791
Lease liabilities	4	7 897 280	7 965 757
Loans from related companies	3	581 096	568 480
Prepayments received from customers		772 990	882 419
Trade payables		28 529 343	35 725 040
Corporate income tax		16 515	52 201
Taxes payable		4 198 199	3 697 318
Other payables		6 542 703	5 789 114
Deferred income		436 343	484 382
Accrued liabilities		9 353 676	8 952 297
Unpaid dividends		18 745	19 960
Total current liabilities		81 631 852	86 315 760
Total liabilities		208 759 733	212 544 103
TOTAL EQUITY AND LIABILITIES		294 702 234	298 779 425

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR	01.01.2025- 31.03.2025 (Unaudited)	01.01.2024- 31.03.2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(509 943)	670 911
Adjustments for:		
Depreciation and amortization	6 297 299	5 670 103
Interest payments and similar expense	2 452 541	2 361 543
Interest (income) and similar (income)	(633)	(2 326)
(Gain)/loss on disposal of property, plant and equipment	(32 236)	30 228
(Profit)/loss from fluctuations of foreign currency rates	(43 096)	5 982
(Income) from external co-financing	(104 868)	(130 594)
Changes in provisions and allowances	(1 980 786)	(1 599 924)
Revenue from other securities and loans which formed long-term financial investments	-	243 864
Profit before adjustments for the effect of changes in current assets and current liabilities	6 078 278	7 249 787
Adjustments for:		
(Increase)/decrease in receivables	2 360 615	(1 677 539)
Increase/(decrease) in payables	(3 555 692)	(439 116)
(Increase)/decrease in inventories	3 935 606	2 297 413
CASH FLOWS FROM OPERATING ACTIVITIES	8 818 807	7 430 545
Interest paid	(1 978 776)	(1 913 669)
Corporate income tax paid	(87 321)	(32 269)
Net cash flows from operating activities	6 752 710	5 484 606
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible investments	(6 746 874)	(7 722 500)
Proceeds from sale of property, plant and equipment	118 684	(18 122)
Net cash flows used in the investing activities	(6 628 190)	(7 740 622)

CONSOLIDATED STATEMENT OF CASH FLOWS

continued

EUR	01.01.2025- 31.03.2025 (Unaudited)	01.01.2024- 31.03.2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Revenue from investment sold	270	-
Proceeds from borrowings	5 752 795	4 938 579
Repayment of borrowings	(3 818 421)	(2 516 007)
Repayment of the lease liabilities	(1 448 822)	(1 287 538)
Payments of obligations under finance leases	(1 168 525)	(1 175 275)
Subsidies, grants, gifts or donations	-	324 957
Net cash flows used in the financing activities	(682 703)	284 716
Result of fluctuations of foreign currency exchange rates	8 626	76 597
Net cash flow for the reporting period	(549 557)	(1 894 703)
Cash and cash equivalents at the beginning of the period	6 463 788	10 165 938
Cash and cash equivalents on the reporting date	5 914 231	8 271 235

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



EUR	Share capital	Consolidated reserves	Share premium	Reserves for own stocks or shares	Translation reserves	Retained earnings	Equity distributed to the shareholders of the Parent Company	Non-controlling interests	Total equity
Balance as at 31 December 2023									
(Audited)	35 005	19 926 630	20 623 389	-	346 039	21 889 313	62 820 376	12 884 516	75 704 892
Profit for the reporting period	-	-	-	-	-	11 895 385	11 895 385	(1 103 084)	10 792 301
Change of non-controlling interest	-	-	-	-	-	-	-	(200 020)	(200 020)
Reserves for own stocks or shares	-	-	-	10 000 000	-	(10 000 000)	-	-	-
Translation reserve	-	-	-	-	(61 851)	-	(61 851)	-	(61 851)
Balance as at 31 December 2024									
(Audited)	35 005	19 926 630	20 623 389	10 000 000	284 188	23 784 698	74 653 910	11 581 412	86 235 322
Profit for the reporting period	-	-	-	-	-	47 812	47 812	(441 400)	(393 588)
Change of non-controlling interest	-	-	-	-	-	-	-	119 001	119 001
Translation reserve	-	-	-	-	(18 234)	-	(18 234)	-	(18 234)
Balance as at 31 March 2025 (Unaudited)									
	35 005	19 926 630	20 623 389	10 000 000	265 954	23 832 510	74 683 488	11 259 013	85 942 501

Notes

1. Net turnover

EUR	01.01.2025- 31.03.2025 (Unaudited)	01.01.2024- 31.03.2024 (Unaudited)
Income from processing of recyclable materials	30 018 488	26 151 766
Income from waste management	36 894 476	29 923 744
Income from organisation of packaging management system	-	2 902 106
Income from sorting and sale of recyclables	3 101 620	2 745 539
Other income	118 473	218 917
Total	70 133 057	61 942 072

Income by geographical markets are distributed as follows:

EUR	01.01.2025- 31.03.2025 (Unaudited)	01.01.2024- 31.03.2024 (Unaudited)
Other Member States of the European Union	11 843 382	11 871 244
Republic of Latvia	21 644 793	17 807 153
Republic of Lithuania	24 064 666	20 994 665
Republic of Czechia	2 664 151	2 815 361
Republic of Poland	8 587 085	7 728 468
Union	1 328 980	725 181
Total	70 133 057	61 942 072

2. Production cost of goods sold

EUR	01.01.2025- 31.03.2025 (Unaudited)	01.01.2024- 31.03.2024 (Unaudited)
Raw materials and other material costs	21 952 216	17 034 102
Remuneration for work	10 902 957	9 895 148
Waste utilization costs	6 670 705	6 067 360
Depreciation of property, plant and equipment and intangible investments	5 669 432	5 133 008
Costs of outsourced services	4 698 489	3 969 499
Cost of production energy and other resources	2 568 953	2 607 006
Transport costs	2 459 119	2 591 494
State mandatory social insurance contributions	1 545 569	1 303 574
Professional services costs	201 385	1 134 004
Lease of industrial premises and related costs	379 106	453 652
Insurance costs	516 559	271 474
Other production costs	1 599 774	794 093
Total	59 164 264	51 254 414

Notes

3. Loans

EUR	31.03.2025 (Unaudited)	31.12.2024 (Audited)
Non-current loans		
Bank (non-current part, repayable within 2-5 years)	57 905 772	57 190 418
Total	57 905 772	57 190 418
Non-current loan current part		
Bank (non-current part, repayable within 1 year)	14 980 526	14 337 060
Bank (credit line)	8 222 126	7 582 151
Other loans	581 096	568 480
Total	23 783 748	22 487 691
Loan interest		
Bank	82 310	259 580
Total	82 310	259 580
Total current	23 866 058	22 747 271
Total loans	81 771 830	79 937 689

In accordance with bank loans, leasing and factoring contracts, financial covenants are set on the Group Consolidated level excluding newly established and acquired companies - Eco Recycling and its subsidiaries.

As at 31.12.2024 and 31.03.2025 covenants set at Group Consolidated level were met; Adjusted Equity ratio covenant is set for and can not be lower than 34% and 35% accordingly and Net Financial Debt to EBITDA not higher than 3.5.

In accordance with facility agreement between Metal-Plast sp.z o.o. and mBank S.A. financial covenants are set and calculated based on Metal-Plast sp.z o.o. financials.

Financial Leverage ratio (Net debt / Adjusted EBITDA) covenant is set for and can not be higher than 4,00 as at 31.12.2024 and 4,25 as at 31.03.2025. Debt Service Cover ratio (DSCR) covenant is set for and can not be higher than 1,05 as at 31.03.2025. Interest cover covenant is set for and can not be higher than 2,50 as at 31.03.2025. Financial covenants as at 31.12.2024 were met. As at 31.03.2025 financial leverage ratio and DSCR covenants were not achieved, and the Company is in a process of documentation with a bank.

Eco Recycling UAB an unsecured loan balance from the related party INVL Baltic Sea Growth Fund with fixed interest rate represents the loan received in 2023.

4. Lease obligations

Minimum future lease payments within the framework of the lease together with the current value of net minimum lease payments have been reflected as follows:

EUR	31.03.2025 (Unaudited)		31.12.2024 (Audited)	
	Minimum payments	Current value of payments	Minimum payments	Current value of payments
Within a year	8 439 477	7 897 280	8 560 209	7 965 757
In a year, but not longer than five years	22 427 231	21 878 360	23 811 113	23 212 369
Total minimum lease payments within five years	30 866 708	29 775 640	32 371 322	31 178 126
Financial costs	(1 091 068)	-	(1 193 196)	-
Current value of minimum lease payments within five years	29 775 640	29 775 640	31 178 126	31 178 126

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's Treasury function.

Notes

5. Long-term debt securities - bonds

EUR	31.03.2025 (Unaudited)	31.12.2024 (Audited)
Debt securities - bonds	18 000 000	18 000 000
Costs for attracting bonds	(121 583)	(137 423)
Total	17 878 417	17 862 577

Eco Baltia AS issued bonds in the amount of EUR 8 million on 17 February 2023. The bonds mature on 17 February 2026, with an option for the issuer to redeem them after two years. Eco Baltia AS issued bonds in the amount of EUR 10 million on 2 November 2023. The bonds mature on 2 November 2026, with an option for the issuer to redeem them after two years. The accrued interest on the issued bonds as of 31st of March 2025 amounts to EUR 450 722 and is included under 'Accrued liabilities'.

6. Financial risk management

In the ordinary course of business, the Group is exposed to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk.

Financial risk management activities are undertaken to support the underlying operating transactions of the Group. The Group companies do not undertake any high risk transactions that would increase exposure to currency or interest rate risks.

Foreign currency risk

Foreign currency risk is a risk of financial loss incurred by the Group companies due to adverse currency fluctuations. This risk arises when financial assets denominated in a foreign currency do not match with financial liabilities in the same currency, thereby leading to open currency positions. The Group has subsidiaries TESIL Fibres registered and operating in the Czech Republic and Metal-Plast registered and operating in the Poland, accordingly Assets and Liabilities included in Groups consolidation amounts to around 57 million EUR equivalent on stand alone basis.

Interest rate risk

The Group is primarily financed from shareholder's equity, operating cash flows and, to a limited extent, from borrowings. Interest rate risk is a risk of financial loss due to adverse interest rate fluctuations. The Group is exposed to interest rate risk mainly through its non-current and current loans from credit institutions and others and lease liabilities (see Notes 3 and 4) bearing interest at floating rates. As a result, the Group is exposed to a risk of higher interest expense, which may be caused by growing interest rates.

The Group companies Eco Baltia vide SIA, Ecoservice UAB, Nordic Plast SIA and ITERUM AS and Metal-Plast Sp.z o.o. have non-current loans from credit institutions bearing interest at a floating EURIBOR rate; therefore, these companies are exposed to interest rate risk, which are not hedged by means of interest rate swap contracts.

Credit risk

Credit risk is a risk of financial loss in the event of a counterparty's default on their obligations to the Group companies. Credit risk is mainly caused by cash at bank, trade receivables and issued non-current and current other loans.

Cash at bank

Credit risk related to cash at bank is managed by balancing the placement of financial assets in order to maintain the possibility of choosing the best offers and reduce the probability of financial losses. The Group companies evaluate credit ratings assigned to banks by international credit rating agencies and financial performance of banks on a regular basis.

Notes

6. Financial risk management - *continued*

Trade receivables

The Group companies have no significant concentration of credit risk with any single customer or group of customers having similar characteristics.

The Group controls its credit risk by continuously assessing the credit history of customers and setting permissible credit limits. The Group maximum permissible exposure to credit risk is defined to the extent of the balance sheet value of each debtor. The Group companies monitor overdue trade receivables on a regular basis. Balance sheet value of trade receivables is reduced by allowances made for doubtful and bad trade receivables. In addition Group uses factoring services.

Issued non-current and current loans

The Group controls its credit risk by continuously assessing the financial performance, sufficiency and quality of collateral and credit histories of borrowers. Balance sheet value of granted loans is reduced by allowance made for doubtful and bad loans and receivables.

Categories of financial instruments EUR	31.03.2025 (Unaudited)	31.12.2024 (Audited)
Financial assets		
Cash at bank and on hand at amortised cost	5 914 231	6 463 787
Other investments and securities at fair value	21 200	21 200
Loans and receivables carried at amortized cost value	45 252 509	46 089 870
Total financial assets	51 187 940	52 574 857
Financial liabilities		
Financial liabilities carried at amortized cost value	203 142 315	206 683 507
Total financial liabilities	203 142 315	206 683 507

Liquidity Risk

Liquidity risk is a risk that the Group companies will default on their full obligations. Liquidity risk arises if the maturities of financial assets and liabilities do not match. The goal of liquidity risk management by the Group is to maintain an adequate amount of cash and cash equivalents and arrange an adequate sufficiency of financing by using the financing granted by banks and others (see Note 3), thereby enabling the Group companies to meet their obligations as they fall due. The Group companies assess whether the maturities of financial assets and liabilities match on a regular basis and the stability of financing for non-current assets. For the purposes of liquidity management, operational cash flow forecasts are made after the actual results for the prior month. The Group's management believes that the Group companies will have sufficient funds available so that their liquidity position might not be negatively jeopardized.

Liquidity metrics	31.03.2025 (Unaudited)	31.12.2024 (Audited)
Current assets less current liabilities, EUR	(26 820 671)	(26 981 719)
Current ratio	0,67	0,69

Notes

6. Financial risk management - *continued*

The following table demonstrates undiscounted contractual maturities of financial liabilities:

31.12.2024 (Audited)	Carrying amount	Total contractual cash flows	3 months or less	From 3 to 12 months	From 1 to 5 years	More than 5 years
EUR						
Non-derivative financial liabilities						
Trade and other payables	52 797 043	52 797 043	44 742 300	6 048 775	2 005 969	-
Long-term debt securities - bonds	18 000 000	20 760 000	320 000	1 220 000	19 220 000	-
Lease liabilities	56 472 124	57 805 255	2 128 066	6 453 635	23 929 556	25 293 999
Borrowings	79 369 209	86 708 071	5 404 973	15 393 125	65 909 973	-
Total non-derivative financial liabilities	206 638 376	218 070 370	52 595 338	29 115 535	111 065 498	25 293 999
Total financial liabilities	206 638 376	218 070 370	52 595 338	29 115 535	111 065 498	25 293 999
31.03.2025 (Unaudited)	Carrying amount	Total contractual cash flows	3 months or less	From 3 to 12 months	From 1 to 5 years	More than 5 years
EUR						
Non-derivative financial liabilities						
Trade and other payables	47 320 025	47 320 025	35 349 265	10 289 243	1 681 517	-
Long-term debt securities - bonds	18 000 000	20 440 000	450 000	9 090 000	10 900 000	-
Lease liabilities	56 944 783	58 035 851	2 284 069	6 155 408	22 427 232	27 169 142
Borrowings	81 190 734	81 606 152	4 754 872	15 816 061	61 035 219	-
Total non-derivative financial liabilities	203 455 542	207 402 028	42 838 205	41 350 714	96 043 968	27 169 142
Total financial liabilities	203 455 542	207 402 028	42 838 205	41 350 714	96 043 968	27 169 142

Fair value

Based on the Group's management's assessment, the carrying amounts of financial assets and liabilities approximated to their fair value as at 31 March 2025 and 31 December 2024.

Notes

7. Financial indicators

There are restrictions in the "**Terms and Conditions**" for the Unsecured Fixed Rate bonds issued (ISIN LV0000860120 and LV0000860138).

The Issuer undertakes to comply with the following financial covenants from the issue Date and for as long as any Notes are outstanding:

Equity Ratio - the Issuer ensures that Equity Ratio of the Issuer at all times is 30 (thirty) per cent or greater. Equity Ratio is tested each quarter.

Net Debt to Adjusted EBITDA Ratio – the Issuer ensures that Net Debt to Adjusted EBITDA Ratio at all times is 4 (four) or lower.

Financial indicator	As at 31.03.2025
Equity ratio	37,24%
Net debt to Adjusted EBITDA ratio	2,79

Financial indicators are calculated based on consolidated AS Eco Baltia financial results.



eco baltia

FIND VALUE IN EACH AND EVERY THING



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SIMANOVIČS**
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CHAIRMAN OF
THE MANAGEMENT
BOARD



SANTA SPŪLE
ECO BALTIA
MANAGEMENT
BOARD MEMBER,
CFO



SIGITA NAMATĒVA
ECO BALTIA
MANAGEMENT
BOARD MEMBER,
CLO



**SAULIUS
BUDREVIČIUS**
ECO BALTIA
MANAGEMENT
BOARD MEMBER